



20 Annual
25 Report

Creating the future
in peptides

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Management Report

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Editorial



Peter Wilden, Chair of the Board of Directors, and Juan Jose Gonzalez, CEO

Delivering results, building for long-term growth

Strong revenue growth and a marked improvement in profitability made 2025 a year of sustained progress and positive momentum for PolyPeptide. We delivered a robust financial performance, further improved our position in the fast-growing metabolic therapeutics market, and continued to strengthen our industrial-scale capabilities. At the same time, we advanced our multi-site expansion strategy, reinforcing our global footprint with a view to capturing long-term market opportunities. Overall, these results reflect PolyPeptide's disciplined execution and continued progress against our strategic priorities.

2025 Performance Highlights

As we reflect on 2025, several key achievements stand out:

- **Strong revenue growth:** PolyPeptide generated EUR 389.3 million in revenue, representing an increase of 15.6% versus 2024, or 16.0% at constant currency rates. Metabolics was a key growth driver, increasing its revenue share to 57% (2024: 40%). Commercial revenue rose to 61% of total revenue, supported by a 19.6% CAGR since 2021.
- **Improved profitability and strong cash flow:** EBITDA increased to EUR 46.8 million, with the margin strengthening to 12.0% (2024: 7.5%). The improvement was mainly driven by higher production volumes, operational efficiencies, and the successful ramp-up of the large-scale SPPS capacity in Braine-l'Alleud (Belgium). Higher profitability, complemented by customer-prepayments, delivered a strong operating cash flow.
- **Capital expenditures (capex) on track:** Key milestones included the full ramp-up of the large-scale SPPS capacity in Braine-l'Alleud (Belgium), that reached its target utilization rate, continued progress on expansion projects in Strasbourg (France) and Ambernath (India), and the ongoing modular expansion in Malmö (Sweden) to double SPPS capacity, supporting the Group's mid-term growth ambitions.

Executing Our Strategy in a Dynamic Market

We believe that peptides continue to represent one of the most attractive markets for CDMOs. Third-party data projects the global peptide therapeutics market to grow at approximately 15% CAGR from 2024 to 2031, led by metabolics as the largest and fastest-expanding segment. Growth is expected to accelerate further due to rising obesity-related co-morbidities, such as cardiovascular disease, chronic kidney disease, and MASH.

Since 2021, PolyPeptide has strengthened its position in the field of metabolic therapeutics, with related revenue having more than tripled. Further growth momentum is supported by a rich project pipeline across multiple therapeutic areas

and a diversified customer base. PolyPeptide’s pipeline, efficient and sustainable technologies, and global multi-site network form key pillars enabling us to support our customers throughout the entire product lifecycle.

In 2025, we continued to pursue our capacity expansion strategy to strengthen our global industrial network. These expansions are carried out in close collaboration with customers and reflect the trust they place in our long-term capabilities. Between 2023 and 2025, customer prepayments generated a cumulative net inflow of approximately EUR 156 million, materially contributing to capital expenditure programs.

Innovation remained central to our competitive advantages throughout 2025. Our focus on green chemistry, process intensification, automation, and industrial-scale optimization aims to increase throughput, enhance sustainability, and accelerate development timelines. Our modular manufacturing concept enables rapid and flexible deployment of capacity while maintaining operational continuity and stringent GMP standards.

Throughout the year, we also strengthened our supply chain resilience through long-term collaborations, reinforcing the robustness of our global network as we prepare for continued growth and rising customer demand.

2026 Guidance and Mid-term Outlook

The progress achieved in 2025 demonstrates PolyPeptide’s ability to deliver on its commitments while strengthening its financial and operational foundation. For 2026, we expect continued revenue growth of 20–25% versus 2025 (at constant currency rates) and an EBITDA margin in the mid- to high-teens. Capital expenditures are expected to be in line with the Group’s mid-term outlook of 15–20% of revenue.

Looking further ahead, PolyPeptide remains well positioned to meet its mid-term outlook to double 2023 revenue reported by 2028, and achieve an EBITDA margin approaching 25% by 2028, with average capital expenditures at 15–20% of revenue to ensure capacity beyond 2028.

On behalf of the Board of Directors and the entire management team, we would like to thank our shareholders and customers for their continued support and confidence. Most importantly, we thank our employees for their commitment, professionalism, and contribution to PolyPeptide’s success. As we look ahead, we are excited about the opportunities before us and remain focused on delivering sustainable long-term value.

Baar, 10 March 2026

Sincerely,



Peter Wilden
Chair of the Board of Directors



Juan Jose Gonzalez
Chief Executive Officer

Key figures¹

kEUR	2025	2024	Change
Revenue	389,327	336,792	15.6%
EBITDA	46,755	25,350	84.4%
EBITDA in % of revenue	12.0%	7.5%	4.5 pts
Operating result (EBIT)	8,689	-7,364	218.0%
Operating result (EBIT) in % of revenue	2.2%	-2.2%	4.4 pts
Result for the year	-21,169	-19,564	-8.2%
Result for the year in % of revenue	-5.4%	-5.8%	0.4 pts
Earnings per share (EUR), basic	-0.64	-0.59	-8.2%
Return on net operating assets (RONOA)	1.6%	-1.6%	3.3 pts
Cash and cash equivalents (end of year)	74,589	68,277	9.2%
Net cash flow from operating activities	77,510	89,399	-13.3%
Capital expenditures	109,978	87,839	25.2%
Capital expenditures in % of revenue	28.2%	26.1%	2.2 pts
Total assets (end of year)	825,959	756,574	9.2%
Equity ratio (end of year)	41.2%	47.2%	-6.0 pts
Employees (# of FTEs, average)	1,395	1,291	8.1%

¹ This table and report include references to operational indicators and alternative financial performance measures (APM) that are not defined or specified by IFRS. These APM should be regarded as complementary information to and not as substitutes for the Group's consolidated financial results based on IFRS. For the definitions of the main operational indicators and APM used, including related abbreviations, as well as for selected reconciliations to IFRS, please refer to the section "Definitions and reconciliations" of this report.



PolyPeptide in brief

PolyPeptide is a specialized Contract Development & Manufacturing Organization (CDMO) for peptide-based active pharmaceutical ingredients (API).

By supporting its customers mainly in pharma and biotech, it contributes to the health of millions of patients across the world.

PolyPeptide serves a fast-growing market, offering products and services from pre-clinical through to commercial stages. Its broad portfolio reflects the opportunities in drug therapies across areas and with a large exposure to metabolic diseases, including GLP-1.

Dating back to 1952, PolyPeptide today runs a global manufacturing network in Europe, the U.S. and India.

PolyPeptide's shares are listed on SIX Swiss Exchange (SIX: PPGN).

Multi-site network

6

cGMP-certified manufacturing sites

Over

70

years of experience in API manufacturing

Manufacture of around

1/3

of all commercial peptides

PolyPeptide's **VISION** is to be the most innovative peptide CDMO by shaping the future of peptide drug manufacturing and contributing to the health of millions of patients across the world.

The Group's **MISSION** is to help customers develop products, secure regulatory approvals, and successfully launch and commercialize their products by securing current Good Manufacturing Practices (cGMP)-compliant manufacturing practices with efficient and sustainable technologies. Focusing on peptides, the Group supports customers from early development through commercial scale.

PolyPeptide is subject to comprehensive regulations, including cGMP, to assure the quality of its services and products.

Customers expect PolyPeptide to have deep scientific knowledge, technical expertise, and operational experience, demonstrating a relentless focus on quality and high delivery performance.

Building on its **VALUES**, PolyPeptide aims to be the preferred long-term partner for its customers throughout the entire drug life cycle.



INNOVATION

We are curious and explore new ways.
We are ambitious and find solutions.

EXCELLENCE

We have in-depth technical knowledge and deliver results.
We deliver quality in everything we do and lead by example.



TRUST

We believe in teamwork and collaboration.
We are transparent and we accept responsibility.



Strategy

Company profile

PolyPeptide is a focused contract development and manufacturing organization (CDMO) specializing in the development and manufacturing of synthetic peptides used as active pharmaceutical ingredients (APIs) or intermediates in therapeutic products. It serves a diversified customer base of around 250 academic, pharmaceutical, and biotech companies around the world. It also produces a range of generic peptides and peptides used in animal health and medical devices.

With a history of over 70 years and a strong manufacturing track record with over 1,000 distinct therapeutic peptides manufactured for customers, the Group has developed into a full-service drug substance provider with differentiated technologies and capabilities to support complex and innovative drug development projects.

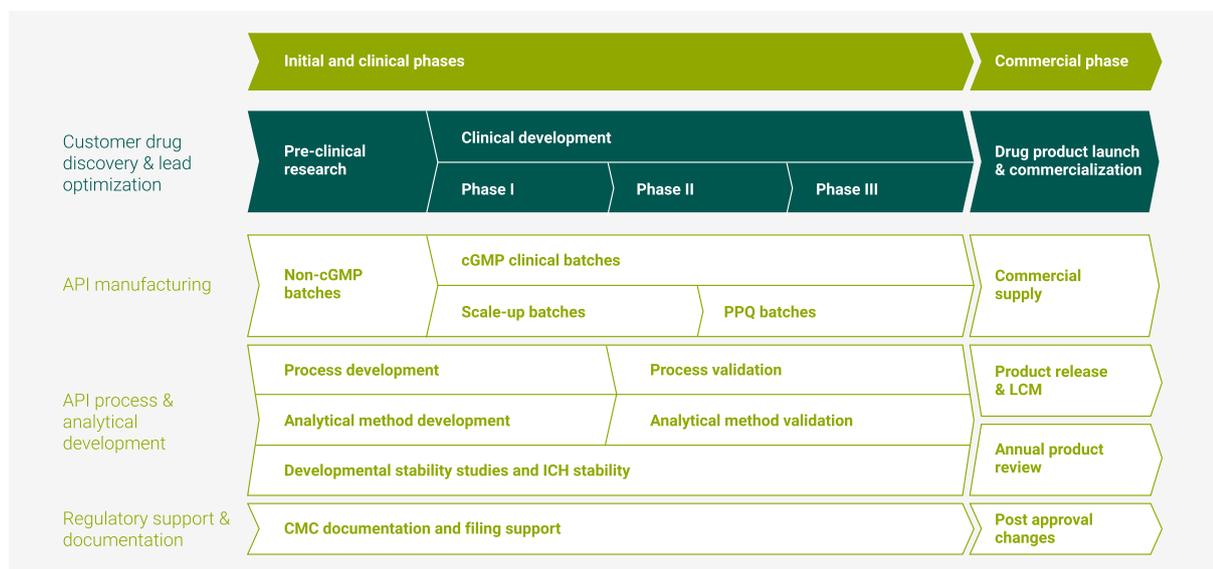
As a CDMO, PolyPeptide is subject to comprehensive regulations, including current Good Manufacturing Practices (cGMP), to assure quality and to ensure the safety of patients. The Group runs a global network of six clinical development and commercial manufacturing sites in Europe, the United States of America, and India, with each of the sites subject to regular inspections by regulatory agencies and audits by its customers. All sites are cGMP certified, demonstrating suitable processes, methods, facilities, and controls.

Beyond the rigorous regulatory environment, PolyPeptide’s market is characterized by distinct structural factors that create high barriers to entry and high switching costs for customers. These factors include the specialized technical expertise and knowledge required to meet customer specifications in relation to quality, reliability and security of supply, the high capital intensity of manufacturing, and the importance of an established track record.

Business model

PolyPeptide provides its offering through its manufacturing sites and with a “start here – stay here” philosophy, covering the entire life cycle of a drug, starting with the customer’s pre-clinical drug development projects, followed by clinical phases through to commercialization. As a result, its customer relationships are typically strategic and long-term by nature.

PolyPeptide’s business model



API – Active Pharmaceutical Ingredient; CMC – Chemistry, Manufacturing & Controls; cGMP – current Good Manufacturing Practice; ICH – International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use; LCM – Life Cycle Management; NDA – New Drug Application; PPQ – Process Performance Qualification.

Activities include process and analytical method development and stability studies as well as the production of APIs and intermediates. In addition, the Group provides its customers with regulatory documentation and support.

Revenue related to drug development projects results from the Group’s active custom projects pipeline and includes the manufacturing of non-cGMP material for pre-clinical studies and cGMP material for clinical phases. Once a drug has

received regulatory approval, PolyPeptide recognizes related sales as commercial revenue. Most of PolyPeptide's commercial revenue originates from projects that were acquired through development programs, which later secured regulatory approvals.

PolyPeptide maintains a holistic quality system to ensure compliance with cGMP and adherence to applicable guidelines, including those from the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH).

Market

According to GlobalData drug database, accessed in February 2026, the global peptide therapeutics market has been valued at approximately USD 68 billion in 2024 and is projected to reach approximately USD 175 billion by 2031 with a compound annual growth rate (CAGR) of around 15% from 2024 to 2031.

PolyPeptide believes that one of the main growth drivers is the increasing demand for peptide-based therapies for metabolic disorders, in particular for the treatment of diabetes, obesity, and other co-morbidities. Based on a third-party market report from August 2024, obesity and type 2 diabetes mellitus (T2DM) present major global health challenges, with an increasing prevalence worldwide. GLP-1 receptor agonists are an established therapeutic option, which is evolving towards offering various formulations differing in efficacy, dosing and routes of administration. The future of incretin-based therapies is observed to move towards novel agents which are dual or triple hormonal agonists. Next to metabolic disorders, the advancement of hundreds of pre-clinical and clinical development projects in other therapeutic areas, including oncology, central nervous system, infectious disease, cardiovascular, gastrointestinal, and immunology, is expected to further complement the growth.

PolyPeptide observed that the global drug development landscape remains focused on synthetic peptides with complex molecular structures, including longer sequences, chemical modifications, and the incorporation of non-natural amino acids, alongside novel formulation technologies such as oral peptides. PolyPeptide believes that its specialized CDMO capabilities remain relevant in customer outsourcing considerations, including in the context of more regionalized supply chain strategies in the current macro-economic environment.

According to the GlobalData drug database, accessed in February 2026, approximately 800 peptide drug projects (synthetic and recombinant) were in development, of which approximately 300 were in clinical development, with over 80 in phase III and pre-registration. GlobalData has recorded over 250 planned, ongoing and completed Phase III clinical trials involving peptides in 2025, which PolyPeptide believes underscores their versatility and broad applicability across multiple indications. Based on third-party market reports, over 100 peptide-based therapies were approved by the US Food and Drug Administration (FDA) as at the end of 2025.

The addressable market for PolyPeptide is the outsourced market for synthetically manufactured peptide-based APIs and intermediates. It was estimated by PolyPeptide, based on public company reports from the financial year 2024, to be valued around USD 2.5 billion in 2024. Out of the approximately 800 peptide drug projects in development, above 80% are estimated to be synthetically manufactured.

Strategy

Vision, mission, values

PolyPeptide's vision is to be the most innovative peptide CDMO by shaping the future of peptide drug manufacturing and contributing to the health of millions of patients across the world.

The Group's mission is to help customers develop products, secure regulatory approvals, and successfully launch and commercialize their products by combining cGMP-compliant manufacturing practices with efficient and sustainable technologies. Focusing on peptides, the Group supports customers from early development through commercial scale.

Building on its values of "Innovation", "Excellence" and "Trust", PolyPeptide aims to be the preferred long-term partner for its customers throughout the entire drug life cycle.

Customers expect their CDMO to have deep scientific knowledge, technical expertise, and operational experience, demonstrating a relentless focus on quality and high delivery performance. PolyPeptide strives to meet and exceed these expectations.

Strategy update

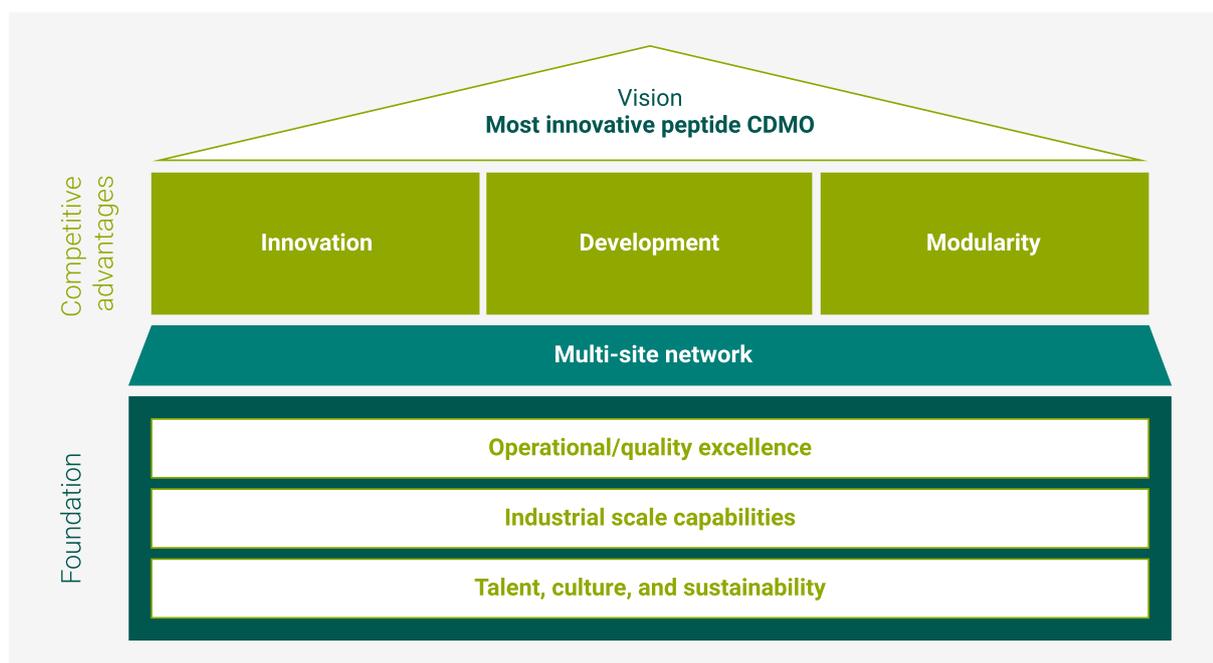
In 2025, PolyPeptide focused on advancing the execution of its growth strategy.

Building on its multi-site network, PolyPeptide’s strategy aims at strengthening both its foundations and competitive advantages:

1. The foundation consists of operational and quality excellence, industrial-scale capabilities, talent and working culture with a commitment to meeting the Group’s corporate responsibilities and sustainability objectives.
2. The competitive advantages center around innovation, with a focus on green chemistry, process intensification and process design, superior pipeline development capabilities, and rapid and flexible capacity expansion that leverages the potential for modularity.

By executing its strategy, PolyPeptide seeks to offer its customers a distinctive value proposition that further differentiates it from competition and that offers a platform that enables its customers to advance complex peptide molecules toward becoming medicines reaching patients worldwide.

PolyPeptide’s strategy



To execute its strategy, the Group remains committed to continually strengthening its core foundations:

Operational and quality excellence: PolyPeptide strives to meet customer requirements in terms of quality, quantity, and time. The design of operational and quality processes is key to reducing technical and business risks while meeting performance standards. PolyPeptide’s operational and quality excellence programs focus on optimizing production planning and execution, enhancing technical proficiency, and sharing best practices across the manufacturing network. Execution requires a continuous improvement mindset to achieve increased efficiency and capacity utilization.

Industrial scale capabilities: Given the strong demand and expected peptide therapeutics market growth, the industry needs to evolve its capabilities to satisfy large-scale manufacturing requirements. To support industrial-scale production, PolyPeptide employs proprietary technology and integrated engineering (including improved process controls and enhanced automation) to drive productivity, safety, and sustainability. In 2025, PolyPeptide broadened its sourcing options for key materials. In addition to its long-term partnership with Flamma, it established a more robust and flexible supply chain for peptide manufacturing via its strategic alliance with Lupin Manufacturing Solutions (LPM). Furthermore, to ensure a seamless transition between drug substance (DS) and drug product (DP) in the US, PolyPeptide entered into a collaboration agreement with Lifecore. The collaboration will leverage PolyPeptide’s strong capabilities in peptide manufacturing and development in combination with Lifecore’s expertise in formulation, fill/finish, and packaging in the US.

Talent, culture, and sustainability: As a CDMO focused on the development and manufacturing of synthetic peptides, PolyPeptide operates in a specialized field employing a highly educated workforce. By the end of 2025, 64% of its employees held academic degrees and 7% held PhDs in various relevant fields, including in chemistry and engineering. The talent agenda has been further focused on enhancing the organization with industrial-scale manufacturing and supply chain capabilities, while strengthening competences for strategic growth readiness. Furthermore, the Group

adheres to fundamental principles of business ethics, corporate responsibility, and compliance and integrates relevant criteria into its strategy and operations to cultivate sustainable value creation over the long term.

Building on these core foundations, PolyPeptide aims to achieve excellence through its competitive advantages:

Innovation: PolyPeptide is focused on innovative manufacturing technologies, while improving environmental sustainability. The importance of PolyPeptide's green chemistry agenda is further fueled by the growing volume of products and the increasing complexity of their structures. In particular, PolyPeptide's green chemistry agenda focuses on solvent reduction, green solvents and reagents, and solvent recycling. In parallel, PolyPeptide focuses on process intensification to enhance production efficiency by optimizing speed, reaction throughput, and yield. One exemplary application includes the development of a high-capacity SPPS resin enabling optimized volumetric capacity. PolyPeptide further concentrates on the development of process design standards and flexible technology platforms to enable a high-throughput modular manufacturing approach.

Development: PolyPeptide strives to offer customers superior manufacturing processes and analytical methods, grounded on a partner focused approach from early-stage to late-stage development. With more than 70 years of manufacturing experience, PolyPeptide's regarded development capabilities stem from its (i) agile mindset, attentive to evolving customer needs, (ii) customer proximity and high responsiveness via its multi-site network, and (iii) ability to build long-term trusted relationships. These strengths are reflected in PolyPeptide's rich pipeline of 196 active custom projects across therapeutic areas, including an exposure to metabolic of approximately 20% of the active custom projects pipeline.

Modularity: Through a standardized, modular approach, PolyPeptide aims to accelerate implementation, enhance adaptability, maximize output, and reduce risks. This approach is expected to enable (i) rapid deployment of manufacturing capacity, shortening time-to-market through standardized modules, (ii) flexibility to adjust capacity according to demand, (iii) increased process throughput by applying optimal process design and, lastly, (iv) mitigated risks during implementation and qualification by relying on a consistent, standardized design.

PolyPeptide is implementing its growth strategy across its global network of six cGMP- certified manufacturing sites in Europe, the United States of America, and India. As part of its strategy, PolyPeptide is advancing its capacity expansion roadmap with targeted capex investments. By the end of 2025, it achieved the ramp-up of its new large-scale facility in Braine-l'Alleud, Belgium, to its target utilization rate. In addition, the Group marked a significant milestone on its SPPS capacity expansion project in Malmö, Sweden, with the delivery and installation of pre-built modules on site, which are now undergoing mechanical completion. The newly added SPPS capacity at the site in Strasbourg, France, has become operational and is expected to ramp up production throughout 2026. PolyPeptide also announced an investment at the Ambarnath, India, facility, planned to increase production capacity transforming into a larger, more diversified site. Lastly, In Torrance, plans were made in late 2025 to expand downstream capacity.

The Group maintains a Global Balanced Scorecard to support the implementation of its strategy and operational plans. In addition to the financial targets for a given period, the scorecard includes sustainability performance objectives.

For more details, refer to the [Sustainability Report](#) and the [Remuneration Report](#). For the review of the financial and operational performance, including the guidance for 2026, refer to the [Business Review](#).

Mid-term outlook

PolyPeptide confirms its target to double revenue reported for 2023 by 2028. Revenue growth projections are supported by commitments and supply forecasts of existing customers.

Profitability is expected to approach an EBITDA margin of 25% by 2028, driven by growth initiatives, improving profitability in the existing base business with higher asset utilization and efficiency as well as operating leverage.

Capital expenditures of 15% to 20% of revenue are required to ensure capacity also beyond 2028. PolyPeptide plans to expand manufacturing capacity in an efficient way, capitalizing on its existing multi-site network and proprietary technology to maximize manufacturing throughput.

PolyPeptide plans to build additional capacity in phases in line with specific customer projects and their growth trajectory. The phasing of the capacity being made available is expected to result in an uneven year-on-year growth in revenue and operational expenses, impacting profitability for a given period.

PolyPeptide's guidance and mid-term outlook assumes, no unexpected adverse events.

Business review

Revenue

In 2025, PolyPeptide generated EUR 389.3 million in revenue, representing a 15.6% increase versus 2024 (+16.0% at constant currency rates).

Development revenue increased by 29.9% and commercial revenue increased by 7.9%, driven by the successful ramp-up of the new large-scale SPPS capacity in Braine-l'Alleud, further improved utilization of existing assets, and continued strong demand for peptide-based therapeutics. The revenue share related to metabolics further increased to 57% (vs. 40% in 2024)¹.

Throughout 2025, PolyPeptide remained committed to meeting the needs of its customers and maintaining a rich development pipeline. With 30 (2024: 29) projects acquired during 2025, and with other projects being completed, discontinued, or paused, the active custom projects pipeline at the end of 2025 included 196 (201) projects, with 30 (32) projects for phase III and 38 (38) projects for phase II of clinical development. Overall, the pipeline included 37 metabolic projects across ~25 customers, of which 7 were in Phase III. The number of commercial projects supported during 2025 increased to 68 (65), of which 10 were metabolic programs.

¹ The revenue share related to oncology declined to 10% (vs. 17% in 2024). Going forward, PolyPeptide will no longer separately disclose the revenue share related to oncology, as its external reporting will focus on metabolics as the main growth driver.

Profitability

In 2025, PolyPeptide delivered a marked improvement in profitability. Gross profit for 2025 was EUR 66.6 million versus EUR 39.3 million in 2024, and EBITDA was EUR 46.8 million (+84.4%) versus EUR 25.4 million in 2024. The EBITDA margin increased by 4.5 percentage points to 12.0% versus 7.5% in 2024.

The increase in EBITDA reflects an improvement of EUR 21.4 million, driven by higher production volumes, improved operational performance and product mix, as well as the ramp-up of the large-scale SPPS facility in Braine-l'Alleud (EUR +1.4 million), which was partially offset by exceptional costs from ERP-related investments (EUR -4.1 million). With an 8.1% increase in average full-time equivalents, personnel expenses were EUR 16.4 million (+13.4%) higher versus 2024, reflecting ongoing preparations for further growth, including the ramp-up of new assets and continued organizational development.

The operating result (EBIT) in 2025 was EUR 8.7 million versus EUR -7.4 million in 2024. The financial result was EUR -28.7 million versus EUR -10.8 million in 2024, driven mainly by an unfavorable revaluation of intercompany loans based on foreign exchange movements (unrealized) and non-cash financing components related to contract liabilities, while interest expense was broadly in line with prior year. The result for the year was EUR -21.2 million versus EUR -19.6 million in 2024.

Cash flow and financing

The increased profitability and preparations for growth with customer support contributed to a strong operating cash flow. Net cash flows from operating activities reached EUR 77.5 million in 2025 versus EUR 89.4 million in 2024. Inventories increased by EUR 7.9 million (+5.4% versus year-end 2024), reflecting an improved inventory turnover driven by disciplined working capital management and the Company's procurement improvement initiative. Contract liabilities recorded further net inflows of EUR 27.4 million, bringing net proceeds from customer prepayments between 2023–2025 to EUR 156.2 million and reflecting continued customer support for capacity expansion initiatives.

Net cash flows from investing activities were EUR -111.7 million versus EUR -91.0 million in 2024, bringing free cash flow to EUR -31.4 million versus EUR 2.4 million in 2024. With net inflows from financing activities in the amount of EUR 33.8 million (2024: EUR -25.3 million), cash and cash equivalents at the end of 2025 were at EUR 74.6 million versus EUR 68.3 million at the end of 2024.

PolyPeptide announced the expansion of its existing credit facilities in May 2025. As at the end of 2025, EUR 20 million was outstanding under the unsecured short-term credit facility with the Group's main shareholder. EUR 51 million remained available under the EUR 151 million committed revolving credit facility (RCF), with advanced negotiations for a further increase of the RCF ongoing. In addition, the capital band and conditional share capital for financing created at the general meeting held on 9 April 2025 ("AGM 2025") provide the Group with further flexibility.

Capacity expansion

In 2025, capital expenditures reached EUR 110.0 million or 28.2% of revenue, in line with the Company's revised guidance and reflecting investments across PolyPeptide's manufacturing sites to meet strong customer demand.

The large-scale solid-phase peptide synthesis (SPPS) asset in Braine-l'Alleud, Belgium achieved its target utilization rate at the end of 2025. During ramp-up, optimization measures were identified, raising potential revenues from the asset from EUR ~100 million to EUR ~125 million. The newly added SPPS capacity at the site in Strasbourg, France, has become operational and is expected to ramp up production throughout 2026. In Malmö, Sweden, PolyPeptide achieved a significant milestone for its SPPS capacity expansion, where the pre-built modules were successfully delivered and installed in September 2025. The modules are currently undergoing mechanical completion and are on track to start ramp-up in 2027. In Torrance, plans were made in late 2025 to expand downstream capacity.

Throughout 2025, PolyPeptide engaged with customers to discuss their mid- and long-term capacity requirements as well as the evaluation of optimal manufacturing locations within the Group's network. With geopolitical uncertainty remaining an important consideration, PolyPeptide's manufacturing network across three continents puts the Group in a strong position to serve customers locally, as needed.

The Group continued to advance the specialization of its network as it transitions from laboratory-scale production to an industrialized manufacturing model. This increased focus on allocating activities to the sites best equipped to meet specific customer needs involved shifting projects between locations, supported by the necessary technology transfers, regulatory documentation and filings. Over time, these measures are expected to enhance operational efficiency, increase output, and contribute to revenue growth.

As part of its large-scale capacity expansion, PolyPeptide uses proprietary manufacturing technology with an integrated engineering design, advanced automation, and process control to ensure high productivity, safety, and sustainability. The Company also strives to leverage the potential for modularity and optimize the SPPS reactor size to reduce project complexity, while shortening time to market and enhancing flexibility.

Risk management

PolyPeptide has implemented an Enterprise Risk Management ("ERM") framework that provides a consistent, Group wide view of key risks and supports alignment with the Group's strategic objectives. The ERM framework includes an annual risk assessment to identify, evaluate and address relevant risks, including sustainability-related risks, with results reported to the Audit and Risk Committee ("ARC") and the Board of Directors. The Board of Directors, through the ARC, is further supported by the Internal Audit function, which provides independent and objective assurance and supports the evaluation and enhancement of the effectiveness of the Group's risk management, control and governance processes.

For more details on the Group's ERM framework and Internal Audit, refer to the [Corporate Governance Report 2025](#).

Sustainability management

The Group is committed to driving sustainability by embedding core principles of sustainable business practices, ethical conduct, and regulatory compliance into its operations and ERM framework. At PolyPeptide, material sustainability topics are anchored in our corporate strategy and daily operations, reflecting our commitment to long-term value creation and alignment with evolving regulatory requirements.

PolyPeptide's strategy builds on its multi-site network to strengthen its foundations and competitive advantages, with innovation in green chemistry playing an increasingly important role in sustainable peptide drug manufacturing. Through its green chemistry agenda, PolyPeptide aims to improve environmental sustainability by reducing and optimizing the use of hazardous solvents across its processes. By prioritizing sustainability in our innovation, development and operational efforts in areas where we believe we can have the greatest influence, we aim to contribute to a more sustainable future.

In 2025, PolyPeptide further strengthened its climate transition plan by including near-term, science-based greenhouse gas (GHG) reduction targets for Scopes 1, 2, and 3, as approved by the Science Based Targets initiative (SBTi). The Group has set the absolute near-term target to reduce Scope 1 and Scope 2 GHG emissions by 2030 by 42% versus 2023. For scope 3, the Group set an intensity near-term target to reduce GHG emissions until 2033 by 61% versus 2022.

To reinforce its commitment and align with evolving expectations of business partners and investors, PolyPeptide is voluntarily reporting in reference to the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) as well as in accordance with the Taskforce on Climate-related Financial Disclosure (TCFD) framework.

The Group participates in the Carbon Disclosure program (CDP), scoring a "B" rating in 2025 (2024: B). This is complemented by the EcoVadis Group rating, where PolyPeptide received an "Advanced" rating for its carbon management program in 2025 and a "Silver" rating for its sustainability program, a recognition awarded to

the Top 15% of companies assessed by EcoVadis in the 12 months prior to the medal issue date. Since January 2026, all manufacturing sites are certified according to ISO45001:2018 Occupational health & safety, ISO14001:2015 Environmental management and ISO27001:2022 Information Security.

For more details on PolyPeptide's efforts related to corporate responsibility and climate-related risks and opportunities, refer to the [Sustainability Report 2025](#).

Strategy and organization

PolyPeptide operates in an attractive market and competes with a track record of over 1,000 distinct therapeutic peptides manufactured, customer proximity driven by the multi-site network, and a culture of agility and responsiveness. These strengths are reflected in PolyPeptide's rich pipeline of active custom and commercial projects across therapeutic areas, including a large exposure to metabolic therapeutics.

In 2025, PolyPeptide focused on advancing the execution of its growth strategy. Its vision is to be the most innovative peptide CDMO, strengthening competitive advantages in 1) innovation focused on green chemistry, process intensification and process design, 2) superior pipeline development capabilities, and 3) rapid and flexible capacity expansion leveraging the potential for modularity.

For more details on PolyPeptide's market and growth strategy, refer to the chapter [Strategy](#).

In 2025, the talent agenda has been further focused on enhancing the organization with industrial-scale manufacturing and supply chain capabilities, while strengthening competences for strategic growth readiness. To enhance PolyPeptide's scalability, a new provider has been selected for the future enterprise resource planning system (ERP) system to bolster the Group's control mechanisms. To mobilize the program, technical experts were hired in 2025 to drive the ERP implementation and to support a seamless rollout across all sites.

As part of its organizational development, PolyPeptide continues to promote internal collaboration across its network and global functions. To achieve its goals, PolyPeptide focuses on the needs of its customers, the sharing of best practice across its site network and the alignment of priorities. It thereby adopts an approach of continuous improvement with a dedication to employee development and engagement to position PolyPeptide as an attractive employer.

Mid-term outlook and guidance for 2026

The progress made in 2025 positions PolyPeptide well to meet its mid-term outlook first communicated with H1 results in August 2024. PolyPeptide targets doubling revenue reported for 2023 by 2028, with profitability approaching an EBITDA margin of 25% by 2028. Over the mid-term horizon and on average, PolyPeptide expects capital expenditures of 15% to 20% of revenue to ensure capacity also beyond 2028.

For 2026, PolyPeptide's priority is to meet the strong and increasing customer demand. The ramp-up at the new large-scale SPPS facility in Belgium was completed successfully in 2025, providing a strong foundation for continued growth in 2026. PolyPeptide expects revenue to grow 20–25% in 2026 versus 2025, at constant currency rates. The EBITDA margin is expected to continue to rise, reaching mid- to high-teens based on top-line growth and further progress in operations, which will be partially offset by preparations for future growth as well as the ERP implementation previously announced. Growth is expected to be balanced across the year, with both the first and second halves contributing meaningfully to revenue and EBITDA development. Capex is expected to be in line with the Group's mid-term outlook of 15–20% of revenue.

From a financing perspective, PolyPeptide expects further improvements in profitability and cash flow, customer funding support for large capacity expansion projects, and the utilization of its credit facilities.

As PolyPeptide continues to invest for growth, it will not be proposing the payment of a dividend to the AGM 2026.

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General information

PolyPeptide is a focused CDMO, specializing in the development and manufacturing of synthetic peptides used as active pharmaceutical ingredients (API) or intermediates in therapeutic products. Our mission is to help customers to develop products, secure regulatory approval, and successfully launch and commercialize their products by combining cGMP-compliant manufacturing practices with efficient and sustainable technologies.

As a CDMO serving pharmaceutical and biotech companies, PolyPeptide must adhere to stringent product quality requirements and regulations to protect the safety of patients. The Group is committed to driving sustainability by embedding core principles of sustainable business practices, ethical conduct, and regulatory compliance into its operations and Enterprise Risk Management (ERM) framework. At PolyPeptide, material sustainability topics are anchored in our corporate strategy and daily operations, reflecting our commitment to long-term value creation and alignment with evolving regulatory requirements.

PolyPeptide's strategy builds on its multi-site network to strengthen its foundations and competitive advantages, with innovation in green chemistry playing an increasingly important role in sustainable peptide drug manufacturing.

PolyPeptide's global footprint enables us to drive meaningful change across the pharmaceutical value chain through responsible practices and collaboration with partners worldwide. Through the Group's green chemistry agenda, PolyPeptide aims to improve environmental sustainability by reducing and optimizing the use of hazardous solvents across its processes. By prioritizing sustainability in our innovation, development and operational efforts in areas where we believe we can have the greatest influence, we aim to contribute to a more sustainable future.

In 2025, PolyPeptide further fortified its climate transition plan by including near-term, science-based greenhouse gas (GHG) reduction targets for Scopes 1, 2, and 3, as approved by the Science Based Targets initiative (SBTi). To reinforce this commitment and align with evolving expectations of business partners and investors, PolyPeptide is voluntarily reporting in reference to the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS)¹ as well as in accordance with the Taskforce on Climate-related Financial Disclosure (TCFD) framework.

For further information regarding PolyPeptide's strategy, market, and business model, see section [Strategy](#).

The Group participates in the Carbon Disclosure program (CDP), scoring a "B" rating in 2025 (2024: B). This is complemented by the EcoVadis ratings, where PolyPeptide received an "Advanced" rating for its carbon management program in 2025 and a "Silver" rating for its sustainability program, a recognition awarded to the Top 15% of companies assessed by EcoVadis in the 12 months prior to the medal issue date².

Since January 2026, all manufacturing sites are certified according to ISO45001:2018 Occupational health & safety, ISO14001:2015 Environmental management and ISO27001:2022 Information Security.



¹ PolyPeptide continues to monitor developments relating to the CSRD and the evolving scope of ESRS disclosure requirements. The approach outlined in this section reflects our current intentions and may be adapted as regulations are finalized.

² According to the CDP, the B rating places PolyPeptide in the so-called Management band (B/B- ratings), meaning that the Group is taking coordinated action on climate issues.
EcoVadis recognition page: <https://recognition.ecovadis.com/m2avg0A0X0WP6J0kVsRCEg>

Basis for preparation

This Sustainability Report covers the period 1 January – 31 December 2025 and is prepared in accordance with art. 964b of the Swiss Code of Obligations concerning transparency on non-financial matters as well as the Swiss Ordinance on Climate Disclosures (see sections [Index of disclosure requirements in accordance with art. 964b Swiss Code of Obligations](#) and [Climate disclosures in accordance with art. 964b Swiss Code of Obligations and TCFD recommendations](#)).

Furthermore, the Sustainability Report has been prepared in reference to ESRS for sustainability matters identified as material for the Group (see sections [ESRS Content index of material disclosures](#))¹.

In 2024, PolyPeptide conducted a Double Materiality Assessment (DMA) in reference to ESRS to address material impacts, risks and opportunities (IROs) across its own operations as well as its upstream and downstream value chain.

All direct and indirect subsidiaries that PolyPeptide Group AG consolidates fall under the scope of this Sustainability Report 2025 (for a detailed overview of PolyPeptide's consolidated subsidiaries, see section [1.1.3 Non-listed companies belonging to PolyPeptide](#) of the Corporate Governance Report 2025 and [note 11 Investments in subsidiaries](#) of the consolidated financial statements in the Financial Report 2025).

Disclosures in relation to specific circumstances

As part of the transition to reporting in reference to ESRS, 2025 serves as the base year for certain metrics reported for the first time. Scope 1, 2 and 3 emissions continue to rely on 2022 and 2023 as base year data used for the transition plan, as business activities during these years were broadly typical and representative. There were no significant financial or non-financial anomalies compared to previous years. Operational volumes and key performance indicators remained within normal ranges and reflected standard business activity. Comparative information for environmental metrics from preceding years is included where relevant, available and appropriate to support meaningful interpretation. Unless otherwise noted, 2025 serves as the base year for social and governance disclosures, and comparative information is not included in the first year of reporting where methodologies are newly introduced or updated. Comparative analyses for these metrics will be incorporated in future reports once data availability and methodological consistency allow.

Unless otherwise stated, PolyPeptide applies the ESRS definitions for short-, medium-, and long-term time horizons, referring to short-term as up to one year, medium-term as from one to five years and long-term as more than five years.

Data collection and estimation

We prioritize the use of primary data from our operations whenever practicable. For certain indicators, particularly those related to our value chain, we may apply proxies, estimates or extrapolated figures where direct measurement is not yet feasible or full-year data are unavailable. All estimates are derived from documented judgments and assumptions, informed by historical performance, industry benchmarks and comparable datasets. Extrapolation is used only when underlying patterns are assessed as stable over time.

Quality and consistency checks are conducted across all reporting entities and are being progressively embedded into our internal control environment. In 2025, PolyPeptide implemented an integrated ESRS and carbon accounting reporting platform to improve efficiency, transparency, traceability, and scalability in sustainability reporting while reducing manual processes and external dependencies. Key advantages include automated data collection and aggregation, reliable data quality and governance through workflows and audit trails, and compliance with evolving regulatory requirements.

Despite these efforts, inherent limitations in data availability, estimation and consolidation mean that some sustainability information may carry uncertainties, and minor inaccuracies may remain undetected even with robust processes and controls in place. Where applicable, applied methodologies and assumptions are outlined in the sections Accounting policies.

Assessment of effectiveness of measures across material topics

For each material topic, PolyPeptide defines, implements and discloses specific actions in line with its policies and identified risks and negative impacts. The effectiveness of these actions is assessed through a combination of defined metrics, internal controls and regular monitoring processes. Progress is evaluated against quantitative and qualitative targets, supported by trend analyses, audit results, incident reporting and relevant stakeholder feedback.

¹ PolyPeptide does not provide disclosures according to article 8 of the EU Taxonomy Regulation (Regulation (EU) 2020/852).

Governance

At PolyPeptide, the Board of Directors (Board) is responsible for the overall direction of the Group and oversight of management, including the Group's growth strategy that recognizes the importance of sustainability as part of its strategic foundation. The Board also oversees climate-related risks and opportunities. It supervises the identification of material sustainability topics and approves the Annual Report, including this Sustainability Report.

The governance of the Group's strategy, including its climate change transition plan and GHG reduction targets, ensures oversight and effective implementation. The Board oversees alignment between financial, business, and sustainability interests, regularly monitors trends and regulations, and integrates climate-related considerations into strategic planning, risk management, and performance objectives.

PolyPeptide assigns specific sustainability topics to Board committees to ensure that oversight is embedded into governance and aligned with expertise. Oversight of sustainability matters, including the setting and monitoring of targets, is thematically assigned to the Audit and Risk Committee (ARC) for risk, compliance and ethic topics, the Innovation and Technology Committee (ITC) for technical transformation of sustainability including decarbonization, innovation, safer production, and efficient resource use) and the Remuneration and Nomination Committee (RNC) for the people dimension of sustainability, including safety, culture, capability, fairness and remuneration. See also the table [Assigned oversight and responsibilities for material sustainability topics](#) below. For details on the responsibilities and composition of these committees, refer to section [3.5.3 Working Methods of the Committees](#) in the Corporate Governance Report 2025. While PolyPeptide has not adopted targets on all identified impacts, risks and opportunities, the effectiveness of implemented policies and actions is tracked by the responsible functions. The overall responsibility for tracking and ensuring effectiveness and progress rests with the Executive Committee.

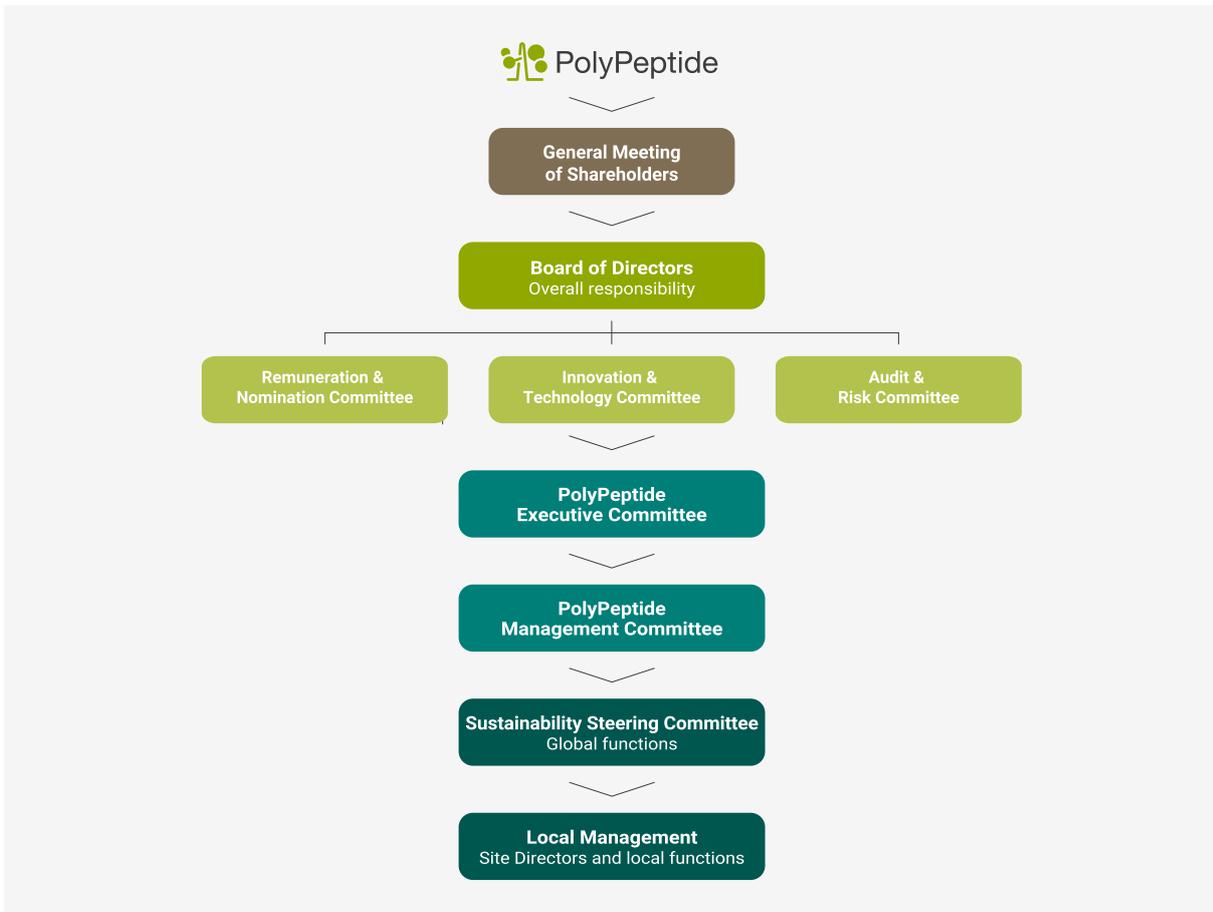
The climate strategy is supervised by the ITC and the implementation is coordinated by the cross-functional Green Steering Committee, which also oversees the Group's Green Master Plan. This plan includes initiatives that address both the optimized use of chemical substances, i.e., the green chemistry agenda and the Group's carbon footprint.

The Director Global EHS, a member of the Green Steering Committee, develops and oversees the implementation of the transition plan, oversees GHG emissions assessments, and monitors progress toward science-based targets. He ensures clear reporting mechanisms for tracking and managing climate-related matters. The Chief Manufacturing and Supply Chain Officer as well as site directors are responsible for executing the transition plan at manufacturing sites. The transition plan, approved by the Board of Directors, is reviewed every five years, with annual assessments for updates. The Director Global EHS coordinates the review process and presents the outcomes to the relevant governance bodies.

Internal reporting and review of the climate strategy and transition plan is structured as follows:

- Board of Directors: annually
- ITC: twice per year
- Green Steering Committee: quarterly
- Sustainability Steering Committee: periodically

PolyPeptide sustainability governance



Sustainability Steering Committee coordinates implementation

The responsibility and authority for carrying out operational activities of the Group are delegated to the Executive Committee. This includes the implementation of the Group’s sustainability activities as an integrated part of its strategy and business plans. The Executive Committee receives support from the PolyPeptide Management Committee and the Sustainability Steering Committee¹, where relevant global functions are represented. These functions have been assigned responsibility for material sustainability topics, as set out in the table below, to make sure they are adequately reflected within the functional plans and, with the support of local management, in the Group’s day-to-day operations. Within this governance framework, regular reporting on sustainability topics is ensured.

¹ To reflect our strategic emphasis on sustainability, the ESG Steering Committee was renamed during 2025 with no changes to its existing mandate and governance structure.

Assigned oversight and responsibilities for material sustainability topics

Material sustainability topics	Board Committee oversight	Functional responsibility (as member of Sustainability Steering Committee)
Climate change, Pollution, Resource use and circular economy (E1, E2, E5)	Innovation and Technology Committee (ITC)	<ul style="list-style-type: none"> • Director Global EHS • Director Global Innovation & Technology
Own workforce (S1)	Remuneration and Nomination Committee (RNC)	<ul style="list-style-type: none"> • Chief Human Resources Officer • Director Global EHS
Workers in the value chain (S2)	Audit and Risk Committee (ARC)	<ul style="list-style-type: none"> • Director Global Procurement
Access to safe and effective products (S4)	Innovation and Technology Committee (ITC)	<ul style="list-style-type: none"> • Chief Manufacturing and Supply Chain Officer • Director Global Quality, Development & Regulatory Affairs
Business conduct (G1)	Audit and Risk Committee (ARC)	<ul style="list-style-type: none"> • Chief Legal Officer • Director Global IS / IT

During 2025, a new role of Global Head of Sustainability was created as part of the Legal and Compliance department with responsibility for coordinating sustainability initiatives for PolyPeptide as chair of the Sustainability Steering Committee. Working closely across functions to continue driving the Group's sustainability efforts, this role also ensures compliance with relevant regulations and standards, including reporting and disclosure requirements.

As part of the Group's ERM framework, the Group evaluates the risks and opportunities in relation to the material sustainability topics (including climate change), with relevant developments reported to the Board of Directors on an annual basis (see section 3.7.3 [Enterprise Risk Management Framework](#) of the Corporate Governance Report 2025). The Board holds ultimate responsibility for risk management, while the PolyPeptide Management Committee (together with the ARC) is responsible for ensuring that the operation of the ERM Framework is sound, including risk management of significant risks through the monitoring of specified actions.

In addition, PolyPeptide's reporting and disclosure of sustainability topics in this Sustainability Report 2025 is subject to an [independent practitioner's limited assurance report](#) by BDO AG (Zurich).

Guidelines and policies

PolyPeptide is subject to comprehensive regulations, including current Good Manufacturing Practices (GMP), to ensure the quality of its services and products. The Group runs a network of six manufacturing sites in Europe (Belgium, France and Sweden), the United States of America, and India, with each of the sites subject to regular inspections by regulatory authorities and audits by customers. All sites are GMP certified, demonstrating suitable processes, methods, facilities, and controls.

The Group maintains a Quality Management System with policies and procedures designed to ensure compliance with applicable standards. For GMP-related activities, these policies and procedures reflect customers' obligation to use drug substances and intermediates manufactured in compliance with GMP to ensure patient safety, while also addressing requirements applicable to non-GMP operations. This includes adherence to applicable guidelines, in particular those from the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use.

For each manufacturing site, the Group maintains an internal Environment, Health and Safety (EHS) policy, structured to promote adherence to applicable EHS standards and regulations. Moreover, PolyPeptide commits to the Responsible Care initiative and implements an EHS management system certified ISO14001: 2015 and ISO45001:2018 for all manufacturing sites.

It has further developed policies and procedures that address, among other things, due diligence and risk management principles as well as the protection of human rights. The Group has issued the following policies that are available on its [corporate website](#):

- Code of Business Conduct and Ethics,
- Supplier Code of Conduct,
- Global Anti-Corruption and Anti-Bribery Policy,
- Global Supply Chain Policy on Child Labor, and
- Whistleblower Policy

The policies are underpinned by fundamental international conventions and guidelines, including, where applicable, International Labor Organization Conventions, the United Nations Universal Declaration of Human Rights, the United Nations Global Compact principles, the Organization for Economic Cooperation and Development (OECD) Guidance for Responsible Business, industry standards, and other relevant statutory requirements. In 2025, PolyPeptide advanced its commitment to sustainable and responsible business practices by becoming a participant in the United Nations Global Compact and aligning with its principles-based approach.

Furthermore, PolyPeptide has implemented various internal policies to further support compliance and ethical business practices (e.g., Insider Dealing and Market Manipulation Policy, Disclosure Policy, Global Sanctions and Export Control Compliance Policy and Procedure, Risk Assessment and Reporting Procedure, and Enterprise Risk Management Policy).

Due diligence across all material topics

Sustainability due diligence is embedded in PolyPeptide's governance, strategy, and risk management framework. The Board of Directors has overall responsibility for the approval of the Group's sustainability-related policies and for the oversight of material sustainability topics and risks, including climate-related risks and the associated due-diligence processes. The Executive Committee is responsible for the operational implementation of these policies and due diligence processes as an integral part of the Group's strategy and business plans.

PolyPeptide has adopted Group-wide policies covering environmental matters, social and employee-related issues, respect for human rights, and business ethics, including anti-corruption (see section [Guidelines and policies](#)). These policies set out the principles governing the Group's conduct in its own operations and, where relevant and proportionate, in its business relationships.

A risk-based due diligence process is applied for all material sustainability topics. Risks, impacts and opportunities are identified and assessed primarily through the Group's double materiality assessment (see section [Double materiality assessment](#)) and the ERM framework, and are complemented by compliance processes, site-level assessments, EHS management systems, human-rights assessments, and supplier due diligence, including audits where appropriate. Stakeholder engagement supports risk identification and prioritization.

Identified risks and adverse impacts are addressed through policies, procedures and appropriate mitigating measures, including corrective actions.

The effectiveness of due diligence measures is monitored through internal controls, audits, performance indicators and regular reporting within the ERM framework. Concerns can be raised confidentially and even anonymously, if desired, through PolyPeptide's whistleblower hotlines available to employees and external stakeholders.

PolyPeptide's sustainability due diligence approach is reflected throughout this Sustainability Report, including in the disclosures on material impacts, risks and opportunities, related policies, actions, targets and metrics.

Strategy and remuneration

Details of PolyPeptide's strategy are highlighted in the [Management Report 2025](#). To support the implementation of its strategy and operational plans as well as for executive compensation purposes, PolyPeptide maintains a Global Balanced Scorecard (GBSC). The GBSC consists of financial targets as well as quantitative goals for non-financial criteria, including sustainability-related aspects. In 2025, PolyPeptide incorporated Scope 1 and Scope 2 GHG emissions reduction targets, committed under its transition plan, into its GBSC, engaging selected staff participating in the initiative.

Through the GBSC, sustainability aspects are also incorporated in the variable compensation of the Executive Committee, as described in section [5.1.3.2 2025 STIP](#) of the Remuneration Report 2025.

Supporting the UN Sustainable Development Goals

PolyPeptide supports the United Nations 2030 Agenda for Sustainable Development and recognizes the 17 Sustainable Development Goals (SDGs) as a vital global framework for fostering peace, prosperity, and environmental stewardship.

PolyPeptide focuses its contributions on those most aligned with its material topics within Environment, Own workforce, Workers in the value chain, Access to safe and effective products, and Business conduct.

Material topics	Relevant SDGs ¹	Relevant underlying targets	PolyPeptide contribution	
Access to safe and effective products (S4)	 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p><i>Ensure healthy lives and promote well-being for all at all ages</i></p>	<p>3.8 Contribute to providing access to quality health care services, as well as to safe, effective, quality, and affordable essential medicines and vaccines.</p>	<p>PolyPeptide’s core business is the development and manufacturing of peptide-based APIs, supporting drug innovation and ensuring a reliable supply of high-quality materials for the pharmaceutical and biotech industries. This indirectly contributes to patient safety and access to essential medicines, allowing us to contribute to the health of millions of patients.</p>
	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p><i>Build resilient infrastructure, promote sustainable industrialization, and foster innovation</i></p>	<p>9.4 Upgrade infrastructure, technologies, and processes for sustainable and efficient use of resources.</p>	<p>PolyPeptide invests in innovative process development, green chemistry, and advanced manufacturing infrastructure to support sustainable growth. The Group applies green chemistry principles to reduce, recycle and recover hazardous substances, and to develop safer, more sustainable production processes.</p>
Pollution, Resource use and circular economy (E2, E5)	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p><i>Ensure sustainable consumption and production patterns</i></p>	<p>12.4 Ensure management of chemicals and all wastes throughout their life cycle.</p> <p>12.5 Reduce waste generation through prevention, reduction, recycling, and reuse.</p>	<p>PolyPeptide is committed to reducing the environmental impact of its operations by improving how solvents are managed across all sites. To address this, we have launched several programs focused on down-cycling solvent waste and, wherever feasible, recovering solvents for reuse in production processes.</p>

Climate change (E1)



Take action to combat climate change and its impacts

13.2 Integrate climate change measures into policies, strategies, and planning.

PolyPeptide has set science-based targets to reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030 (from 2023 base year), and Scope 3 emissions by 61.1% per EUR value added by 2033 (from 2022 base year). The Group commits to transitioning to 100% renewable electricity by 2029 and electrifying its vehicle fleet. PolyPeptide conducts regular climate scenario analyses, integrates climate risks into financial planning, and participates in CDP and EcoVadis climate programs. 45% of suppliers (by spend) are targeted to have science-based targets by 2029.

Workers in the value chain (S2)



Promote inclusive and sustainable economic growth, employment, and decent work

8.7 Secure the prohibition and contribute to the elimination of child labor.

PolyPeptide's Supplier Code of Conduct enforces fair labor practices and human rights throughout its value chain. PolyPeptide's supply chain risk assessment includes due diligence on child labor and conflict minerals, and the Group aims to report transparently on compliance and ethics.

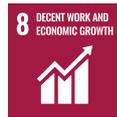
Own workforce (S1)



Achieve gender equality and empower women

5.5 Ensure participation and equal opportunities for leadership at all levels of decision making.

PolyPeptide's Code of Business Conduct and Ethics prohibits harassment, bullying, and discrimination, and promotes diversity, equity, and inclusion. Equal employment opportunities and respect for human rights are emphasized. The Group tracks gender diversity in its workforce, including at management levels, and reports on gender splits in production and other functions.



Promote inclusive and sustainable economic growth, employment, and decent work

8.5 Achieve productive employment, decent work, and equal pay for work of equal value.

PolyPeptide offers job opportunities across its international manufacturing network, with ongoing training and development for employees. The Group upholds fair, inclusive, and respectful workplace practices, with a zero-tolerance policy for discrimination and firm commitments to labor rights. PolyPeptide is committed to building a strong safety culture across all its sites, with the ambition to achieve zero lost-time injuries (LTI) and continuously lower the severity rate year over year to ensure a safer and healthier workplace for all employees.

Business conduct (G1)



Promote just, peaceful and inclusive societies, and build effective, accountable, and inclusive institutions

16.5 Contribute to the reduction of corruption and bribery.

PolyPeptide maintains a robust compliance framework, including a Code of Business Conduct and Ethics, Supplier Code of Conduct, Global Anti-Corruption and Anti-Bribery Policy, and whistleblower programs.

¹ For details, refer to <https://sdgs.un.org/goals>; icons for informational purpose only.

Stakeholder engagement

PolyPeptide maintains an open dialog with internal and external stakeholders and is a member of various pharmaceutical and industry associations as well as the local and broader business community. Associations may serve a variety of purposes, such as exchanging best practice, advancing innovation and sustainability, and fostering collaboration¹.

Stakeholder group	Examples of stakeholder engagement	Impact on strategy and business model
Customers	<ul style="list-style-type: none"> Customer feedback Cultivating a long-term trusted partnership Mantra of "Start here – stay here" and strong customer-centric perspective 	<ul style="list-style-type: none"> Feedback can drive innovation and improvement of existing business practices. Customer insights can influence pricing strategies and operational processes.
Shareholders	<ul style="list-style-type: none"> Consistent implementation of strategy and operational plans Transparent, integrated corporate reporting Open dialog and communications through different channels 	<ul style="list-style-type: none"> Expectations for transparent reporting and consistent execution can push for a robust governance and risk management framework and influence capital allocation decisions.
Employees	<ul style="list-style-type: none"> Collaborative, diverse, and inclusive international working environment Fostering dialog via townhalls, internal news, and employee events Global employee engagement survey Regular dialog to discuss individual development plans Focus on employee health and safety Active dialog and collaboration with applicable unions and freely chosen employee representatives 	<ul style="list-style-type: none"> Engagement and diversity initiatives play a role in shaping PolyPeptide's talent acquisition and retention strategies. A focus on health and safety can drive operational improvements and reinforce compliance priorities. At the same time, a collaborative culture fosters innovation and agile working models.
Suppliers	<ul style="list-style-type: none"> Long-term collaboration Supplier Code of Conduct 	<ul style="list-style-type: none"> By fostering long-term partnerships and enforcing its Supplier Code of Conduct, PolyPeptide ensures that its supply chain strategy supports sustainability and responsible sourcing.
Industry associations	<ul style="list-style-type: none"> Collaboration, also to advance innovation and sustainability 	<ul style="list-style-type: none"> Joint efforts to advance innovation and sustainability can shape innovation priorities and compliance standards.
Communities	<ul style="list-style-type: none"> Sponsoring of local activities Charitable contributions and partnerships for civic engagement Engagement with universities, educational institutions, students, and graduates Collaboration with communities on employment and training opportunities for job seekers 	<ul style="list-style-type: none"> By fostering civic engagement and educational partnerships, PolyPeptide can enhance its employer branding and secure its social license to operate. Partnerships with universities can create talent pipelines, reducing recruitment costs.

¹ In 2025, PolyPeptide maintained active memberships in various associations, such as the ACS GCI Green Chemistry Institute Pharmaceutical Roundtable, essenscia, France Chimie, Medicon Valley Alliance, and Biocom California.

Double materiality assessment

As part of the development of our sustainability strategy and in reference to the CSRD and ESRS, PolyPeptide conducted a DMA in 2024. The DMA identifies material sustainability topics by evaluating PolyPeptide's material impacts on people and environment (impact materiality) and the material effects of sustainability matters on PolyPeptide's development, performance and position (financial materiality) of our own operations as well as our upstream and downstream value chain. In this context, the financial effects of sustainability topics were mainly qualitatively assessed. Given the evolving understanding of related impacts, risks, and opportunities, potential financial effects, while assessed in accordance with the ERM framework, are not yet quantified or disclosed across all topics at this stage.

Process overview:

- 1. Project initialization and context analysis:** PolyPeptide mapped its business model, value chain, and key stakeholder groups to establish the context for materiality assessment.
- 2. Initial assessment of ESRS Topics:** The Group reviewed 94 ESRS sub-topics, assessing their impacts, risks and opportunities using the criteria scale, scope, likelihood, and difficulty of remediation for impacts, risks, and opportunities. Internal subject matter experts refined these assessments.
- 3. Shortlisting and aggregation:** After descopeing non-material topics, 25 sub-topics were consolidated into overarching material topics, which were grouped into seven ESRS standards, benchmarked against peers and regulatory standards.
- 4. Stakeholder and management surveys:** PolyPeptide engaged internal and external stakeholders, as well as management, through online surveys to assess the significance of shortlisted topics from both impact and financial perspectives.
- 5. Validation and finalization:** A validation workshop with senior management and external advisors was held to review and confirm the material topics, ensuring the selected topics and related impacts, risks and opportunities accurately reflect PolyPeptide's context and stakeholder expectations.

As noted above, stakeholder engagement was an integral part of the DMA and PolyPeptide conducted an online survey to assess the relevance and significance of shortlisted sustainability topics. The survey involved over 200 customers, shareholders, industry associations, communities, suppliers, and employees, ensuring that PolyPeptide's materiality assessment was informed by a broad range of perspectives and aligned with stakeholder expectations and business priorities.

Participants were asked to evaluate potential negative and positive impacts of PolyPeptide's activities on people and the environment for each material topic, using a standardized scale (1–6), and could also suggest additional relevant topics. A separate management survey targeted PolyPeptide's Management Committee and the Sustainability Steering Committee to assess the magnitude and likelihood of risks and opportunities for each material topic from a business perspective, using the same standardized scale (1–6).

Survey results were combined with subject matter expert assessments to calculate materiality scores for each topic, informing the relative materiality among the topics.

The Board of Directors approved the final list of material topics, which defines the material sustainability topics highlighted in this Sustainability Report.

The resulting material topics for PolyPeptide are:

- E1 Climate change
- E2 Pollution
- E5 Resource use and circular economy
- S1 Own workforce
- S2 Workers in the value chain
- S4 Access to safe and effective products¹
- G1 Business conduct

For the [ESRS content index of material disclosures](#), see the Appendix to this Sustainability Report.

¹ Corresponds to ESRS S4 Consumers and end-users.

Environmental information

Climate change

This climate section provides an overview of PolyPeptide's approach to climate change, with reference to ESRS requirements. A comprehensive assessment of climate-related risks and opportunities, including scenario analysis, is available in the section [Climate disclosures in accordance with art. 964b CO and TCFD recommendations](#) in the Appendix of this Sustainability Report.

Throughout PolyPeptide's value chain, greenhouse gases are emitted mainly in the following steps: (i) upstream in our supply chain, mainly from the production of raw materials (such as reagents, solvents and starting material) that we use in our production facilities, (ii) as part of raw material transport to our sites as well as (iii) treatment of manufacturing process waste. The Group's current growth is reflected in significant emissions from Scope 3 – category 2: Capital goods (30.8% of the total emissions in 2025). In our own operations, energy use in production represents an important part of emissions, which we plan to reduce with the implementation of an energy efficiency program and replacement of refrigerants with a high Global Warming Potential (GWP). In our downstream value chain, greenhouse gas emissions from the transport of APIs to our customers are not considered significant.

Managing these emissions is not only essential for regulatory compliance but also for long-term resilience and competitiveness. This commitment shapes PolyPeptide's strategic focus on three key areas: *climate change mitigation* through reducing emissions, *climate change adaptation* to safeguard operations, and accelerating the transition to renewable *energy* to decarbonize PolyPeptide's production footprint.

Climate change mitigation involves PolyPeptide's efforts to limit GHG emissions directly and indirectly from its own operations (Scope 1 and 2), and to deploy specific action plan to limit its upstream emissions from its value chain (Scope 3). According to the Group's carbon footprint assessment, more than 91% of its GHG emissions in 2025 originate from Scope 3.

PolyPeptide has conducted a climate scenario analysis to assess potential climate-related risks affecting its manufacturing sites as well as its key suppliers. The results of this assessment are provided in the section [Climate disclosures in accordance with art. 964b CO and TCFD recommendations](#). In addition, the Group's ongoing green chemistry program is expected to play a significant role in strengthening PolyPeptide's overall climate change adaptation by reducing environmental impacts and enhancing the resilience of its manufacturing processes.

As PolyPeptide continues to grow, its energy consumption is expected to increase accordingly. To address this challenge, the Group has implemented a dedicated program aimed at offsetting the rising cost of energy through on-site energy generation and improved energy efficiency. This approach is projected to support PolyPeptide's expansion while managing operational costs and reducing environmental impact.

Impacts, risks and opportunities

DMA topics	Subtopic	IRO	IRO description and interaction with business and/or strategy	Value chain			Time horizon		
				Upstream	Own operations	Downstream	Short term	Medium term	Long term
E1 Climate Change	Climate change adaptation	Opportunity	Proactive approach to climate change, including the Group's green chemistry efforts with innovative and more sustainable manufacturing technologies, to protect and enhance its competitive position.	●	●			●	●
	Climate change mitigation	Negative impact	CO2 emissions from PolyPeptide's operations and value chain contribute to global warming.	●	●	●		●	●
		Risk	Transitional climate-related risks include changes in customer behavior leading to decreased revenues due to lower demand and increased direct costs.	●	●	●		●	
		Risk	Another transitional climate-related risk includes increased capital expenditure in connection with a transition to decreased scope 3 emissions.	●	●	●		●	
	Energy	Opportunity	On-site electricity production to safeguard against future price increases, alongside launching a comprehensive energy efficiency program and continued focus on renewable, less greenhouse gas intensive energy sources.		●			●	

Climate-related risks refer to challenges that PolyPeptide may face due to climate change and related environmental, economic, and social impacts. These risks are affected by GHG emissions from PolyPeptide's operations and value chain, which contribute to global warming. Transitional climate-related risks include changes in customer behavior that transition towards working with suppliers that have science-based targets, which may lead to a potential decrease in Group revenues due to lower customer demand, alongside increased direct costs (e.g., raw material supplies) as well as increased capital expenditure in connection with implementing a program to limit GHG emissions. These risks can affect PolyPeptide's operational continuity, financial performance, and strategic positioning.

On the other hand, a proactive approach to climate change, including through the Group's green chemistry agenda with innovative and more sustainable manufacturing technologies as well as transitioning to low-carbon energy sources, can help PolyPeptide protect and enhance its competitive position.

PolyPeptide conducted a comprehensive assessment of climate-related risks and opportunities in line with TCFD recommendations. This included scenario analyses based on the Intergovernmental Panel on Climate Change (IPCC)'s Shared Socioeconomic Pathways (SSP), evaluating physical and transition risks across its global manufacturing sites and key suppliers. The analysis highlighted potential vulnerabilities such as heat stress, water scarcity, and extreme weather events, informing PolyPeptide's adaptation and mitigation strategies and resilience planning.

Transition plan for climate change mitigation

PolyPeptide recognizes the urgency of addressing climate change and supports the objectives of the Paris Agreement. In 2024, PolyPeptide finalized its climate strategy and transition plan, which outlines the steps the Group will take to reduce GHG emissions across its operations. This transition plan reflects the Group's commitment to mitigating material climate-related risks and integrating sustainability into its business strategy and financial planning.

To provide transparency and credibility, PolyPeptide has set near-term GHG reduction targets validated and published by the SBTi in 2025. These targets are designed to align with a 1.5°C pathway and reinforce its long-term commitment to decarbonization. The approach includes:

- **Scope 1 & 2 Emissions:** Transitioning to renewable energy sources through power purchase agreements (PPAs) and on-site production, optimizing energy systems by transitioning to more energy efficient processes and equipment, replacing refrigerant with a high Global Warming Potential (GWP), electrifying the Group's car fleet and electrifying key processes to reduce reliance on fossil fuels, resulting in 42.0% absolute reduction in Scope 1 and 2 GHG emissions by 2030 compared to our 2023 base year. The Group also commits to increasing active annual sourcing of renewable electricity from 54.0% in 2023 to 100% by 2029 and to continue active annual sourcing of 100% renewable electricity through 2030.

- **Scope 3 Emissions:** The Group commits to reducing Scope 3 GHG emissions from purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution and waste generated in operations by 61.1% per EUR value added by 2033 from a 2022 base year. This commitment is supported by supplier engagements to assess climate maturity and implement sustainable procurement practices. To this extent, the Group commits that 45% of its suppliers (by spend) covering purchased goods and services will have science-based targets by 2029.

PolyPeptide is currently assessing potential long-term climate objectives in line with the Paris Agreement, including the feasibility of adopting net-zero targets and aligning with a 1.5°C reduction pathway, and confirms that it is not excluded from the EU Paris aligned benchmarks.

For more details on the transition plan, including assumptions and methodologies to assess climate-related and transitional risks, see the [Climate disclosures in accordance with art. 964 Swiss Code of Obligations and TCFD recommendations](#) in the Appendix of this Sustainability Report.

Policies

PolyPeptide has issued site-specific EHS policies based on a regularly updated Group-wide EHS policy statement, Global EHS Management Plan and local environmental risk assessments. The Group-wide EHS policy addresses key aspects such as employee health and safety and environmental stewardship across the areas energy and climate, water and industrial wastewater as well as waste and chemicals and thereby supports PolyPeptide's approach to managing relevant impacts, risks and opportunities related to climate adaptation and mitigation. These policies are aligned with PolyPeptide's corporate targets, including energy- and climate-related targets such as the sourcing of renewable energy.

PolyPeptide maintains an environmental management system based on ISO14001:2015 standards at all manufacturing sites. In addition, the manufacturing site in Ambernath is ISO50001-certified. The management system follows a continuous improvement process and is documented at each site through environmental, safety and quality procedures, checklists, forms and other relevant documentation. Furthermore, commitments validated by SBTi and actions as stated in the transition plan form the basis for the climate policies.

Actions

PolyPeptide has implemented an integrated ESRS and carbon accounting reporting platform that has increased efficiency, transparency, traceability, and scalability in sustainability reporting while reducing manual processes and external dependencies, especially for the carbon accounting of 2024 and 2025 data.

To reach its GHG reduction targets and deliver on its transition plan, PolyPeptide has initiated a number of global and site-specific initiatives, including:

Initiative 1: To achieve the absolute Scope 1 and 2 near-term targets, PolyPeptide strives to procure electricity from 100% renewable sources at all sites by 2029. In 2025, PolyPeptide continued to expand the sourcing of renewable electricity. At the end of 2025, the headquarters in Baar and the manufacturing sites in Ambernath, Braine-l'Alleud (Braine), Malmö, San Diego, and Strasbourg were operating with 100% of renewable electricity which represents an increase of 26.6% of renewable electricity consumption for the Group compared to 2023 and 80.6% of renewable electricity on Group level. Moreover, since 2024, the manufacturing site in San Diego has been identified as a "San Diego Community Power100 Champion". This San Diego-specific voluntary program enables businesses to transition from using electricity generated by non-renewable sources to sourcing electricity from renewable energy.

Initiative 2: Building on local initiatives started in 2023, a program to replace the Group's car fleet with electric vehicles is being deployed at all European manufacturing sites since 2025 which will reduce GHG emissions coming from mobile combustion (Scope 1). At the end of 2025, 38.8% of the European company car fleet was electric.

Initiative 3: In 2026, PolyPeptide will start the replacement of refrigerants that contain a high Global Warming Potential (GWP). These refrigerants account for 7.4% of Scope 1 and Scope 2 emissions in 2025.

These three initiatives are crucial for reaching the 42% reduction target by 2030 versus 2023. Progress on these initiatives achieved over the past two years has resulted in a 35.8% reduction in our Scope 1 and Scope 2 emissions in 2025 compared to the 2023 base year. However, additional initiatives will be required to compensate for the impact of expected business growth. Consequently, PolyPeptide plans for energy audits across all manufacturing sites to identify and carry out further energy-saving measures.

PolyPeptide expects that the financial impact for its climate transition plan will mainly be driven by initiatives related to Scope 3 emissions reduction as highlighted in the table below with an overview of current key initiatives.

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Description of the initiative	Emission reduction in Scope	Decarbonization Lever	Expected GHG emission reduction	Financial investment	Base year	Target year	Geo-geography coverage	KPI description	KPI base year	KPI target year
1 - Sourcing 100% renewable electricity by 2029 on all sites	2	Fuel Switching & Renewable Energy Use	-43.9%	€	2023	2029	All sites	% of annual externally sourced electricity consumption from renewable sources	54%	100.0%
2 - Electric car fleet to replace current fleet (thermic/ hybrid)	1	Electrification	-3.7%	€	2023	2028	Belgium, Sweden and France	% of electric car in the PolyPeptide car fleet	7.4%	100.0%
3 - Development of an obsolescence management plan to manage refrigerants with high Global Warming Potential (GWP)	1	Transitioning to Low-GWP Natural Refrigerants	-4.0%	€	2023	2030	All manufacturing sites	tCO2e emissions from refrigerant losses/kg of refrigerant losses	1.9	Under development
4 - Conducting energy audit on all manufacturing sites to identify potential energy savings	1 & 2	Energy Efficiency & Consumption Reduction	-4.0%	€	2023	2029	All manufacturing sites	tCO2e Scope 1 + 2 emissions/ kg of final product manufactured MWh of electricity consumption/ kg of manufactured product	5.2 16.1	4.9 15.5
5 - Recycling of solvent and use of recycled solvent for GMP activities	3	Product/ Process Redesign & Substitution	cat. 1 : +++ cat. 2: 0 cat. 4: ++ cat. 5: +++	€€	2022	2033	Belgium, US	% of recycled solvent used for GMP activities for the reporting year	3.6%	Under development
6 - Segregation of solvent waste and associated treatment	3	Product/ Process Redesign & Substitution	cat. 1 : 0 cat. 2: 0 cat. 4: 0 cat. 5: ++	€€	2022	2033	Sweden, France	tCO2e from cat. 5/ t of solvent waste generated during operation for the reporting year	0.8	Under development
7 - Solvent reduction with the implementation of new technology	3	Product/ Process Redesign & Substitution	cat. 1 : ++ cat. 2: 0 cat. 4: ++ cat. 5: ++	€	2022	2033	All manufacturing sites	t of solvent/ kg of final product manufactured for the reporting year	3.4%	Under development
8 - Science-based target for 45% of suppliers by spend	3	Supply Chain Decarbonization	cat. 1 : +++ cat. 2: 0 cat. 4: + cat. 5: 0	€	2022	2030	All manufacturing sites	% of raw material spend for suppliers with science-based targets for the reporting year	8%	45%
9 - Modular approach for new buildings	3	Product/ Process Redesign & Substitution	cat. 1 : + cat. 2: ++ cat. 4: 0 cat. 5: 0	€€€	2022	2033	All manufacturing sites	N/A	N/A	N/A

Expected reduction of Scope 3 GHG emissions:

+++ > -10% GHG emission reduction within the category;

++ impact > between -5 and -10% GHG emission reduction within the category;

+ impact < -5% GHG emission reduction within the category;

0 - no identified impact on PolyPeptide's GHG emissions.

Financial investment: € < 1MEUR ; €€ 1–5 MEUR , €€€ > 5MEUR.

Recognizing that more than 90% of its emissions fall under Scope 3, PolyPeptide plans to integrate environmental sustainability criteria into supplier contracts where commercially reasonable in the coming two years.

Currently, PolyPeptide is focused on the reduction of emissions from solvents, which represent a key raw material in our operations. This initiative aligns with two main climate-related transition risks: changing customer behavior and the transition to increased recycled content. We anticipate a substantial decrease in these emissions through solvent recycling initiatives (Scope 3 – categories 1 and 5) and by urging 45% of our main suppliers (by spend) to set science-based GHG emission reduction goals.

PolyPeptide's capital expenditure includes focus on technologies that advance green chemistry and solvent recycling. These investments, which will not have a significant long-term impact on Scope 3 category 2, aim to reduce the environmental impact of manufacturing processes by promoting sustainable practices and circularity. These investments will enable medium-term CO₂ emission reduction in categories 1, 4 and 5. Additionally, PolyPeptide is allocating resources towards the development and adoption of alternative energy sources, reinforcing its commitment to reducing GHG emissions and improving energy efficiency.

PolyPeptide also strives to leverage the potential for modularity. Prefabrication helps limit GHG emissions thanks to the industrial optimization of construction processes, reduced waste generation, and improved logistics efficiency compared to traditional on-site building methods. In addition, modularity shortens project timelines, enabling facilities to become operational more quickly.

Collectively, these investments demonstrate PolyPeptide's proactive approach to embedding sustainability into its operations, ensuring that its capital is deployed to foster both innovation and environmental responsibility¹.

At this time, PolyPeptide has not set an internal carbon price, as this has not been identified as a priority within the current climate strategy in accordance with the risk and opportunity assessment. The primary focus remains the implementation of the established transition plan, which allocates resources to key initiatives that drive tangible emissions reductions. The Group's existing asset base does not significantly limit its ability to reduce emissions in line with climate targets at this stage.

In response to the growing demand from its customers for access to product-specific CO₂ data, toward the end of 2025 PolyPeptide launched a project to enable the calculation and communication of product carbon footprints to its customers.

¹ Monetary amounts in relation to capital expenditures and operating expenses allocated by PolyPeptide to implement its transition plan have a limited financial impact.

Targets and metrics

As outlined in the section [Transition plan for climate change mitigation](#), the Group has set science-based targets for Scopes 1, 2 and 3 following the SBTi near-term target methodology.

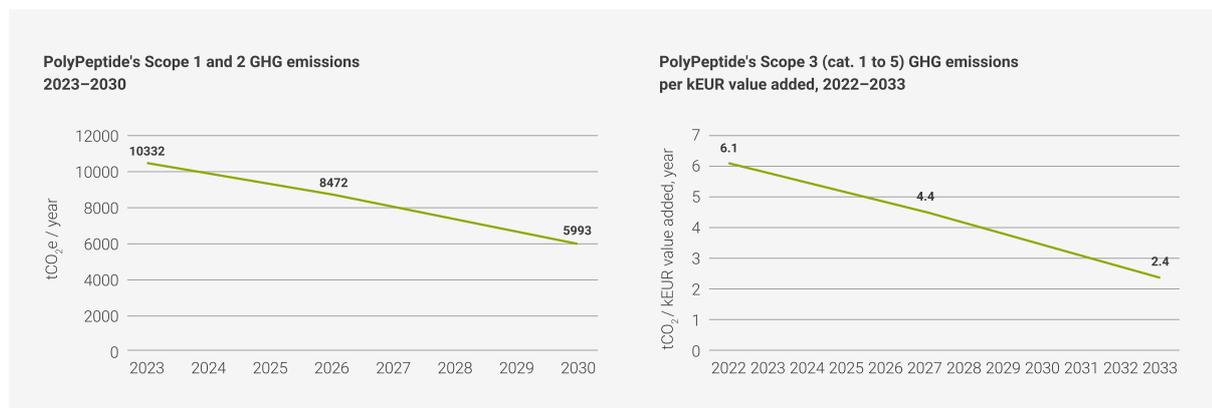
Scope 1 and 2 GHG emission reduction near-term absolute target

Target ID			
Overall number of active GHG emissions targets:	2		
Target number:	1/2		
Target type:	Absolute near-term target		
Date the target was approved by SBTi:	August 2025	Date the target was last revised:	does not apply
Target information			
Scope(s) covered	Scopes 1 & 2 (market-based)		
Percentage of in-scope emissions covered by the target	100%		
Base year:	2023	Base year emissions, t CO ₂ e	10,333
Target year:	2030	Target year projected emissions, t CO ₂ e	5,993
Targeted reduction from base year (%):	42%		
Targeted reduction achieved from current year (%):	36%	Current emissions, t CO ₂ e (2025)	6,633
Target methodology			
Verified by an independent party	Yes, BDO		
Source that describes transition plan outlining how this target will be met	Climate Report Metrics and Targets		
Indicate the % of the target to be achieved through offsets	0%		

Scope 3 GHG emission reduction near-term intensity target

Target ID		
Target number:	2/2	
Target type:	Intensity near-term target	
Date the target was approved by SBTi:	August 2025	Date the target was last revised: does not apply
Target information		
Scope(s) covered	Scope 3	
Percentage of in-scope emissions covered by the target	95%	Category 1: purchased goods and services, Category 2: capital goods, Category 3: fuel- and energy-related activities, Category 4: upstream transportation and distribution, Category 5: waste generated in operations
Base year:	2022	Base year emissions, t CO ₂ e/ kEUR value added 6.1
Target year:	2033	Target year projected emissions, 2.4 t CO ₂ e/kEUR value added
Targeted reduction from base year (%):	61.07%	
Targeted reduction achieved from current year (%):	+31%	Current emissions, t CO ₂ e/ kEUR 8,0 value added (2025)
Target methodology		
Verified by an independent party	Yes, BDO	
Source that describes the methodology used to calculate Scope 3 emissions covered by the target	Climate Report Metrics and Targets	
Source that describes transition plan outlining how this target will be met	Climate Report Metrics and Targets	
Indicate the % of the target to be achieved through offsets	0%	

The charts below illustrate the reduction targets approved by the Science-Based Target initiative in 2025 over time



Scope 3 target figures were updated during the SBTi validation process due to data corrections and foreign exchange effects resulting from the change from USD to EUR.

Apart from the Scope 1 and 2 absolute near-term and Scope 3 intensity near-term targets, the Group has set two engagement targets: (i) for renewable electricity sourcing: PolyPeptide aims to increase active annual sourcing of renewable electricity from 54% in 2023 to 100% by 2029 and to continue active annual sourcing of 100% renewable electricity through 2030; and (ii) for Scope 3: PolyPeptide requires that suppliers representing 45% of purchased goods and services by spend have science-based targets by 2030 (base year 2022).

Energy consumption and mix (MWh)	2025	2024	2023
Total energy consumption	60,329	59,177	58,318
fuel (excluding feedstock)	21,309	21,099	22,164
purchased electricity	35,308	34,481	32,272
purchased heat	3,337	3,232	3,470
self-generated non-fuel renewable energy	375	365	413
Renewable sources	28,206	25,135	17,880
Part of renewable energy (%)	47%	42%	31%

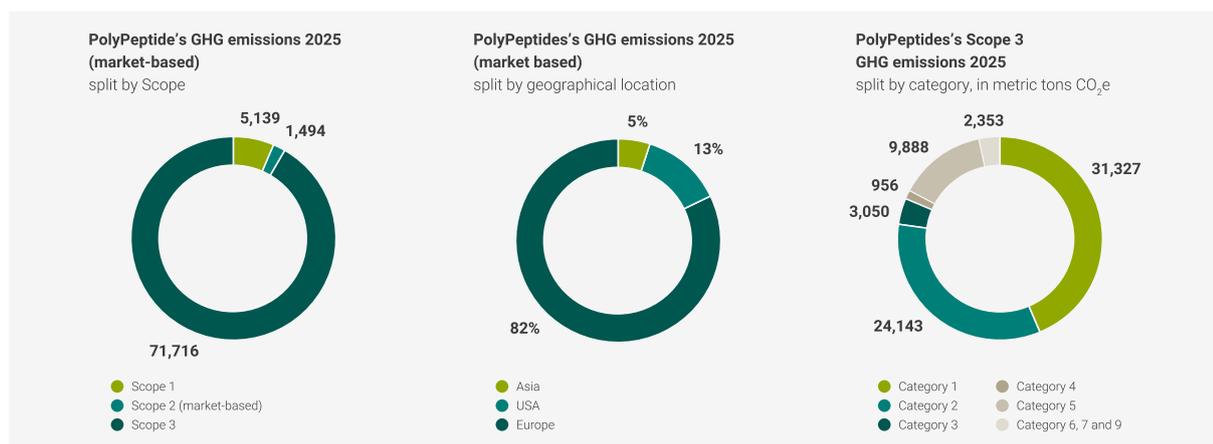
Performance KPIs

-35.8%	PolyPeptide's absolute Scope 1 and Scope 2 GHG emissions vs 2023
-47%	PolyPeptide's Scope 1 and Scope 2 2025 GHG emissions relative to total revenues vs 2023
-9%	PolyPeptide's absolute Scope 3 GHG emissions (cat. 1 to 5) vs 2022
-24%	MWh of electricity consumption/ kg of manufactured product vs 2023
80.6%	of sourced electricity from renewable sources 2025
201.2	Total GHG emissions 2025 (market-based) per net revenue (tCO ₂ e/MEUR)
216.2	Total GHG emissions 2025 (location-based) per net revenue (tCO ₂ e/MEUR)

Group greenhouse gas emissions (tCO2e)	2025	2024	2023	2022
Total Scope 1	5,139	7,283	5,834	5,766
Stationary combustion	4,125	4,407	4,770	4,168
Process emissions	130	171	223	476
Mobile emissions	394	483	490	352
Refrigerants	490	2,222	351	770
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0	0
Total Scope 2 (location-based)	7,330	7,412	9,395	8,819
Total Scope 2 (market-based)	1,494	3,557	4,498	4,105
Purchased electricity (market-based)	1,009	3,086	4,408	4,021
Purchased hot water	485	470	90	84
Total Scope 3	71,716	64,611	68,404	80,639
Category 1: Purchased goods and services	31,327	26,433	20,877	19,655
Category 2: Capital goods	24,143	23,751	31,687	45,241
Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	3,050	3,132	1,740	1,179*
Category 4: Upstream transportation and distribution	956	845	3,286	3,002*
Category 5: Waste generated in operations	9,888	8,122	8,480*	7,487
Category 6: Business travel	278	315	274	471*
Category 7: Employee commuting	2,035	1,987	1,934	3,512*
Category 9: Downstream transportation and distribution	40	26	126	92
Total (market-based)	78,349	75,451	78,736	90,510
Total (location-based)	84,185	79,304	83,635	95,225

During the SBTi validation process 2025, certain metrics disclosed in the Annual Report 2024 changed. Restated numbers are marked with * in the table above.

Overview of GHG emissions 2025



By the end of 2025, raw material suppliers representing 14% of spend already had SBTi-approved targets. In addition, suppliers accounting for 4% of spend had formally submitted their commitment to SBTi.

Taking into consideration the increased manufacturing volumes during the reporting period, the electricity consumption per kilogram of manufactured product decreased by 24% compared to 2023, mainly attributable to energy efficiency measures applied by the Group.

In 2025, PolyPeptide's Scope 1 and Scope 2 emissions decreased by 35.8% compared to 2023 levels. This reduction was primarily driven by the transition to renewable electricity across five of our production sites, as well as lower CO2 emissions from stationary combustion and process-related activities. This marks significant progress for the Group, which aims to reduce emissions by 42% by 2030.

During the same period, Scope 3 emissions for Categories 1 to 5 fell by 9%. However, relative to its GEVA target (Greenhouse Gas Emissions per Unit of Value Added), overall Scope 3 (cat. 1 to 5) emissions increased by 31%. This rise was mainly due to a lower value-added level than what had been anticipated on the pathway toward 2033.

Accounting policies

Energy consumption and mix

Electricity volume data is sourced from meter readings and supplier invoices. Electricity is classified as renewable when the origin of the purchased energy is explicitly specified in contractual agreements with energy providers. This includes renewable power purchase agreements and market instruments such as Guarantees of Origin from renewable sources. If such documentation is not provided, the emission factor provided by the electricity supplier is used.

GHG emissions

In 2025, PolyPeptide conducted its fourth global carbon footprint assessment in accordance with the GHG Protocol. The Group conducted the assessment according to the following parameters:

- Consolidation approach and organizational boundary: Financial. In our case, Financial and Operational control boundaries are fully aligned, apply also for SBTi targets and have been reflected during target setting.
- Standards applied: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), The Greenhouse Gas Protocol: Scope 2 Guidance, The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard
- Reporting period: calendar years 2024 and 2025.
- Where applicable, specific emission factors provided by public and licensed databases such as EcolInvent are applied in the calculation of CO₂ emissions. Where available, supplier-specific emission factors are used (representing less than 1% of Scope 3 emissions).

GHG intensity

GHG intensity based on net revenue has been calculated as total gross Scope 1, Scope 2 location-based/market-based, and gross Scope 3 emissions divided by total reported net revenue in MEUR as disclosed in the [Financial Report 2025](#).

Scope 1 emissions are direct GHG emissions that occur from sources owned or controlled by the Group, such as emissions from mobile fleet combustion, stationary combustion, process emissions from solvents and fugitive emissions from refrigerant losses. Activity data is collected at site level and converted into CO₂ equivalents using internationally recognized emission factors. Emission factors are reviewed periodically to reflect the latest scientific and regulatory guidance.

Biogenic emissions PolyPeptide calculated biogenic CO₂ emissions for Scope 1 and 2 as part of the SBTi validation. These emissions relate to the use of fuels with blended biocomponents purchased at public fueling stations and account for less than 1% of Scope 1 emissions of the base year.

Scope 2 emissions account for GHG emissions from the generation of purchased electricity, steam, heat or cooling consumed by the Group. Scope 2 emissions physically occur at the facility where electricity, steam, heat, or cooling is generated. Scope 2 GHG emissions are calculated according to two methods: location based (reflects the average emissions intensity of grids on which energy consumption occurs, using mostly grid-average emission factor data), and market-based (reflects emissions from electricity that companies have purposefully chosen, derives emission factors from contractual instruments).

Scope 3 emissions involve GHG emissions in the value chain and are a consequence of the activities of PolyPeptide but occur from sources not owned or controlled by the Group. Examples of Scope 3 activities include extraction and production of purchased materials; transportation of purchased goods; employee commuting; treatment of waste generated in own operations; and transportation of sold products. Applicable Scope 3 categories and their calculation method are outlined in the table below:

Scope 3 calculation methods applied in PolyPeptide's corporate carbon footprint

Scope 3 category	Calculation method
Category 1: Purchased goods and services	<ul style="list-style-type: none"> • Supplier-specific • Average data • Spend-based
Category 2: Capital goods	<ul style="list-style-type: none"> • Spend-based
Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	<ul style="list-style-type: none"> • Average data
Category 4: Upstream transportation and distribution	<ul style="list-style-type: none"> • Distance-based
Category 5: Waste generated in operations	<ul style="list-style-type: none"> • Waste-type-specific
Category 6: Business travel	<ul style="list-style-type: none"> • Supplier-specific • Distance-based
Category 7: Employee commuting	<ul style="list-style-type: none"> • Average data • Distance-based
Category 8: Upstream leased assets	<ul style="list-style-type: none"> • Does not apply: Any consumption and respective emissions from upstream leased assets have already been included in Scope 1 and 2 emissions (organizational boundary approach).
Category 9: Downstream transportation and distribution	<ul style="list-style-type: none"> • Distance-based
Category 10: Processing of sold products	<ul style="list-style-type: none"> • Does not apply: Calculating Scope 3, Category 10 GHG emissions for APIs is highly complex due to limited downstream data and fragmented supply chains, making accurate quantification challenging. Variability in external processing and proprietary operations further compounds this difficulty.
Category 11: Use of purchased goods	<ul style="list-style-type: none"> • Does not apply: PolyPeptide does not produce APIs used in inhalers that may require refrigerants and cause use-phase emissions.
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> • Does not apply: Emissions in this category would only cover end-of-life packaging treatment, which is immaterial to PolyPeptide's carbon footprint and therefore not calculated.
Category 13: Downstream leased assets	<ul style="list-style-type: none"> • Does not apply: This category does not apply to PolyPeptide.
Category 14: Franchises	<ul style="list-style-type: none"> • Does not apply: This category does not apply to PolyPeptide.
Category 15: Investment	<ul style="list-style-type: none"> • Does not apply: This category does not apply to PolyPeptide.

Pollution

Environmental management is a strategic priority for PolyPeptide as it prevents pollution, protects ecosystems and biodiversity, assures regulatory compliance, and strengthens the Group’s market position as a responsible API (e.g., chemical) manufacturer. Preventing pollution comprises the sub-topics *Pollution of air, pollution of water, pollution of soils*, as well as the use of *Substances of concern (SOCs)* and *Substances of very high concern (SVHC)*.

Pollution of air (excluding GHG emissions) may occur within PolyPeptide’s own operations from the evaporation of handled chemicals during manufacturing processes or in case of an incident such as fire. Pollution of water refers to the contamination with hazardous substances used for production or cleaning activities. Soil and groundwater pollution could occur in the event of an incident such as leaks of stored chemicals at manufacturing sites.

PolyPeptide’s manufacturing processes involve SOCs and SVHCs that can have an impact on health and the environment. Examples include methanol and piperidine (SOCs) and dimethylformamide (SVHC).

Impacts, risks and opportunities

DMA topics	Subtopic	IRO	IRO description and interaction with business and/or strategy	Value chain			Time horizon		
				Upstream	Own operations	Downstream	Short term	Medium term	Long term
E2 Pollution	Pollution of air, water and soil	Negative impact	Discharge of harmful substances and pollutants. Improperly disposed waste and hazardous materials can result in soil degradation, human health impact, and long-term environmental damage.	●	●		●	●	
	Substances of concern / very high concern	Opportunity	Development of new processes utilizing less hazardous chemicals as part of the green chemistry program / reduction of pollution.		●			●	●
		Risk	Regulatory changes related to the use of substances of high and very high concern can impact production sites.	●	●			●	
		Negative impact	Exposure to hazardous or potentially harmful chemicals can compromise human health and safety as well as harm the environment.		●			●	

As part of its DMA, PolyPeptide screened its own operations and relevant upstream value chain activities to identify actual and potential pollution related impacts, risks and opportunities. The screening followed a structured approach to locate, evaluate and assess relevant IROs, based on site level EHS risk assessments, regulatory requirements, incident data and internal expertise, with results validated through internal expert and management review, which then informed the material topics disclosed under ESRS E2.

Based on this assessment, and given their critical role in PolyPeptide’s innovation, development and manufacturing processes, SOCs, such as methanol, piperidine, and SVHCs, such as dimethylformamide (DMF), were assessed as highly material. These chemicals pose risks to human health and the environment if not managed properly. Exposure to these substances can compromise employee safety and potentially affect surrounding communities. The CDMO industry, including PolyPeptide, faces evolving challenges related to the use of SOCs and SVHCs, not only in terms of adapting to potential regulatory changes, but also in our responsibility to avoid environmental impact and safeguard natural ecosystems. When managing these substances, activities are carried out according to internal risk assessments. We follow established safety and environmental practices designed to support responsible handling and compliance with applicable guidelines and regulations across our operations.

These challenges may affect market dynamics and production processes, requiring us to continuously improve our practices to ensure regulatory compliance and protect the environment. At the same time, we focus our efforts on sustainability areas where we believe we can exert the greatest influence. In this context, PolyPeptide sees the development of new processes utilizing less hazardous chemicals and our green chemistry agenda aimed at advancing more sustainable production processes and solutions as essential to driving innovation.

Policies

PolyPeptide's EHS Group Policy Statement provides the overall framework for our commitments and actions aimed at employee health and safety as well as environmental stewardship. In furtherance of this statement, the Global EHS Management Plan sets out the health, safety and environmental requirements that apply to all activities and employees at PolyPeptide. This Global EHS Management Plan provides guidance for local EHS programs and other local procedures, including those related to handling hazardous materials throughout the entire production process within our own operations and addressing all material topics related to pollution. Moreover, all manufacturing sites maintain local business continuity, emergency and response plans, defining actions to limit impacts on people, the environment and business continuity.

In 2025 PolyPeptide committed to the Responsible Care initiative, making a public pledge to continuously improve its health, safety and environmental performance, as well as the responsible management of chemicals throughout their lifecycle.

Actions

Pollution of air, water and soil

PolyPeptide is committed to reducing air pollution across its manufacturing sites. To limit harmful emissions, we use advanced systems like Regenerative Thermal Oxidizers (RTOs)¹ at our Malmö and Braine facilities. These systems help respect emission limits for volatile organic compounds (VOCs) and other pollutants from exhaust air. At the Braine site, we also use activated carbon filters on ventilation systems to prevent laboratory fumes from entering the atmosphere. We are currently mapping VOC emissions at our European sites (i.e., Malmö, Braine, and Strasbourg) to comply with European regulations and apply best practices for minimizing environmental impact.

In addition, we have started phasing out the use of dichloromethane (DCM) at all sites, a substance that contributes to air pollution and will be classified as carcinogenic throughout Europe during 2026².

PolyPeptide takes robust measures to prevent water pollution. At our sites in Braine and Ambernath, industrial wastewater is treated in wastewater treatment plants, where pollutants are broken down before discharge. We monitor water quality to ensure safety and compliance. At our other sites (Malmö, Strasbourg, San Diego, and Torrance), industrial wastewater is collected as a waste and sent to certified treatment facilities.

To prevent soil contamination, all chemicals at PolyPeptide sites are stored in secure areas with secondary containment, and safety measures are implemented to avoid leaks or reactions. No thresholds regarding emission of pollutants warranting disclosure according to disclosure requirement ESRS E2-4 were exceeded during 2025.

Substances of Concern and Substances of Very High Concern

One of the key challenges PolyPeptide faces is the use of trifluoroacetic acid (TFA), a chemical classified as SOC, essential to certain production processes but notable for its persistence in the environment, as it does not naturally break down. This characteristic raises significant concerns regarding long-term environmental accumulation and potential ecological harm. In response, our innovation efforts are focused on developing new production methods to reduce and, where technically feasible and commercially acceptable, substitute selected SOCs/SVHCs. We are committed to consistently offering these improved, more sustainable solutions to our customers during product development, thereby reducing our environmental impact and supporting broader sustainability goals.

In pursuit of efficient use of DMF, classified as SVHC, the Group continues to deploy its patented in-process washing concept by percolation³, which was developed by the Group's Global Innovation and Technology team.

¹ Regenerative Thermal Oxidizers (RTOs): Industrial systems that use high temperatures to break down hazardous air pollutants and volatile organic compounds into harmless gases like carbon dioxide and water vapor.
Volatile Organic Compounds (VOCs): Organic chemicals that easily evaporate at room temperature and can contribute to air pollution and health risks.

² Actions are implemented within normal operating budgets; no significant incremental capital expenditures or operating expenses are allocated.

³ A percolation wash is a continuous flow wash in which a solid is washed in a continuous way by adding wash solvent at the top while withdrawing wash solvent at the same time from the bottom of the filter. In such a flow wash, the wash liquid and the associated impurities of synthesis are displaced by the wash solvent from the top to the bottom of the filter.

PolyPeptide submitted this concept to the European Responsible Care (RC) Awards 2025. The concept was judged as an exemplary model in the field of circular economy, where the approach to reducing solvent consumption was particularly well received. Therefore, RC have proposed to share the project as a best practice in the European Chemical Industry Council (Cefic) RC self-assessment webtool – an online platform that helps chemical companies evaluate and improve their sustainability, safety, and environmental practices by benchmarking against industry standards and sharing best practices.

The Group also continues its comprehensive efforts to recycle or downcycle hazardous solvents and reagents used both in its up- and downstream manufacturing processes, see also section [Resource use and circular economy](#).

Targets and metrics

In line with the actions highlighted above, voluntary pollution targets include:

- Apply green chemistry principles to reduce the use of SOCs and SVHCs.
- Monitor key pollutants such as DCM, SOCs and SVHCs annually, and minimize VOC emissions through air filtration and emission control technologies.
- Reduce the quantity of solvents used in production through the implementation of innovative technologies.
- Apply specific treatment to 100% of final products at end-of-life to avoid environmental pollution when destruction is required by customers.

In addition, to replace hazardous solvents or reagents with greener alternatives, PolyPeptide has gradually introduced the option of using greener solvents in new process development quotes. These alternatives, referred to as greener solvents, are selected for their lower environmental impact, reduced toxicity, and improved safety profile compared to conventional solvents (SOCs and SVHCs). In 2024, this option was included in 10.8% of all development quotes, whereas in 2025 it was included in 26.95% of the development quotes. The target for 2026 is set at 40%.

The solvent DMF is by far the most significant SOC and SVHC in PolyPeptide's manufacturing process. In 2025, DMF represented more than 87% of all SOCs used, and over 99% of the total amount of SVHCs.

Any residuals of SOCs or SVHCs are managed and leave the sites primarily via controlled waste treatment/disposal channels in accordance with applicable permits and regulations.

SOCs and SVHCs used during production and classified according to hazard class

Substances of concern (tonnes)	2025	2024	2023
Health hazard	6,714	4,527	4,087
Environmental hazard	69	65	54
Health and Environmental hazard	0.5	0.9	0.6
Total	6,783	4,593	4,142
Substances of very high concern (tonnes)	2025	2024	2023
Health hazard	5,965	3,925	3,367
Environmental hazard	0	0	0
Health and Environmental hazard	0.5	0.9	0.6
Total	5,966	3,926	3,368

Accounting policies

Substances of concern and substances of very high concern

SOCs and SVHCs used in the manufacturing processes at PolyPeptide's manufacturing sites are included in this Sustainability Report. Among the SOC, the SVHCs were identified based on the 'Candidate List of substances of very high concern for Authorization', which identifies chemicals that may be added to Annex XIV of REACH (the authorization list). The weight of substances is calculated according to substance-specific conversion factors where available, otherwise we assume a density of one kilogram per liter.

The underlying substances are highlighted in three main hazardous classes:

Health hazard, including substances of at least one of the following characteristics:

- Carcinogenicity categories 1 and 2
- Germ cell mutagenicity categories 1 and 2
- Reproductive toxicity categories 1 and 2
- Endocrine disruption for human health
- Persistent, Mobile and Toxic or Very Persistent, Very Mobile properties
- Persistent, Bioaccumulative and Toxic or Very Persistent, Very Bioaccumulative properties
- Respiratory sensitization category 1
- Skin sensitization category 1
- Specific target organ toxicity, repeated exposure categories 1 and 2
- Specific target organ toxicity, single exposure categories 1 and 2

Environmental hazard, including substances of at least one of the following characteristics:

- Endocrine disruption for the environment
- Chronic hazard to the aquatic environment categories 1 to 4
- Hazardous to the ozone layer

Health and environmental hazard, for substances associated with hazards from both hazard classes above.

Resource use and circular economy

Resource use and circular economy encompass the two dimensions of *resource inflows* and *waste*. PolyPeptide’s main resource inflows are starting materials, solvents, reagents, purification resins, SPPS resins and linkers. Waste generated in the Group’s operations includes hazardous and non-hazardous waste.

Impacts, risks and opportunities

DMA topics	Subtopic	IRO	IRO description and interaction with business and/or strategy	Value chain			Time horizon		
				Upstream	Own operations	Downstream	Short term	Medium term	Long term
E5 Resource and circular economy	Resources inflows	Opportunity	Continuous operational improvements with a focus on raw material and water efficiency, including the adaptation of circular concepts, can reduce costs, limit GHG emissions and improve profitability.	●	●	●		●	
	Waste	Negative impact	PolyPeptide’s manufacturing activities generate waste which can have adverse environmental impacts. The main resources used include starting materials, solvents, reagents, and purification resins.	●	●	●		●	

Peptide synthesis requires the use of significant quantities of raw materials, particularly solvents. With the Group’s growth and the scaling up of manufacturing processes, solvent consumption has increased. This increased activity and the large volumes of solvents also led to a higher generation of waste, including hazardous waste.

Used solvents are PolyPeptide’s main type of waste. As part of its green chemistry agenda, the Group has initiated measures to downcycle and recycle solvents, helping to use natural resources more efficiently. Operational excellence, including innovative waste management practices and continuous improvements focused on resource efficiency and the adoption of circular concepts, helps mitigate the increasing waste generation from business growth while reducing costs, limiting GHG emissions, and improving profitability.

Water is also an important resource, serving as a key solvent throughout various production stages, including purification activities, cleaning processes, and certain utility operations. Although water is not considered material under the E3 (Water and marine resources) scope parameters, the resource-use analysis identified it as a significant solvent and a component also of the waste stream.

Policies

PolyPeptide is committed to using resources responsibly and minimizing waste throughout its operations. In furtherance of the PolyPeptide EHS Group Policy Statement that provides the overall framework for our commitments and actions aimed at employee health and safety as well as environmental stewardship, the Global EHS Management Plan sets out the health, safety and environmental requirements that apply to all manufacturing processes. It provides guidance for local EHS programs and procedures, designed to protect our workforce, minimize risks, and promote a safe and healthy working environment.

In alignment with our EHS Group Policy Statement and Global EHS Management Plan, we have established local EHS policies at each production site and the innovation center in Strasbourg to ensure proper handling of residual materials and waste.

These policies require that all resource-related waste is correctly classified, segregated, and managed in compliance with environmental regulations. Waste is transported and disposed of only through certified companies using approved methods to protect human health and the environment. The scope of these policies includes all employees involved in managing production and laboratory waste within our operations.

Site Directors are responsible for implementing these policies and ensuring that resource use is optimized, waste streams are minimized, and circular practices are promoted wherever possible. Through these measures, PolyPeptide aims to reduce environmental impact and support sustainable resource management across all sites.

Actions

PolyPeptide is committed to reducing the environmental impact of its operations by improving how solvents are managed across all sites. Solvents are essential in peptide manufacturing, but their use can generate significant waste. To address this, we have launched several programs focused on down-cycling solvent waste and, wherever feasible, recovering solvents for reuse in production processes.

Our long-term goal is to expand solvent recovery capabilities across all sites and integrate them into standard operating procedures, reinforcing PolyPeptide's commitment to resource efficiency and environmental stewardship. Recovering solvents offers multiple benefits: it reduces the demand for fresh solvents, lowers waste volumes, and minimizes the environmental footprint of our operations. These initiatives involve evaluating existing processes, upgrading equipment where necessary, and implementing best practices for solvent handling and purification. In some cases, recovered solvents can be reintegrated into non-critical steps of production, creating a more circular approach to resource use.

In 2025, PolyPeptide achieved a significant improvement at its Malmö site with the commissioning of a new tank farm, designed to improve efficiency, safety, and resource management. The tank farm centralizes solvent inflows, distribution and waste collection, replacing multiple truck transfers with automated pipeline systems. This innovation reduces manual handling, minimizes on-site traffic, and enables faster, safer operations. Waste streams can now be consolidated for optimized treatment, and solvent handling is streamlined to support future recovery and reuse initiatives. Benefits of such an investment have already been proven by the existing tank farm at the Braine site, which has been recycling solvents for over 20 years. By increasing capacity and reducing resource losses, the tank farm in Malmö represents a key step toward circularity and sustainable growth, aligned with PolyPeptide's long-term strategy for responsible resource use.

In addition to solvent down-cycling recovery, our Global Innovation and Technology team is working on ways to use solvents more efficiently. One key approach is introducing high-capacity resins in our manufacturing process¹. These resins will allow us to produce more in the same reactor space, which means we need less solvent overall. This improvement will help reduce waste and lower our environmental impact.

Water is essential for our processes and represents a significant part of our waste stream. Using water efficiently and addressing the circularity of wastewater is therefore a priority for PolyPeptide. To improve efficiency, we focus on reducing water use and reusing it wherever possible. In 2025, PolyPeptide launched a program to map all water consumption points across our sites. This detailed analysis will help us identify the areas with the highest usage and uncover opportunities for reduction. Improvements may come from replacing older equipment with modern, water-saving technologies or reclaiming wastewater for non-critical applications. For example, at our Amherst site, water treated in the wastewater plant is reused for cooling.

¹ Patent application WO 2023/234837 A1.

Targets and metrics

In line with the actions highlighted above, circularity targets include:

- Treat 100% of industrial wastewater discharges to meet local discharge standards
- Complete mapping of water consumption across 100% of manufacturing sites by 2027, supporting the initiation of efficiency improvements in 2028.

Initiatives related to resource inflow, including solvent use, are described in the section [Climate change](#).

Although the zero-landfill goal is a voluntary target, and even if landfilling accounts for less than 0.5% of our waste disposal, we are actively working on identifying new treatment methods for the remaining concerned waste. Despite an increase in raw-material inflow to net revenue ratio, the share of non-recycled waste has continuously decreased over the past three years, reflecting the initiatives taken by PolyPeptide to reduce its environmental footprint.

Overall water consumption decreased in 2025 compared to 2024, with trends over time affected by product mix. As mentioned, PolyPeptide is working towards better water efficiency based on the mapping of water consumption started in 2025.

Raw material inflow	2025	2024	2023
Raw material inflow (kg)	12,993,386	10,896,917	8,689,037
Net revenue (kEUR)	389,327	336,792	320,372
Raw material inflow per net revenue (kg/kEUR)	33.4	32.4	27.1

Recovered and disposed waste in tonnes	2025	2024	2023
Total amount of waste generated	18,361	15,376	14,148
Total amount of waste diverted from disposal	18,101	14,949	13,515
Preparation for reuse	0	0	0
- Hazardous waste	0	0	0
- Non-hazardous waste	0	0	0
Recycling	7,056	5,206	4,106
- Hazardous waste	7,017	5,206	4,106
- Non-hazardous waste	39	0	0
Other recovery	11,045	9,743	9,409
- Hazardous waste	10,752	9,493	9,117
- Non-hazardous waste	293	250	292
Total amount of waste directed to disposal	260	427	633
Incineration	169	269	434
- Hazardous waste	169	269	433
- Non-hazardous waste	0	0	1
Authorized landfill	65	56	58
- Hazardous waste	8	1	3
- Non-hazardous waste	57	55	55
Other disposal	25	102	141
- Hazardous waste	25	102	141
- Non-hazardous waste	0	0	0
Percentage of non-recycled waste in percent	1.4	2.8	4.5

Water consumption	2025	2024	2023
Fresh water consumption (m ³)	174,985	177,297	137,597
Finished Products (kg)	2,862	1,823	2,000
Water consumption (m ³ /kg)	61	97	69

Accounting policies

Resource inflows

Key material inflow includes starting materials, solvents, reagents, purification resins, SPPS resins and linkers. The total weight shown reflects 100% technical materials. None of these materials are or contain critical or strategic raw materials as identified in Annex I and Annex II of the Critical Raw Materials Act (Regulation (EU) 2024/1252).

The percentage of secondary reused or recycled components is near zero and therefore not indicated separately.

Data reported is calculated based on physical quantities of goods sourced and the methodologies for carbon accounting data Scope 3, category 1: Purchased goods and services.

Resource outflows

Solvent recycling: The process of purifying used solvents so they can be reused for the same or similar purpose without altering their chemical structure.

Solvent recovery: The process of extracting solvents from waste streams to minimize loss and environmental impact. Recovered solvents may be reused after further treatment or disposed of safely.

Progress on solvent reduction initiatives is monitored by the total raw material inflow relative to net revenues (indicative for manufactured volumes). The implementation of solvent recovery is monitored by the total volume of recovered solvents (in tonnes) vs. the total amount of generated waste.

We track progress on water efficiency by monitoring the volume of fresh water used per kilogram of finished product (m³/kg).

Waste

Indicators for waste management include the weight of hazardous (>97% of the total waste) and non-hazardous waste. Hazardous waste mainly consists of chemical waste (primarily solvents) generated during manufacturing activities but also includes lubricating oils and refrigerants. Non-hazardous waste mainly consists of paper and cardboard, plastic, glass, metal, organic waste (food and drink waste) and household residual waste. Waste subcategories are shown between hazardous and non-hazardous waste, as defined in the EU's Waste Framework Directive. We have not identified any radioactive waste in our operations.

Only waste generated at manufacturing sites and the innovation center in Strasbourg is considered in the metrics, with the waste from the headquarters in Baar deemed immaterial and excluded. All waste generated across our sites is managed by local waste handling companies.

Social information

Own workforce

Own workforce refers to PolyPeptide’s working conditions among its own employees. It encompasses the sub-topics *health and safety, social dialogue, collective bargaining, training and skills development, gender equality and equal pay of work of equal value, measures against violence and harassment in the workplace, and diversity.*

PolyPeptide’s manufacturing process, especially the handling of hazardous substances, entails potential health and safety risks for employees that require specific precautions. The Group provides targeted training programs covering GMP requirements, environmental protection, workplace health and safety, ethical behavior and compliance, whistleblower programs as well as cyber security and data protection.

PolyPeptide supports fair employment by promoting gender equality and equal pay, implementing procedures against violence and harassment, and fostering diversity.

Impacts, risks and opportunities

DMA topics	Subtopic	IRO	IRO description and interaction with business and/or strategy	Value chain			Time horizon		
				Upstream	Own operations	Downstream	Short term	Medium term	Long term
S1 Own workforce	Social dialogue (Working conditions)	Risk	Attracting and retaining talent across key functions is critical to the execution of our business strategy. In an increasingly competitive market for skilled professionals, our ability to maintain performance and achieve strategic objectives could be negatively affected.	●	●	●	●	●	●
	Collective bargaining, including rate of workers covered by collective bargaining agreements (Working conditions)	Positive impact	By providing attractive working conditions and employment benefits, PolyPeptide creates a fair and inclusive workplace. The commitment to collective bargaining and social dialogue can have a positive impact on employee health, well-being, and engagement.	●	●	●	●	●	●
	Health and safety (Working conditions)	Negative impact	The handling of chemicals can lead to exposure risks, which may, if not properly managed, adversely affect the health and safety of individuals.	●	●	●	●	●	●
	Gender equality and equal pay for work of equal value (Equal treatment)	Positive impact	By promoting equal treatment and opportunities for all employees, PolyPeptide helps create a respectful and inclusive workplace where employees have access to opportunities and rewards.	●	●	●	●	●	●
	Training and skills development (Equal treatment)	Opportunity	Ensuring relevant and timely training, supports our strategic agenda: our commitments to workforce training contributes to delivery and business performance.	●	●	●	●	●	●
	Measures against violence and harassment in the workplace (Equal treatment)	Positive impact	Through a zero-tolerance policy, whistleblower programs, and targeted trainings, PolyPeptide can foster a non-discriminatory environment that supports smooth processes and promotes a culture of respect, integrity, and trust.	●	●	●	●	●	●
	Diversity (Equal treatment)	Positive impact	A workplace embracing the values of inclusion and diversity can increase employee satisfaction and well-being.	●	●	●	●	●	●

Our work matters to millions of patients worldwide. PolyPeptide’s success depends on a skilled and engaged workforce to operate under GMP standards and drive innovation. Attracting and retaining talent is critical in a competitive market, as shortages of qualified employees could impact our ability to deliver on strategic objectives.

PolyPeptide fosters a culture of respect and integrity through zero-tolerance policies on unethical and illegal behavior, supported by whistleblower programs, and targeted training. We promote inclusion and diversity, offer attractive working

conditions and benefits, and support social dialogue to enhance engagement and well-being. Our commitment to ongoing training ensures employees have the skills needed to maintain compliance and deliver on our strategic goals.

Our operations involve handling hazardous substances, which can pose health and safety risks if not managed properly. To mitigate these risks, we maintain strict EHS standards, provide continuous GMP and safety training, and implement measures to protect employees and non-employees working on-site in innovation and manufacturing environments. Our commitment to workforce training strengthens operational excellence and supports overall business performance.

Policies

PolyPeptide's values are embedded in its Code of Business Conduct and Ethics. We foster a workplace built on respect, integrity, inclusion and diversity and maintain a zero-tolerance policy for harassment, bullying, or discrimination. The Group will not discriminate against any employee or applicant with regard to gender, gender identity or expression, age, ethnicity, skin color, sexual orientation, religion, family or marital status, pregnancy, political activity, disability or any other characteristic protected by applicable law. We strive to uphold human rights and freedom of association, provide equal employment opportunities, and maintain alignment with all relevant labor and safety regulations. Our global employment principles reflect these values.

Our commitment extends to responsible practices across our supply chain. Through our Global Supply Chain Policy on Child Labor, we promote transparency and apply due diligence to prevent child labor in our operations and among high-risk tier 1 raw material suppliers.

In furtherance of the PolyPeptide EHS Group Policy Statement that provides the overall framework for our commitments and action aimed at employee health and safety as well as environmental stewardship, the Global EHS Management Plan sets out the health, safety and environmental requirements that apply to all activities and employees at PolyPeptide. It provides guidance for local EHS programs and procedures, designed to protect our workforce, minimize risks, and promote a safe and healthy working environment.

We do not currently have specific policy commitments that cover specific groups within our own workforce.

Processes for engaging with our workforce

We actively engage with our workforce, both directly and indirectly, through multiple processes that inform our decision-making. The primary channel for direct feedback is our annual employee engagement survey. This survey enables us to continuously monitor and improve PolyPeptide as a workplace, and all teams work proactively with the results each year to drive meaningful improvements.

More than 1,000 employees took part in the employee engagement survey 2025, yielding a participation rate of 84% (2024: 86%). The overall engagement score was 3.7, on a scale from 1 to 5, with 5 being the highest and 1 being the lowest (2024: 3.6). The survey revealed "Relationships with Colleagues", "Meaningful Participation" and "Relationship with Manager" as strengths of PolyPeptide's workplace culture, while "Feedback and Communication", "Workplace and Tools", and "Autonomy" scored lower. The specific results of the engagement survey were made available to the respective teams in order to further develop employee engagement.

Other channels and platforms for engagement include the Group's intranet, global and local townhall meetings, as well as themed workshops and campaigns. In addition, we maintain ongoing dialogue with workers' representatives. In Braine, Malmö and Strasbourg, employees are represented by local unions and associations, which help incorporate their perspectives into PolyPeptide's approach to employee well-being, workplace conditions, and compliance with labor standards.

To manage individual performance and development, the Group maintains annual performance evaluation and employee development processes. Under the operational responsibility of local Human Resource managers, line managers are requested to conduct suitable discussions with their team members.

Processes to remediate negative impacts and channels for own workforce to raise concerns

We apply established processes to address and remediate negative impacts. For an overview of the channels available to our workforce for raising concerns, including whistleblowing mechanisms, see the section on [Business conduct](#).

Actions

Our key actions related to health and safety (i.e., the identified potential negative impact) are described below. All employees engaged in the manufacturing process go through training in compliance with GMP requirements and health and safety regulations. The individual GMP training includes self-study, classroom teaching, and practical on-the-job training, which is documented and subject to regular refreshers. PolyPeptide believes that continuous learning and professional development are crucial for both individual and organizational success. We are committed to providing

training opportunities and resources to support individual growth through annually reviewed development plans, although we currently do not track total training hours.

To achieve its EHS objectives, PolyPeptide has deployed a three-year EHS action plan which includes a comprehensive EHS awareness program covering:

- Ongoing training for all employees;
- Access to tools that empower employees to report hazardous situations; and
- Systematic identification and management of operational risks.

In recent years, the Group has established a Global EHS Policy and implemented escalation forms to share lessons learned from incidents and best practices across all sites, fostering continuous improvement. PolyPeptide has introduced tools to proactively monitor regulatory changes and deployed a system for managing safety data sheets, providing employees with easy access to up-to-date information.

For the 2026–2028 period, PolyPeptide’s priorities include further strengthening its EHS culture through an EHS employee awareness program, from onboarding to periodic refreshers on specific topics and an EHS training program for subcontractors operating at manufacturing sites. The plan also emphasizes harmonizing EHS processes across the Group, by, *inter alia*, developing guidance for event investigation, reporting, and sharing lessons learned, as well as standardizing risk assessment processes to ensure employee health and safety.

Collectively, these actions contribute to PolyPeptide’s expected outcomes by strengthening the Group’s ability to prevent and mitigate negative impacts on its own workforce while enhancing overall organizational resilience.

Targets and metrics

Characteristics and diversity metrics of PolyPeptide’s employees

In 2025, the average number of FTEs was 1,395 compared to 1,291 in 2024. 146 employees left the Group during the reporting period, resulting in an employee turnover of 9.94%. Metrics, including breakdowns of the employees by geography, job category, site, age, experience, qualification, and gender are presented in the tables below.

While PolyPeptide is not reporting quantitative targets for all material topics of its Own workforce, the Group is committed to establishing relevant measurable outcome-oriented targets in line with its objectives while we track the effectiveness of our policies and actions in relation to identified IROs.

Number of employees (HC)	2025	in %	2024	in %
Total	1,469	100%	1,362	100%
Baar (CH)	16	1%	11	1%
Strasbourg (FR)	157	11%	152	11%
Braine (BE)	457	31%	454	33%
Malmö (SE)	445	30%	381	28%
Ambernath (IN)	134	9%	110	8%
San Diego (US)	61	4%	65	5%
Torrance (US)	199	14%	189	14%

Average number of FTE	2025	2024
Total	1,395	1,291
By geography		
Switzerland	15	10
France	155	139
Belgium	442	430
Sweden	403	350
India	123	101
USA	257	261
By job category		
Production	786	722
Marketing and sales	20	18
Research and development	167	168
General and administration	114	103
Quality control	178	161
Quality assurance	130	119

By age (HC)	2025	2024
Age under 30 years old	236	224
Age 30-50 years old	888	822
Age over 50 years old	345	316
By experience (HC)		
<2 years	30%	33%
2 to 10 years	46%	41%
>10 years	24%	26%
By qualification (HC)		
PhD	7%	7%
Academic	64%	63%
Non-academic	29%	30%

Gender diversity ¹ (HC)		2025			2024		
		m	f	Total (absolute)	m	f	Total (absolute)
Diversity of governance bodies	Board of Directors	67%	33%	6	83%	17%	6
	Executive Committee ²	75%	25%	4	75%	25%	4
	Management ³	69%	31%	225	66%	34%	232

By gender split m/f (HC)		2025		2024	
		m	f	m	f
Production		75%	25%	76%	24%
Other functions		51%	49%	51%	49%

Number of employees by employment characteristics (HC)	2025		
	m	f	Total
Number of permanent employees	932	508	1,440
Number of temporary employees	17	12	29
Number of non-guaranteed hours employees	0	0	0
Total employees	949	520	1,469

Remuneration metrics	2025
Gender pay gap	4.2%
Remuneration ratio	38

Collective bargaining coverage

The number of employees covered by collective bargaining agreements by the end of 2025 was 72% (2024: 72%), representing all employees in Belgium, Sweden, and France that are covered by collective agreements.

¹ PolyPeptide recognizes that gender is not a binary concept.

² Top Management according to ESRS.

³ Management refers to employees in leadership positions, including all team leader roles with at least one direct report, as well as Executive Committee and PolyPeptide Management Committee members.

Health and safety targets and metrics

PolyPeptide is committed to building a strong safety culture across all its sites, with the ambition to achieve zero lost-time injuries (LTI) and continuously lower the severity rate year over year to ensure a safer and healthier workplace for all employees. The Group prioritizes the protection of the health and safety of its employees, both physically and mentally.

In 2025, the Group incurred 17 LTI (2024: 14), resulting in 0.25 lost working days per employee (2024: 0.09). Zero fatalities as a result of work-related injuries and ill health were recorded during 2025. As part of PolyPeptide’s ongoing commitment, the Group continued its health and safety programs at the manufacturing sites in 2025, including awareness initiatives and practical accident prevention trainings. In addition, the sites held practical trainings with emergency responders.

In addition, the Group launched the Safety Days/Safety Week initiative at several sites, with full implementation across 100% of sites targeted by 2026.

Health and safety metrics related to own employees	2025
Percentage of own workforce at manufacturing sites covered by the health and safety management system	100%
Number of fatalities as a result of work-related injuries or ill health	0
Recordable work-related accidents	17
Rate of recordable work-related accidents (LTI/FTE)	0.01

Incidents, complaints and severe human rights impacts

There are no confirmed cases of incidents of discrimination, including harassment, and no reported cases of severe human rights impacts and no related fines, penalties and compensation for damages.

See also section [Business conduct](#) for number of whistleblower reports.

Accounting policies

Characteristics of employees and non-employees

The identified material impacts and risks primarily relate to our own workforce, which includes both employees and non-employees.

Employees refer to individuals working part-time or full-time under a contractual agreement with PolyPeptide. Employee data is shown as headcount (excludes apprentices, interns, students, trainees, contract workers, and inactive workers) or standard full-time equivalent (FTE) based on records from the relevant HR systems at the end of the reporting period.

Non-employees consist of individuals engaged under a fixed-term contract. This group consists of self-employed contractors or individuals employed by third parties who are part of the operational business performing tasks similar to those of PolyPeptide's employees, on-site in research and/or manufacturing environments. PolyPeptide does currently not report the number of non-employees.

All members of our own workforce who could be materially impacted by PolyPeptide are included within the scope of our social disclosures. However, the nature of impacts, risks, and opportunities varies by roles and context. Health and safety considerations, in particular, primarily affect employees in innovation and operational functions, as these roles involve greater exposure to potentially hazardous situations and materials compared to those in office settings.

Employee turnover

The total number of permanent leavers in 2025 is calculated relative to the headcount per 31 December 2025. Employees who leave voluntarily or due to dismissal, retirement, or death in service are included in the calculation.

Training metrics

While we track participation in trainings provided, PolyPeptide does not currently track the total number of training hours for all employees or participation rates in development plan reviews.

Remuneration metrics

Gender pay gap is defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees. Remuneration metrics are calculated based on compensation rates converted to EUR in relation to hours worked. Figures are based on gross pay as shown on pay slips and include worked hours plus paid absences (e.g., vacation) and any taxable benefits. Compensation is reported without adjustments for purchasing power differences between countries and is presented by gender only.

Calculations include all employees active as of 31 December 2025. Individuals with zero worked hours during the year are excluded. Employees without gender designation are also excluded.

Recordable work-related accidents

Recordable work-related accidents are reported as Lost Time Injury (LTI). LTI refers to a work-related injury or illness that prevents an employee from performing their normal job duties and results in them missing at least one full workday or shift after the incident date, requiring time off for recovery, even if assigned modified work, and counting towards lost workdays for tracking serious incidents.

Workers in the value chain

Safety of workers in the value chain refers to *health and safety*, meaning the conditions under which work is performed throughout PolyPeptide’s value chain, including physical conditions.

PolyPeptide maintains a network of several hundred direct suppliers of raw materials, capital goods, and services. For most of these suppliers, PolyPeptide’s addressable spend volume represents a relatively small share of the supplier’s overall revenue, which limits the Group’s influence on their practices.

Impacts, risks and opportunities

DMA topics	Subtopic	IRO	IRO description and interaction with business and/or strategy	Value chain			Time horizon		
				Upstream	Own operations	Downstream	Short term	Medium term	Long term
S2 Workers in the value chain	Health and safety (Safety of workers in the value chain)	Negative impact	Inadequate health and safety management increases the possibility of employee injury, illness, and even death.	●			●	●	
		Opportunity	Paying attention to appropriate occupational health and safety contributes to the prevention of physical and mental harm to workers and the promotion of their health.	●			●	●	

PolyPeptide maintains a global network of over 430 direct raw material suppliers. In 2025, the top 30 direct raw material suppliers together accounted for around 80% of the total material spend. Where feasible, PolyPeptide sources its needed materials regionally, supporting environmental sustainability as well as local economies and communities.

We are committed to ensuring fair and safe working conditions across our value chain. PolyPeptide actively assumes its responsibility to respect human rights, and aims to ensure fair treatment of workers within its own operations and throughout its network of commercial partnerships. This includes prohibiting child labor and promoting safe and ethical working conditions across the supply chain. Insufficient supply chain engagement can lead to adverse effects on workers and may harm the communities from which PolyPeptide sources. Furthermore, inadequate health and safety management at our suppliers increases the possibility of worker injury, illness, and even fatalities. At the same time, based on the DMA, PolyPeptide has not identified material actual or potential impacts on specific categories of workers in the value chain.

To mitigate these risks, PolyPeptide emphasizes adequate diversification of vendors, clear specifications and procedures, and direct supplier engagement. These measures strengthen operational resilience and promote ethical behavior and legal compliance along its value chain, ultimately protecting the Group’s reputation.

Policies

PolyPeptide maintains a Global Supply Chain Policy on Child Labor which sets out how the Group meets its due diligence and transparency obligations across its supply chain. The policy defines the Group’s child labor due diligence processes and its associated reporting and management systems. This policy is referenced in PolyPeptide’s Code of Business Conduct and Ethics as well as the Supplier Code of Conduct that applies to all activities within our upstream value chain.

PolyPeptide’s Supplier Code of Conduct establishes strict expectations for ethical, legal, and socially responsible practices across its supply chain, emphasizing respect for internationally recognized labor and human rights. It mandates freely chosen employment, explicitly prohibiting forced, bonded, or prison labor, as well as all forms of child labor and human trafficking. Suppliers must uphold fair treatment of workers, comply with ILO standards and UN Global Compact principles, and provide safe, healthy working conditions. The Supplier Code of Conduct requires transparent grievance mechanisms, enabling employees to report concerns confidentially and without retaliation, and obliges suppliers to investigate and remediate violations. These commitments aim to ensure that workers in PolyPeptide’s value chain are protected from exploitation and treated with fairness, reinforcing the Group’s sustainability objectives and global compliance standards.

In furtherance of this, we assess all suppliers in the following areas to ensure we work only with suppliers who understand and acknowledge our Supplier Code of Conduct:

- **Fair and Ethical Business Practices** – our Supplier Code of Conduct outlines the ethical standards and fair business practices by which we conduct our business, and we expect our suppliers to adopt similar principles.
- **Health & Safety**– we expect our suppliers to adopt management practices in respect of Health & Safety which provide a high level of safeguarding for their workers.
- **Environmental Protection** – we expect suppliers to maintain effective policies, processes and procedures to minimize their environmental impact.
- **Human Rights** – we expect our suppliers to develop and implement policies and procedures that protect human rights within their operations and to encourage their own suppliers to do the same.
- **Compliance with Laws and Regulations** – we expect our suppliers to respect and follow the laws, rules and regulations of the cities, states and countries in which they operate, this includes adherence to our Global Supply Chain Policy on Child Labor and Global Anti-Corruption and Anti-Bribery Policy.

Actions

Operating within a highly regulated GMP business environment, PolyPeptide maintains procedures to approve and qualify critical suppliers based on the criticality of the materials or services provided. Its Supplier Code of Conduct is published on the corporate website, and suppliers are expected to conduct their business in compliance with, *inter alia*, applicable local, national, and international laws and regulations, contractual agreements, and consistent with internationally recognized sustainability standards.

The instruments that PolyPeptide may use to identify and assess any risks of Child Labor in its supply chain are described in the Global Supply Chain Policy on Child Labor. The Group carries out a risk-based assessment to anticipate, avoid, or mitigate potential or actual adverse impacts associated with its supply chain.

PolyPeptide requires its suppliers to acknowledge and comply with its Supplier Code of Conduct and the Global Supply Chain Policy on Child Labor. During 2025, PolyPeptide introduced an automated distribution and acknowledgement process of the Supplier Code of Conduct through its Supplier Management System.

Process for engaging with value chain workers

We maintain both direct and indirect engagement with supplier representatives through ongoing interactions across our organization and procurement functions as well as supplier audits.

With the support of a multinational assurance, inspection, product testing and certification company, PolyPeptide began engaging with selected high-risk tier 1 raw material suppliers through a questionnaire based on ISO26000 in 2023. Suppliers are selected using a risk-based approach, focused on any enhanced risks of human rights and child labor violations based on, *inter alia*, the UNICEF Children's Rights in the Workplace Index. PolyPeptide may further conduct on-site as well as remote audits on a case-by-case basis to verify compliance. In the event of observations or suspicions of actual or potential violations, PolyPeptide will engage with the supplier to create a remediation plan, and in severe cases terminate the relationship.

Based on the due diligence activities conducted throughout 2025, including an assessment of five high-risk tier 1 raw material suppliers (2024: ten), PolyPeptide maintains a robust and risk-based approach to identifying and mitigating potential child labor risks in its supply chain. To date, the assessments have not identified any need for action with regard to human rights and child labor risks. While work on identified improvement areas continues, enhancements such as updated onboarding questionnaires, automated Supplier Code of Conduct acknowledgements, and targeted screening against international indices have further strengthened our compliance framework. Regular supplier engagement, ongoing sanctions screening, and staff training reinforce our commitment to responsible sourcing.

PolyPeptide's analysis in 2025 in relation to minerals and metals from conflict-affected areas established that PolyPeptide does not place in free circulation or process minerals containing tin, tantalum, tungsten or gold, or metals from conflict-affected and high-risk areas in Switzerland. PolyPeptide also performed its analysis in 2025 in relation to child labor (as defined in its Global Supply Chain Policy on Child Labor). PolyPeptide concluded that it does not offer any products or services for which there are reasonable grounds to suspect that they were manufactured or provided using child or forced labor.

For further information on PolyPeptide's analysis in 2025 in relation to conflict minerals and metals from conflict-affected areas and child labor, see PolyPeptide's [voluntary report on child labor due diligence in its supply chain](#).

Process to remediate negative impacts and channels for value chain workers to raise concern

PolyPeptide maintains, as an early warning mechanism for risk identification, a reporting procedure that allows all interested parties to raise reasonable concerns about the existence of a potential or actual adverse impact related to child labor. Anybody with knowledge or suspicion of illegal activities or irregularities at PolyPeptide (including any concerns about child labor in PolyPeptide's supply chain) can report observations confidentially and even anonymously, if desired, through PolyPeptide's whistleblower programs publicly available on PolyPeptide's website and referenced in the Supplier Code of Conduct.

To support effective risk management and human rights due diligence, PolyPeptide maintains remediation procedures for human rights impacts, including child labor, which set out operational guidance on how to deal with potential or actual adverse human rights impacts in PolyPeptide's own workforce and supply chain.

Targets and metrics

While PolyPeptide has not established quantitative targets for workers in the value chain at this stage, the Group is committed to expanding and continuously improving the assessment of its supply chain, with a particular focus on any potential new suppliers from high-risk areas before entering into any business relationships.

Following the introduction of automated Supplier Code of Conduct acknowledgements during the year, approximately 90% of current direct material suppliers have either formally accepted PolyPeptide's Supplier Code of Conduct or confirmed adherence to an equivalent and acceptable code of conduct of their own. Going forward, any new supplier will be required to acknowledge the PolyPeptide Code of Conduct or maintain an equivalent Code of Conduct prior to engaging in transactions.

Access to safe and effective products

Access to safe and effective products includes the sub-topics *Health and safety* as well as *Access to products and services*. It refers to how customers can procure PolyPeptide’s products and services, as well as how the Group contributes to patient health and safety. PolyPeptide assists its customers throughout the development and manufacturing of drug substances and provides regulatory support.

As a CDMO supplying APIs primarily to the pharmaceutical and biotech industries, PolyPeptide does not interact directly with consumers and end-users.

Impacts, risks and opportunities

DMA topics	Subtopic	IRO	IRO description and interaction with business and/or strategy	Value chain			Time horizon		
				Upstream	Own operations	Downstream	Short term	Medium term	Long term
S4 Access to safe and effective products (Consumers and end-users)	Health and safety	Positive impact	PolyPeptide’s project and product portfolio covers a broad range of therapeutic areas that ultimately benefit millions of patients.			●	●	●	
	Access to products and services	Risk	Inherent technical and operational weaknesses across the product life cycle may impair delivery performance and ultimately restrict the availability of medications to patients.	●	●	●	●	●	
	Access to products and services	Opportunity	A strong track record in meeting delivery schedules, combined with innovative capabilities in process development and manufacturing, enables PolyPeptide to deliver significant value to customers and support sustainable business growth.			●	●	●	

PolyPeptide’s mission is to help its customers develop products, secure regulatory approvals, and successfully launch and commercialize their products. Through its network of six GMP-certified manufacturing sites on three continents, PolyPeptide aims to consistently meet regulatory requirements and customer expectations in terms of quality, quantity, and timely delivery.

With its expertise in the development and manufacturing of peptide-based API and intermediates, PolyPeptide supports the drug innovation efforts of its customers and strives to ensure a reliable supply of material. The peptide materials involved are highly specialized and require careful handling as well as precise processes, reflecting the complexity behind modern medicines. PolyPeptide’s active custom projects and commercial projects portfolio, including generics, covers a broad range of therapeutical areas to the benefit of millions of patients. Its manufacturing and quality processes are designed to protect their safety.

The drug development and manufacturing process contains inherent technical and business risks along the entire life cycle of a product. Flawed operational processes and controls may result in a low delivery performance. Delays in agreed production and delivery schedules and/or lower-than-expected yields from manufacturing can adversely impact the availability of medication for patients.

Advanced process development capabilities, high manufacturing efficiency, and timely delivery performance enable PolyPeptide to meet customer expectations and support their drug innovation efforts. Building on a strong track record and innovative capabilities in process development and manufacturing, PolyPeptide delivers significant value to customers and enables access to safe and effective products.

Policies

The Group’s goal is to help customers develop products, secure regulatory approvals, and implement successful market launches to benefit patients around the world. PolyPeptide ensures regulatory compliance through its disciplined adherence to strict production procedures and product quality standards. The Group’s Quality Manual is the basis for all GMP activities. It defines which regulations are applicable and sets the basis for the policies and procedures to be followed for a specific product or service. An essential element is the Quality Plan, which includes quality performance metrics applicable across the Group.

Processes for engaging with customers

As a CDMO delivering APIs to our customers mainly in the pharmaceutical and biotech industries, PolyPeptide does not directly engage with or deliver to consumers and end-users. We have therefore chosen to rename the ESRS metric S4 (consumers and end-users) to "Access to safe and effective products" to better reflect our role. Compliance with policies, procedures and regulations is PolyPeptide's main instrument to ensure delivery performance, quality of its products and availability of medication for patients. Employees engaged in the manufacturing process undergo extensive training in compliance with GMP requirements and safety regulations. The individual training includes self-study, classroom teaching, and practical on-the-job training. To maintain training levels, PolyPeptide provides regular refresher courses.

Processes to remediate negative impacts

PolyPeptide measures and tracks operational performance through a set of metrics, procedures, and internal reports. GMP nonconformities are investigated, including an impact assessment, with reviews and approvals by appropriate individuals in the quality organization. Where needed, the Group takes appropriate corrective and preventative actions. Customers are involved in the process as defined in the respective quality agreements. In addition, PolyPeptide continuously develops its internal standards and procedures to enhance Group-wide consistency and coordination. Quality is secured at every production stage following the procedures from raw material sourcing, testing, and storage through production, packaging, testing, releasing, and finally, delivery of the product to the customer.

Actions

PolyPeptide aims to be the preferred long-term partner for customers throughout the entire drug life cycle. It seeks to maintain and further develop its pipeline of active custom projects and portfolio of commercial projects, diversified across therapeutic areas. With strong process development capabilities, PolyPeptide seeks to effectively support the development of complex peptide-based APIs and to meet the growing manufacturing volume requirements. With a focus on process design, GMP, and product quality, PolyPeptide strives for high manufacturing efficiency and timely delivery performance as a driver for customer satisfaction and financial results.

In 2025, PolyPeptide underwent seven regulatory (2024: five) and 47 customer (2024: 46) GMP audits, and its audit performance has generally remained strong. Continuous improvement is facilitated by the resolution of audit comments, where appropriate actions are taken in close collaboration with customers and authorities.

Targets and metrics

PolyPeptide ensures patient safety by delivering products that meet the highest standards of quality and regulatory compliance. While PolyPeptide has not introduced quantitative targets for ensuring access to safe and effective products at this stage, the Group remains firmly committed to upholding and continuously enhancing a culture of integrity, transparency, and accountability throughout its operations. By combining advanced process development capabilities with GMP compliance and robust quality systems, PolyPeptide strives to deliver reliable, on-time performance and scalable solutions that enable customers to bring life-changing therapies to patients worldwide.

Governance information

Business conduct

Business conduct refers to PolyPeptide’s values, principles for ethical behavior and compliance with legal and regulatory requirements. It includes the sub-topics *Corporate culture*, *Protection of whistleblowers* and *Corruption and bribery*.

Impacts, risks and opportunities

DMA topics	Subtopic	IRO	IRO description and interaction with business and/or strategy	Value chain			Time horizon		
				Upstream	Own operations	Downstream	Short term	Medium term	Long term
G1 Business conduct	Corporate culture	Positive impact	By living up to the corporate values of Innovation, Excellence and Trust, and by promoting adherence to and strict compliance with the Code of Conduct, as well as through established whistleblower programs, PolyPeptide seeks to uphold integrity across its value chain and to protect its assets as well as the interests of its stakeholders.	●	●	●	●	●	●
	Protection of whistleblowers	Positive impact	PolyPeptide’s whistleblower programs can help detect, prevent, or mitigate corrupt, illegal or other unethical conduct and ensure the trustworthiness of PolyPeptide as a business partner.	●	●	●	●	●	●
	Corruption and bribery / incidents	Risk	Failure to comply with ethical standards and applicable regulations may result in legal prosecution and financial and reputational damage.	●	●	●	●	●	●

PolyPeptide’s commitment to ethical conduct and compliance with legal and regulatory requirements safeguards its assets and protects the interests of its stakeholders across the value chain, including customers, employees, investors, and suppliers. By prioritizing customer needs and upholding the highest standards of quality and responsibility, PolyPeptide aims to contribute positively to the well-being of patients and the communities in which it operates.

The Group recognizes that violations of business ethics and compliance not only undermine stakeholder trust but also distort healthy competition. To prevent such risks, PolyPeptide maintains a robust compliance framework to prevent, detect, and remediate potential misconduct, reinforcing its role as a responsible and trusted industry leader.

By living up to its core values –Innovation, Excellence, and Trust– PolyPeptide promotes adherence to its Code of Business Conduct and Ethics and safeguards accountability through established whistleblower programs. These measures strive to uphold integrity across its value chain, strengthen ethical business practices, and protect both its assets and stakeholder interests. Failure to comply with applicable laws, rules, regulations, ethical standards, internal policies and procedures, or the loss of sensitive data, may put the Group at risk of business interruptions and legal prosecution with adverse impacts on financial performance and reputation.

Policies

All employees, including managers and the members of the Board of Directors, are subject to the Code of Business Conduct and Ethics, which emphasizes the Group’s commitment to ethics and compliance, sets forth the basic standards of ethical and legal behavior, provides reporting mechanisms for known or suspected ethical or legal violations, and helps to prevent and detect wrongdoing. Supplementing the Code of Business Conduct and Ethics and the Supplier Code of Conduct, the Global Anti-Corruption and Anti Bribery Policy sets out PolyPeptide’s principles for integrity and against corruption and bribery.

PolyPeptide fosters an agile, open, and collaborative work environment with an atmosphere of honest and open communication. In addition, PolyPeptide maintains Group-wide whistleblower programs as essential tools for detecting, preventing and mitigating potentially corrupt, illegal or other unethical conduct, ensuring the trustworthiness of PolyPeptide as a business partner. Whistleblowers, including any current or past employees and any other external party with a connection to PolyPeptide, are encouraged to report any such concerns and suspicions via the designated,

autonomous and independent whistleblower hotlines, knowing that they can do so without fear of intimidation, harassment, retaliation, reprisals, discrimination or adverse consequences because of such report.

PolyPeptide maintains a set of internal policies and procedures to ensure good corporate governance, including the Global Sanctions and Export Control Compliance Policy and Procedure, the Enterprise Risk Management Policy, the Risk Assessment and Reporting Procedure, a Disclosure Policy, and an Insider Dealing and Market Manipulation Policy.

In 2025, PolyPeptide advanced the development of its Artificial Intelligence governance framework, aligning with existing data privacy and information security frameworks to foster ethical AI practices, transparency, accountability, and regulatory compliance. The governance framework is built on key principles that prioritize patient safety, ethical and responsible application of AI models, transparency in decision-making, and data security.

As outlined in the section **Workers in the value chain**, PolyPeptide expects its suppliers to conduct their business ethically and in compliance with applicable local, national, and international laws and regulations, contractual agreements and consistent with internationally recognized sustainability standards.

Actions, prevention and detection of corruption and bribery

PolyPeptide has differentiated procedures in place to prevent, identify, assess and remediate any infractions of applicable laws, rules, policies, or guidelines, see also the section **Compliance Controls** in the Corporate Governance Report 2025. The Group's Code of Business Conduct and Ethics is part of the onboarding of new employees and regular trainings, including annual e-learnings.

The Group maintains an ERM framework, providing a consistent, Group-wide perspective of identified key risks. The PolyPeptide Management Committee, together with the Chief Legal Officer and other internal stakeholders, annually conduct a risk assessment and evaluate strategies to address the risks and opportunities identified. A risk assessment report, including the probability and consequences of identified risks, is presented to the ARC and the Board of Directors annually for a deep-dive discussion. During the 2025 risk assessment process, the Group increased focus on and the integration of sustainability-related topics, ensuring that sustainability risks and opportunities as identified in the double materiality assessment process are also part of the Group's risk management and strategic planning processes. Regular internal audits focus on areas including the Group's control environment, aligned with the strategic priorities and risks identified.

Observations and corrective actions resulting from internal audits have defined owners and due dates, with the implementation progress of defined actions being systematically monitored and reported.

The Global IS/IT organization monitors and audits the digital environment to detect and respond to any potential threats or breaches that could compromise the confidentiality, integrity, or availability of sensitive data and business information. By providing the necessary infrastructure, software, and support, Global IS/IT supports and facilitates the digital transformation of PolyPeptide's processes, products, and services.

To balance the risk of cyber security malicious events, while complying with regulatory requirements and maintaining customer trust, in 2025 PolyPeptide successfully completed certification of all sites according to ISO27001:2022 Information Security Management Systems.

In addition to regular digital and on-site trainings on business ethics, compliance, and cybersecurity, PolyPeptide seeks to embed relevant standards and procedures through targeted internal communications. These efforts ensure that employees are aware and knowledgeable about these standards and procedures, including the availability of whistleblower hotlines operated 24/7 by an independent third party in relevant local languages.

The Group regularly updates its e-learning modules to ensure relevance and effectiveness. In 2025, updates included the Whistleblower, Code of Conduct, IT-security awareness and Privacy awareness trainings. The results of trainings are examined for effectiveness and continued improvement. The generally positive feedback and outcomes from the Group-wide e-training efforts demonstrate the good acceptance and alignment with our corporate values and ethical standards. Some of the manufacturing sites provide further trainings to empower employees to recognize, prevent, and address inappropriate behavior in the workplace, including harassment and discrimination.

Targets and metrics

While PolyPeptide has not established quantitative targets for Business conduct at this stage, the Group is committed to maintaining and continuously strengthening a culture of integrity, transparency, and accountability across all levels of the organization.

Key compliance-related ambitions include:

- Global reach of all employees with targeted compliance and ethics training, with a particular focus on raising awareness around topics such as anti-corruption, data protection, harassment, and discrimination.
- Maintaining a zero-tolerance approach to corruption, with the clear objective of having no substantiated cases of corruption or serious ethical misconduct.
- Upholding high ethical standards in all business activities, ensuring that our operations support fair competition, regulatory compliance, and responsible business conduct.
- Extending our compliance culture across the value chain, by engaging suppliers and other business partners in our expectations for ethical behavior and responsible practices.

The following table presents the percentage of employees who have successfully completed key Business conduct e-learning activities

% of completed e-learning activities by employees	2025	2024
Code of Conduct e-learning	94%	92%
Whistleblower e-learning	91%	90%
IT-security awareness e-learning	93%	93%
Privacy awareness e-learning	92%	89%

The Group received eight whistleblower reports in 2025 (2024: ten). During 2025, the investigation for seven reports has been closed and summarized to the ARC, with a summary to the Board of Directors. Of the seven closed cases, three were partially or fully substantiated with appropriate actions taken. The remaining four were not substantiated. The investigation of the one remaining report is still ongoing.

Incidents of corruption or bribery

In 2025, there were no legal actions, no convictions and no fines regarding anti-competitive behavior or violations of anti-trust, pending or otherwise, and PolyPeptide had no significant compliance violations. PolyPeptide considers significant compliance violations to be those that must be publicly reported.

Accounting policies

PolyPeptide does not define specific roles as functions-at-risk. Instead, regular digital and on-site ethics, legal and compliance training is provided for all employees Group-wide, with dedicated themed trainings provided on, *inter alia*, confidentiality, insider training, sanctions and export control for certain functions. Trainings also include members of the Board of Directors who receive annual updates of our Legal and Compliance framework.

Appendix

ESRS content index of material disclosures

List of material disclosure requirements		Assured by BDO	Reference
ESRS 2 - General disclosures			
BP-1	General basis for preparation of sustainability statements		Page 18
BP-2	Disclosures in relation to specific circumstances		Page 18
GOV-1	The role of the administrative, management and supervisory bodies		Page 19
GOV-2	Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies		Page 19
GOV-3	Integration of sustainability-related performance in incentive schemes		Page 22
GOV-4	Statement on sustainability due diligence		Pages 18, 64
GOV-5	Risk management and internal controls over sustainability reporting		Page 19
SBM-1	Strategy, business model and value chain		Page 9
SBM-2	Interests and views of stakeholders		Page 26
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		Page 27
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	•	Page 27
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement		Page 27
ESRS E1 – Climate change			
ESRS 2	GOV-3	Integration of sustainability-related performance in incentive schemes	Page 22
		Strategy	
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Page 29
ESRS 2	IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Page 27
E1-1		Transition plan for climate change mitigation	• Page 29
E1-2		Policies related to climate change mitigation and adaptation	• Page 30
E1-3		Actions and resources in relation to climate change policies	• Page 30
E1-4		Targets related to climate change mitigation and adaptation	• Page 33
E1-5		Energy consumption and mix	Page 35
E1-6		Gross Scopes 1, 2, 3 and Total GHG emissions	• Page 36
E1-8		Internal carbon pricing	Not applicable
E1-9		Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Page 27
ESRS E2 - Pollution			
ESRS 2	IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Page 27
E2-1		Policies related to pollution	Page 40

E2-2		Actions and resources related to pollution	•	Page 40
E2-3		Targets related to pollution		Page 41
E2-4		Pollution of air, water and soil		Page 40
E2-5		Substances of concern and substances of very high concern	•*	Page 40
E2-6		Anticipated financial effects from pollution-related risks and opportunities		Page 27

ESRS E5 - Resource use and circular economy

ESRS 2	IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities		Page 27
E5-1		Policies related to resource use and circular economy		Page 43
E2-2		Actions and resources related to resource use and circular economy		Page 44
E2-3		Targets related to resource use and circular economy		Page 45
E5-4		Resource inflows	•*	Page 45
E5-5		Resource outflows	•*	Page 45
E5-6		Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities		Page 27

ESRS S1 - Own workforce

ESRS 2	SBM 2	Interests and views of stakeholders		Page 26
ESRS 2	SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model		Page 47
S1-1		Policies related to own workforce		Page 48
S1-2		Processes for engaging with own workforce and workers' representatives about impacts		Page 48
S1-3		Processes to remediate negative impacts and channels for own workforce to raise concerns		Page 48
S1-4		Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions		Page 48
S1-5		Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		Page 49
S1-6		Characteristics of the undertaking's employees	•	Page 49
S1-7		Characteristics of non-employees in the undertaking's own workforce		Page 53
S1-8		Collective bargaining coverage and social dialogue	•	Page 51
S1-9		Diversity metrics	•	Page 51
S1-13		Training and skills development metrics		Page 53
S1-14		Health and safety metrics	•	Page 52
S1-16		Remuneration metrics (pay gap and total remuneration)	•	Page 51
S1-17		Incidents, complaints and severe human rights impacts	•	Page 52

ESRS S2 - Workers in the value chain

ESRS 2	SBM 2	Interests and views of stakeholders		Page 26
ESRS 2	SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model		Page 54
S2-1		Policies related to value chain workers	•	Page 54
S2-2		Processes for engaging with value chain workers about impacts	•	Page 55
S2-3		Processes to remediate negative impacts and channels for value chain workers to raise concerns	•	Page 56

S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	•	Page 55
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		Page 56

ESRS S4 - Access to safe and effective products (Consumers and end-users)

ESRS 2	SBM 2	Interests and views of stakeholders		Page 26
ESRS 2	SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model		Page 57
S4-1		Policies related to consumers and end-users	•	Page 57
S4-2		Processes for engaging with consumers and end-users about impacts	•	Page 58
S4-3		Processes to remediate negative impacts and channels for consumers and end-users to raise concerns		Page 58
S4-4		Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions		Page 58
S4-5		Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		Page 58

ESRS G1 - Business conduct

ESRS2	GOV-1	The role of the administrative, supervisory and management bodies		Page 19
ESRS2	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities		Page 27
G1-1		Business conduct policies and corporate culture	•	Page 59
G1-3		Prevention and detection of corruption and bribery	•	Page 60
G1-4		Incidents of corruption or bribery	•	Page 61

* Comparative information relating to the prior year has not been subject to external assurance.

ESRS – Statement on Due Diligence

Core elements of due diligence	Relevant sections for a) to e)
a) Embedding due diligence in governance, strategy and business model	General information - Due diligence across all material topics
b) Engaging with affected stakeholders in all key steps of the due diligence	Environmental information
c) Identifying and assessing adverse impacts	Social information
d) Taking actions to address those adverse impacts	Governance information
e) Tracking the effectiveness of these efforts and communicating	PolyPeptide's voluntary report on child labor due diligence in its supply chain

Index of disclosure requirements in accordance with art. 964b Swiss Code of Obligations

The following sections comprise the report on non-financial matters in accordance with art. 964b of the Swiss Code of Obligations (the "CO"), which includes an independent practitioner's limited assurance report on the Sustainability Report 2025. The approval of the report on non-financial matters for the financial year 2025 at the general meeting 2026 is limited to the content of these sections.

Pursuant to art. 964b CO, the report on non-financial matters must cover environmental matters, in particular the CO2 goals, social issues, employee-related issues, respect for human rights, and combating corruption. As part of the materiality analysis, PolyPeptide identified the material sustainability topics, considering their relevance for its business as well as the CO requirements.

Art. 964b CO content requirement	Section	Reference
General information required to understand our business	General information	Page 17
	General information - Basis for preparation	Page 18
	Management Report 2025 – Strategy	Page 9
	Management Report 2025 – Business Review	Page 13
	Stakeholder engagement	Page 26
Description of the business model	General information	Page 17
	Management Report 2025 – Strategy–Business model	Page 9
Description of materiality assessment	Stakeholder engagement	Page 26
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Description of governance	Governance	Page 19
Environmental matters (in particular CO2 goals)	Environmental information - Climate change	Page 28
	Environmental information - Climate change - Targets and metrics	Page 33
	Environmental information – Pollution	Page 39
	Environmental information – Resource use and circular economy	Page 43
	Climate disclosures in accordance with art. 964 Swiss Code of Obligations and TCFD recommendations	Page 69
Main impacts, risks and opportunities	Environmental information - Climate change - Impacts, risks and opportunities	Page 29
	Environmental information - Pollution - Impacts, risks and opportunities	Page 39
	Environmental information - Resources use and circular economy - Impacts, risks and opportunities	Page 43
	Climate disclosures in accordance with art. 964 Swiss Code of Obligations and TCFD recommendations	Page 69
Policies adopted, including the due diligence applied	General information - Due diligence across all material topics	Page 22
	Environmental information - Climate change - Policies	Page 30
	Environmental information - Pollution - Policies	Page 40
	Environmental information - Resource use and circular economy - Policies	Page 44
	Climate disclosures in accordance with art. 964 Swiss Code of Obligations and TCFD recommendations	Page 69
Measures taken to implement policies and assessment of effectiveness	General information - Assessment of effectiveness of measures across material topics	Page 18
	General information – Governance	Page 19
	General information – Strategy and remuneration	Page 22

	Corporate Governance Report 2025 - 3.7.3 Enterprise Risk Management Framework	Page 116
	Environmental information – Climate change – Transition plan for climate change mitigation	Page 29
	Environmental information – Climate change – Actions	Page 30
	Environmental information – Pollution – Actions	Page 40
	Environmental information – Resource use and circular economy – Actions	Page 44
	Climate disclosures in accordance with art. 964 Swiss Code of Obligations and TCFD recommendations	Page 69
Performance indicators	Environmental information – Climate change – Targets and metrics	Page 33
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PolyPeptide's due diligence in relation to minerals and metals from conflict-affected areas	Social information - Workers in the value chain	Page 54
	PolyPeptide's voluntary report on child labor due diligence in its supply chain	Page 81
PolyPeptide's due diligence in relation to child labor	Social information - Workers in the value chain	Page 54
	PolyPeptide's voluntary report on child labor due diligence in its supply chain	Page 81

The report on non-financial matters for the financial year 2025 was approved for publication by the Board of Directors on 10 March 2026, and will be presented to the general meeting of shareholders for approval on 8 April 2026.

Peter Wilden, Chair and Independent
Patrick Aebischer, Vice-Chair and Lead Independent Director
Jane Salik, Independent Member
Erik Schropp, Member
Philippe Weber, Independent Member
Jo LeCouilliard, Independent Member

Baar, 10 March 2026

On behalf of the entire Board of Directors and the Executive Committee,



Peter Wilden
Chair of the Board of Directors



Juan Jose Gonzalez
CEO

Climate disclosures in accordance with art. 964 Swiss Code of Obligations and TCFD recommendations

The following sections include our climate-related disclosures in accordance with art. 964b of the Swiss Ordinance on Climate Disclosures, based on the “Recommendations of the Task Force on Climate-related Financial Disclosures” (June 2017) and the annex “Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures” (October 2021). For a general overview of PolyPeptide’s approach to climate change with reference to ESRS requirements, see section [Climate change](#).

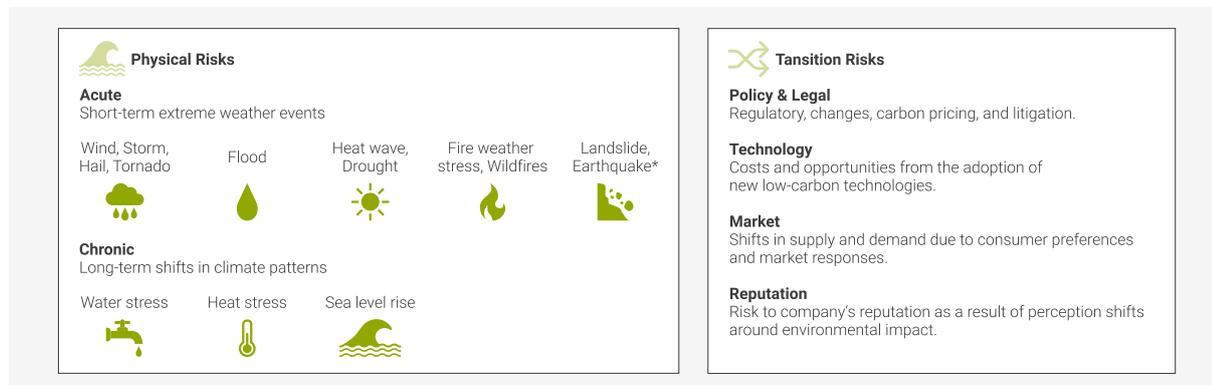
TCFD disclosure recommendations

Topic	Recommendation	Reference
Governance		
Disclose the organization’s governance around climate-related risks and opportunities.	<ul style="list-style-type: none"> Describe the Board’s oversight of climate-related risks and opportunities. Describe management’s role in assessing and managing climate-related risks and opportunities 	Section General information - Governance
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.	<ul style="list-style-type: none"> Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario 	See this Appendix
Risk management		
Disclose how the organization identifies, assesses, and manages climate-related risks.	<ul style="list-style-type: none"> Describe the organization’s processes for identifying and assessing climate-related risks. Describe the organization’s processes for managing climate-related risks. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management. 	Section General information - Governance Corporate Governance Report 2025
Metrics and targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	<ul style="list-style-type: none"> Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. 	Section Environmental information - Climate change - targets and metrics

Climate-related risks and opportunities

PolyPeptide used a semi-quantitative as well as qualitative approach including different scenarios to assess climate-related physical and transition risks and opportunities within the categories highlighted below.

Physical and transitional risks



*) Earthquakes are not related to climate change, but since they can cause substantive damage, they were also included in the analysis

Financial impact assessment

The Group assessed the physical and transition risks, and then the potential financial impact associated with each risk type was then estimated. Climate-related issues may affect the Group's financial position in various ways, including:

- Higher direct and indirect operating costs (e.g., energy, raw materials and transportation costs, and insurance,
- Increased capital expenditure in low-carbon technologies and innovation,
- Potential loss of revenues due to changing customer behavior; and/ or
- Exposure to fines or penalties.

The financial impact assessment considered all the aforementioned factors.

Climate scenarios

In its 6th assessment report (2023), the Intergovernmental Panel on Climate Change (IPCC) emphasized the use of advanced climate change scenarios to support long-term planning. These scenarios, known as Shared Socioeconomic Pathways (SSP1, 2, etc.) provide comprehensive narratives describing how society may evolve throughout the 21st century and how such developments could influence climate outcomes. These SSP scenarios offer broader and more tangible narratives on potential human responses to the challenges posed by climate change.

These scenarios complement and build on earlier versions that focused on projected temperature increases due to the progression of greenhouse gas concentrations, defined as Representative Concentration Pathways (RCP2.6, 4.5, 8.5, etc.). The Munich Re Location Risk Intelligence Tool supports this scenario-based approach by offering climate risk data across various SSP scenarios, thereby enabling the integration of physical risks into informed decision-making processes.

An essential element of the scenario analysis is choosing a range of scenarios that encompass a broad spectrum of potential future results, including both positive and negative outcomes. For its physical risk assessment performed in 2024, PolyPeptide used an optimistic, a moderate and a worst-case SSP scenario¹ to facilitate challenging "what if" analyses, encompassing a broad spectrum of assumptions about future developments, including projected warming at the end of the 21st century relative to the pre-industrial period (1850–1900):

- SSP1-2.6 (Sustainability) A sustainable world with fast decarbonization, strong global cooperation, as well as social and economic changes with a projected warming of around 1.0–2.4°C
- SSP2-4.5 (Middle of the road) moderate growth and slow climate action, fossil and renewable energy mix and some corporation with projected warming of around 2.1–3.5°C
- SSP5–8.5 (Fossil-fueled development) increasing fossil fuel use and emissions, high-consumption world with weak climate policies and expected warming of around 3.3–5.7°C

¹ Sources: https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGL_SPM.pdf; Munich Re

Climate scenarios and tools: assumptions, uncertainties, and constraints

Climate scenarios and risk assessment tools are subject to numerous assumptions, uncertainties, and constraints. Therefore, all associated estimates and projections are conditional.

RCP scenarios have the following uncertainties: they do not contain information regarding the socioeconomic conditions (GDP, population, etc.), technology, and regulatory landscape; there are uncertainties in the translation of emissions profiles to concentrations and radiative forcing.

SSP scenarios have the following uncertainties: they do not explore conditions about the types and success of global and national climate policy; they contain only qualitative information about the conditions described above, and may not help to quantify certain outcomes; they are designed to think about the rate of technology development and transfer broadly, thus do not explicitly explore all low-emission or CO2 removal technologies; each SSP provides a narrative and accompanying development assumptions, all of which relate to future uncertainty.

Existing climate models mainly focus on predicting averages and totals, such as the number of days or total precipitation, rather than offering insights into distribution patterns and extreme events. This presents a significant limitation since understanding extremes is vital for evaluating physical risks. To mitigate this issue, the "unexpectedness index" has been introduced in PolyPeptide's analysis. It integrates trends from various risks across different scenarios and timeframes to more accurately reflect the impact of extreme weather events that may have been overlooked by the Munich Re Location Risk Intelligence Tool.

Physical risks

For the assessment of physical risks, PolyPeptide used the Munich Re Location Risk Intelligence Tool (Munich Re Tool), which evaluates numerous risks with high spatial resolution, with the support of external consultants from the Climate&Strategy Foundation. For each of PolyPeptide's manufacturing sites, the Munich Re Tool reports were reviewed and supplemented with an analysis on a topographic map. Subsequently, flood and sea level rise risks were assessed using national or regional flood risk maps.

The Group conducted a physical risk vulnerability assessment for its manufacturing sites, considering factors like turnover contribution, asset damage risk, and water-related risks (e.g., drought). For the latter, PolyPeptide extended the analysis by considering the site's water usage. By aggregating the actual business risks associated with physical threats and their projected severity, using Munich Re Tool evaluations and supplemented by additional risk analyses, the Group assigned each site likelihood and vulnerability ratings using a five-tier scale (low, medium-low, medium, medium-high, high) across seven distinct risk categories.

The categorization of physical risks is presented in the table below. The risks are assessed across three time horizons (2030, 2050, and 2100, respectively), based on IPCC key dates and represent a risk trend of the SSP5-8.5 scenario. Risks were linked to operational impacts like heat stress, higher energy use, potential blackouts, and reduced working hours, and rated as low, medium, or high. Relevant primary responses and mitigating measures addressing these risks are also highlighted.

Climate-related physical risks for PolyPeptide’s manufacturing sites

Risk group	Risk name	Potential financial impact description	Climate scenario trend 2030 to 2100	Overall risk score	Primary response to risk
Chronic - Temperature	Heat stress, Water stress	<ul style="list-style-type: none"> Higher electricity demand Reduced number of working hours 	Increase (from medium-low to medium risk)	Low	<ul style="list-style-type: none"> Energy efficiency and backup power systems Backup water sources for essential operations Monitoring of water purifying systems Installation of equipment to control workplace temperatures
Acute - Extreme heat	Heat waves, Droughts	<ul style="list-style-type: none"> Higher electricity demand Reduced number of working hours 	Stable (medium-low risk)	Low	<ul style="list-style-type: none"> Energy efficiency and backup power systems Backup water sources for essential operations Monitoring of water purifying systems Installation of equipment to control workplace temperatures
Acute - Wind/Storm	Tropical cyclone, Extratropical Storm, Hail, Tornado	<ul style="list-style-type: none"> Damage to property Supply chain disruptions 	Stable (medium-low risk)	Low	<ul style="list-style-type: none"> Increase in stock of critical raw materials Backup power systems Scheduled relocation of operations
Acute - Water	Fluvial flood, Pluvial flood, Flash flood	<ul style="list-style-type: none"> Damage to property Supply chain disruptions 	Stable (medium-low risk)	Low	<ul style="list-style-type: none"> Increase in stock of critical raw materials Scheduled relocation of operations
Acute - Fire	Fire Weather Stress, Wildfires	<ul style="list-style-type: none"> Damage to property Supply chain disruptions Reduced number of working hours Smoke hazard 	Increase (from medium-low to medium risk)	Low	<ul style="list-style-type: none"> Increase in stock of critical raw materials Backup power systems Backup water sources for essential operations Scheduled relocation of operations
Acute - Solid mass	Landslide, Earthquake	<ul style="list-style-type: none"> Damage to property Supply chain disruptions 	Stable (medium-low risk)	Low	<ul style="list-style-type: none"> Increase in stock of critical raw materials Backup power systems Scheduled relocation of operations

For each risk category, the overall risk score is derived by determining an inherent risk score that combines the potential financial impact and likelihood of each climate-related risk, and then reassessing that score after considering the level of control provided by existing mitigation measures. Stronger controls reduce the inherent risk score to a lower overall risk score, while limited controls mean the overall risk remains closer to the original assessment.

The scenario analysis results suggest that PolyPeptide’s manufacturing sites are generally not substantially vulnerable to climate-related physical risks. Nonetheless, a detailed examination of individual sites enables prioritization of locations and resources for risk adaptation and mediation:

- The location in India is potentially exposed to flash floods, currently assessed as medium-low under various climate scenarios by 2030, with the risk possibly escalating to medium by 2050 and 2100 in scenarios of moderate and fossil-fuel intensive development.
- Europe is experiencing an increased frequency of extratropical storms, which can negatively impact operations, albeit typically in the short term.
- Locations in the US are exposed to tornadoes, which could disrupt operations.
- Additionally, California is susceptible to earthquakes. While not connected to climate change, these seismic events can lead to substantial property damage, power outages, and disruptions in the supply chain.
- Climate change signifies a substantial shift in temperatures, affecting all manufacturing locations. The risk of heatwaves can result in blackouts, surges in electricity demand, and considerable effects on employees’ health and well-being. Additionally, temperature changes are likely to increase water demand even as global availability diminishes.

To identify priority areas in the Group's upstream value chain that may be vulnerable to climate-related physical risks, a further scenario analysis of its primary suppliers covering over 40% of the total addressable spend was conducted. The findings indicate that supplier locations are at a higher risk of physical threats than PolyPeptide's production facilities.

The risks include an increase in the frequency and severity of floods and tropical cyclones in Asia, while suppliers in Europe, particularly in Greece, face the threat of rising average temperatures, heatwaves, and droughts. These conditions may lead to increased costs for goods sourced by the Group and, in certain instances, could result in operational halts and shipment delays.

The mitigation strategies determined from this analysis involve:

- obtaining supplier business continuity plans;
- qualifying alternative suppliers; and/ or
- establishing a program for the systematic evaluation of key suppliers (those in the upstream supply chain of essential materials or with a substantial portion of the Group's expenditures) concerning the impact of climate change.

Transition risks and opportunities

For the identification of the transition risks, PolyPeptide followed a qualitative multi-step approach, involving internal specialists from different functions. The process started with a benchmark analysis. This served as basis for an expert workshop with the involvement of Internal Audit, Global Engineering and Manufacturing Technology, Global Procurement, Legal and Compliance, Investor Relations, and Global EHS. The workshop comprised both an educational segment and an assessment phase. Consequently, a revised list of potential transition risks has been compiled for further analysis in an internal stakeholder survey. The survey was used to evaluate the following aspects:

- perception of risk and its potential impact on the Group,
- time horizon of the risks (short-, medium-, and long-term),
- geographic occurrence and financial effects,
- likelihood, magnitude, and primary response to each risk.

Consequently, a final list of transition risks was compiled, examined, prioritized, and assessed regarding their potential financial impact, likelihood and level of control. A potential financial impact assessment is made for each risk which results with only two risks identified as moderate.

Identified transitional climate-related risks

Risk group	Risk name	Time horizon	Potential financial impact description	Overall risk score	Primary response to risk
Policy and Legal	Carbon pricing mechanisms / Increased pricing of GHG emissions	Medium-term	<ul style="list-style-type: none"> Increased direct costs Increased indirect [operating] costs 	Low	<ul style="list-style-type: none"> Infrastructure, technology, and spending
	Enhanced emissions-reporting obligations	Short-term	<ul style="list-style-type: none"> Increased indirect [operating] costs Fines, penalties or enforcement orders 	Low	<ul style="list-style-type: none"> Compliance, monitoring, and targets
	Non-compliance with regulations	Medium-term	<ul style="list-style-type: none"> Fines, penalties or enforcement orders 	Low	<ul style="list-style-type: none"> Compliance, monitoring, and targets
Market	Changing customer behavior	Medium-term	<ul style="list-style-type: none"> Decreased revenues due to reduced demand Increased direct costs 	Moderate	<ul style="list-style-type: none"> Compliance, monitoring, and targets Infrastructure, technology, and spending
	Increased cost of raw materials	Medium-term	<ul style="list-style-type: none"> Increased direct costs 	Low	<ul style="list-style-type: none"> Infrastructure, technology, and spending
Technology	Costs of transition to lower emissions technology	Medium-term	<ul style="list-style-type: none"> Increased direct costs 	Low	<ul style="list-style-type: none"> Infrastructure, technology, and spending
	Transition to increasing recycled content	Medium-term	<ul style="list-style-type: none"> Increased capital expenditure 	Moderate	<ul style="list-style-type: none"> Infrastructure, technology, and spending

PolyPeptide defines the time horizons as follows:

short-term: 0–2 yrs,

medium-term: 2–5 yrs,

long-term: 5–15 yrs.

The result presented in the table above represents the time horizon the transitional risk is expected to surge.

PolyPeptide also evaluated climate-related opportunities as shown in the table below, focusing on enhancing the efficiency of its production processes and use of low-carbon energy sources

In terms of production efficiency, PolyPeptide considers its Green Master Plan as a critical, integral element of its strategy. The Group's innovation and technology team coordinates innovation efforts, while the manufacturing sites handle implementation. The program prioritizes reducing the quantity of solvents and reagents relative to production volumes, substituting hazardous chemicals with greener alternatives, and creating solvent recycling opportunities. The Group collaborates with customers during the initial stages of product development and upgrades its manufacturing infrastructure to support its innovative technical capabilities.

PolyPeptide refined its Green Master Plan in 2023, aiming for the efficient use of chemicals to mitigate its climate change impact. In 2025, the Group revised its Global EHS Policy statement, committing to an integrated and certified environmental management system at all manufacturing sites in accordance with ISO14001:2015. With the progress made over the last two years, all manufacturing sites operated in 2025 with this certification. Moreover, the EHS policy statement underscores the Group's dedication to green chemistry from early development stages and establishing production capacities for its application. Additionally, the Group promotes circular waste management by minimizing waste, enhancing waste stream recycling/recovery, and advancing solvent recycling methods.

Climate-related transition opportunities

Opportunity group	Opportunity name	Time horizon (main geography)	Potential financial impact description	Strategy to realize the opportunity
Increased efficiency of production and/or distribution processes	Green program, green chemistry, recycling of solvents	Short-term (Europe, US, India)	Reduced direct costs	Green program involves departments like Innovation, Development, EHS, and Engineering, and they currently work in close collaboration to define goals, governance, and actions
	Segregation of water in waste of solvent to reduce the quantity of incinerated waste	Medium-term (Sweden)	Reduced direct costs	Business case evaluation in progress
Use of low-carbon energy sources	Switching to electricity from renewable sources	Short-term (France, US)	Increased revenues resulting from increased demand for products and services	In 2025, an electricity contract in Ambernath securing 100% renewable electricity supply was finalized, bringing the share of renewable-sourced electricity to 80.6% in 2025
Use of recycled material for GMP activities	Recycling of solvent and reuse of recycled solvent for GMP activities	Medium-term (US, Belgium)	Reduced direct cost	Development of partnership with recycle plant

Additionally, the ERM identifies a range of risk types that may interact with climate-related risks:

Overview of risk categories that correlate with climate change

Risks	Risk owners	Mitigation measures
Customer relationships	Global Sales & Marketing	<ul style="list-style-type: none"> Contract with specific requirements in terms of sustainability including greenhouse gas emissions, and defined rules if targets are not achieved
Manufacturing delays (operational execution) or interruptions	Global Operations	<ul style="list-style-type: none"> Business continuity plans at each manufacturing site, including sharpened sourcing strategy Insurance
Supply chain	Global Procurement	<ul style="list-style-type: none"> Direct engagement with suppliers to mitigate supply chain risks Supplier contracts with fixed prices
Environmental, health, and safety laws and regulations	Global EHS	<ul style="list-style-type: none"> EHS regulation monitoring and compliance assessment Significant new CAPEX projects might require specific assessments of regulatory requirements
Hazardous chemicals manufacturing and storage	Global EHS	<ul style="list-style-type: none"> Development of emergency and response plan Business continuity plans at each manufacturing site and facility maintenance plan to anticipate risks Periodical environmental monitoring

Resilience – climate change

PolyPeptide is committed to implementing green chemistry principles to reduce the environmental impact of its manufacturing processes. The Group is dedicated to advancing green chemistry in projects from initial development stages. The production of peptide-based APIs necessitates substantial quantities of raw materials, such as solvents. PolyPeptide is committed to enhancing environmental sustainability through a robust green program aimed at reducing, recycling, replacing, or altogether avoiding the use of hazardous solvents in production.

The Group's specialists work with external experts and collaborations, exchanging industry trends in roundtables and with expert groups to push the industry forward and make the production of API more sustainable. The Group aims to engage with customers during the initial phase of product development and consistently enhances its manufacturing infrastructure to support this collaboration. It recognizes that ever-evolving legal and regulatory demands, coupled with increasing costs of raw materials and energy, could adversely affect PolyPeptide's financial profile. Therefore, embracing innovative manufacturing techniques not only aligns with customer expectations, but also bolsters the Group's market position and safeguards its competitiveness.

Overall, considering the various climate-related scenarios assessed, PolyPeptide believes its strategy and business model remain resilient under different plausible future conditions. This approach focuses on managing supply chain risks, advancing research and development, leveraging technological innovations (particularly in solvent recycling), and engaging stakeholders. A key element of this strategy is maintaining close dialogue with customers to ensure their needs, including those related to climate concerns, are effectively met.

PolyPeptide's transition plan formalizes the Group's intended contribution to keeping climate change-induced warming below 2°C, a trajectory that is overall implied by the SSP1-2.6 scenario. Using climate scenario-based projections enables PolyPeptide to iterate the transition plan so that identified climate-related opportunities outweigh the risks, with the goal to keep and increase resilience of the Group's business model.

GRI content index

PolyPeptide has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.

GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

General Disclosures

GRI Standard	Disclosure	Reference/ information	Omission
The organization and its reporting practices			
GRI 2: General Disclosures 2021	2-1	Organizational details	<ul style="list-style-type: none"> • PolyPeptide in brief, page 7 • Strategy, page 9 • Group structure and shareholders, page 92 • Notes to the consolidated financial statements, page 177
	2-2	Entities included in the organization's sustainability reporting	<ul style="list-style-type: none"> • Basis for preparation, page 18 • Group structure and shareholders, page 92
	2-3	Reporting period, frequency and contact point	<ul style="list-style-type: none"> • General Information, page 17 • Imprint, page 243
	2-4	Restatements of information	<ul style="list-style-type: none"> • No material restatements
	2-5	External assurance	<ul style="list-style-type: none"> • Independent practitioner's limited assurance report on Sustainability Report 2025, page 84
Activities and workers			
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	<ul style="list-style-type: none"> • Strategy, page 9
	2-7	Employees	<ul style="list-style-type: none"> • Own workforce, page 47
Governance			
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	<ul style="list-style-type: none"> • Board of Directors, page 99
	2-10	Nomination and selection of the highest governance body	<ul style="list-style-type: none"> • Election and term of office, page 106
			<ul style="list-style-type: none"> • Remuneration and Nomination Committee, page 111
	2-11	Chair of the highest governance body	<ul style="list-style-type: none"> • Members of the Board of Directors, page 99 • Internal organizational structure, page 107
	2-12	Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> • Governance, page 19
	2-13	Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> • Governance, page 19
	2-14	Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> • Governance, page 19
2-15	Conflicts of interest	<ul style="list-style-type: none"> • Internal organizational structure, page 107 	

2-16	Communication of critical concerns	<ul style="list-style-type: none"> • Organizational Regulations • Business conduct, page 59 • Information and control instruments vis-à-vis the Executive Committee, page 116
2-17	Collective knowledge of the highest governance body	<ul style="list-style-type: none"> • Board of Directors, page 99
2-18	Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> • Remuneration Report, page 133
2-19	Remuneration policies	<ul style="list-style-type: none"> • Articles of Association
2-20	Process to determine remuneration	<ul style="list-style-type: none"> • Role and activities of the Board of Directors and shareholders, page 138 • Role and activities of the Remuneration and Nomination Committee, page 140

Strategy, policies and practices

GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	<ul style="list-style-type: none"> • Editorial, page 4
	2-23	Policy commitments	<ul style="list-style-type: none"> • Business conduct, page 59
	2-24	Embedding policy commitments	<ul style="list-style-type: none"> • Business conduct, page 59
	2-25	Processes to remediate negative impacts	<ul style="list-style-type: none"> • Business conduct, page 59 • Compliance controls, page 118
	2-26	Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> • Compliance controls, page 118
	2-27	Compliance with laws and regulations	<ul style="list-style-type: none"> • Business conduct, page 59
	2-28	Membership associations	<ul style="list-style-type: none"> • Stakeholder engagement, page 26

Stakeholder engagement

GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	<ul style="list-style-type: none"> • Stakeholder engagement, page 26
	2-30	Collective bargaining agreements	<ul style="list-style-type: none"> • Own workforce, page 51

Material topics

GRI Standard	Disclosure	Reference/ information	Omission
GRI 3: Material Topics 2021	3-1	Process to determine material topics	• Double materiality assessment, page 27
	3-2	List of material topics	• ESRS - content index of material disclosures, page 62
E1 Climate change			
GRI 3: Material Topics 2021	3-3	Management of material topics	• Climate change, page 28
GRI 302: Energy 2016	302-1, c.i.	Energy consumption within the organization	• Climate disclosures in accordance with art. 964 Swiss Code of Obligations and TCFD recommendation, page 69 • Climate change, page 35
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	• Climate change, page 36
	305-2	Energy indirect (Scope 2) GHG emissions	• Climate change, page 36
	305-3	Other indirect (Scope 3) emissions	• Climate change, page 36
E2 Pollution, E5 Resource use and circular economy			
GRI 3: Material Topics 2021	3-3	Management of material topics	• Pollution, page 39 • Resource use and circular economy, page 43
GRI 303: Water and Effluents 2018	303-5, a.	Water consumption, resource outflows	• Resource use and circular economy, page 45
S1 Own Workforce			
GRI 3: Material Topics 2021	3-3	Management of material topics	• Own workforce, page 47
GRI 403: Occupational health and safety 2018	403-9, a. ii.	Work-related injuries	• Own workforce, page 52

S2 Workers in the value chain

GRI 3: Material Topics 2021	3-3	Management of material topics	• Workers in the value chain, page 54
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S4 Access to safe and effective products

GRI 3: Material Topics 2021	3-3	Management of material topics	• Access to safe and effective products, page 57
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G1 Business conduct

GRI 3: Material Topics 2021	3-3	Management of material topics	• Business conduct, page 59
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GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	• Business conduct, page 61
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GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	• Business conduct, page 61
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PolyPeptide's voluntary report on child labor due diligence in its supply chain

Re: Art. 964j-I of the Swiss Code of Obligations and the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor.

This voluntary report relates to the due diligence and reporting obligations in relation to minerals and metals from conflict-affected areas and child labor required by Art. 964j-I of the Swiss Code of Obligations ("CO") and the Swiss "Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor" ("DDTrO"). It covers the period 1 January 2025 to 31 December 2025. PolyPeptide's analysis in 2025 in relation to minerals and metals from conflict-affected areas established that it does not place in free circulation or process minerals containing tin, tantalum, tungsten or gold, or metals from conflict-affected and high-risk areas in Switzerland. PolyPeptide also performed its analysis in 2025 in relation to Child Labor (as defined in its [Global Supply Chain Policy on Child Labor](#)¹). PolyPeptide concluded that it does not offer any products or services for which there are reasonable grounds to suspect that they were manufactured or provided using Child Labor. However, given that PolyPeptide operates in potential Child Labor risk contexts (e.g., in light of its global sites and international Supply Chain (as defined in its [Global Supply Chain Policy on Child Labor](#))), it has taken the decision to conduct due diligence and is reporting on this matter on a voluntary basis.

Principles

PolyPeptide strives to remain focused on the needs of its customers and its business, while adhering to fundamental principles of ethics and compliance, such as the United Nations Convention on the Rights of the Child², the Children's Rights and Business Principles developed by UNICEF, the United Nations Global Compact and Save the Children³, and UNICEF's Children are everyone's business workbook 2.0⁴.

PolyPeptide is aware of the problem of Child Labor in global value chains and takes its responsibility to respect human rights in its own operations and throughout its business relationships seriously, meaning to act with due diligence to avoid infringing on the rights of others and to address any adverse impacts. PolyPeptide is committed to complying with all applicable laws and regulations on Child Labor. Effectively preventing and mitigating adverse impacts may also help PolyPeptide maximize positive contributions to society, improve stakeholder relationships, and protect its reputation.

Policies

The foundation of PolyPeptide's commitment to complying with all applicable laws and regulations on Child Labor is its [Global Supply Chain Policy on Child Labor](#)¹, [Code of Business Conduct and Ethics](#)¹ and [Supplier Code of Conduct](#)¹, which are mandatory for all employees, vendors, consultants, and other business associates across PolyPeptide.

The [Global Supply Chain Policy on Child Labor](#) sets out in particular how PolyPeptide will comply with its due diligence and transparency obligations in its Supply Chain in relation to Child Labor. The Group-wide implementation of the principles as set out in the [Global Supply Chain Policy on Child Labor](#) helps PolyPeptide to avoid and address any adverse impacts related to Child Labor that may be associated with its Supply Chain.

PolyPeptide's Supply Chain due diligence and reporting management system as described in its [Global Supply Chain Policy on Child Labor](#) is an essential element in (i) detecting any products or services in its Supply Chain in relation to which there is a reasonable suspicion that they have been manufactured or provided using Child Labor, (ii) identifying and assessing the risks of adverse impacts in PolyPeptide's Supply Chain, (iii) establishing a risk management plan and taking measures to minimize the risks identified, regularly reviewing the effectiveness of the measures taken, including internal documentation, and (iv) preparing and publishing a yearly report on compliance with the due diligence obligations. The [Global Supply Chain Policy on Child Labor](#) further outlines PolyPeptide's Supply Chain Traceability System in relation to Child Labor.

¹ Accessible at: www.polypeptide.com/company/downloads/.

² Accessible at: www.unicef.org/child-rights-convention/convention-text#.

³ Accessible at: www.unicef.org/documents/childrens-rights-and-business-principles.

⁴ Accessible at: www.unicef.org/vietnam/media/2281/file/Children%20are%20everyone's%20business:%20work%20book%202.0.pdf.

As an integral part of PolyPeptide's Supply Chain management system, its Global Supply Chain Policy on Child Labor is based on and to be read in conjunction with (i) PolyPeptide's Supplier Code of Conduct, (ii) the International Labor Organization (the "ILO") Conventions Nos 138⁵ and 182⁶, (iii) the ILO-IOE Child Labour Guidance Tool for Business of 15 December 2015⁷, and (iv) the OECD Due Diligence Guidance for Responsible Business Conduct of 30 May 2018⁸. The Global Supply Chain Policy on Child Labor further supports PolyPeptide's environmental and human rights sustainability objectives.

The Code of Business Conduct and Ethics serves to (i) emphasize PolyPeptide's commitment to ethics and compliance with the law; (ii) set forth basic standards of ethical and legal behavior; (iii) provide reporting mechanisms for known or suspected ethical or legal violations; and (iv) help prevent and detect wrongdoing. In particular, the Code of Business Conduct and Ethics emphasizes PolyPeptide's efforts to ensure that its activities (directly or through its business relations) respect fundamental human rights, as set out by the United Nations Bill of Rights⁹ and the core conventions of the ILO. PolyPeptide rejects any behavior that violates the human rights of any employee or individuals employed on behalf of the Group, especially forced labor or Child Labor, in its Supply Chain. The use of forced, bonded, or indentured labor or involuntary prison labor is strictly prohibited; this applies both to its suppliers and within the Group.

The Supplier Code of Conduct requires suppliers to comply with all applicable national and international laws and regulations, including the ILO and the United Nations' Universal Declaration of Human Rights, industry standards, and all other relevant statutory requirements – whichever requirements impose the highest standards of conduct. The Supplier Code of Conduct sets out PolyPeptide's expectations with regard to ethics, labor, and human rights, health and safety, environment, management systems and how questions or concerns can be reported to PolyPeptide. It states that suppliers must prohibit involuntary labor or work performed under the threat of penalty, including forced, prison, indentured labor, bonded labor, or other forms of slavery and/or servitude. Suppliers must further avoid all use and forms of Child Labor in their business operations and act in accordance with the United Nations Global Compact principles, the ILO labor standards and the OECD Guidance for Responsible Business Conduct. Where local laws are stricter by requiring a higher age for work or compulsory education, they take precedence. The Supplier Code of Conduct further states that suppliers shall publicly declare zero tolerance of Child Labor in their own business operations and prohibit all forms of child or forced labor (including modern slavery and human trafficking) in their own supply chain network. Suppliers must perform the necessary due diligence as specified by the OECD and in accordance with the Swiss regulations, especially when requested by PolyPeptide. The Group commits to provide providing suitable support, should a supplier identify practices or behaviors that fall short of these expectations.

Supply chain risk assessment and management system

PolyPeptide maintains a network of over 430 direct raw material suppliers around the globe. In 2025, the top 30 direct raw material suppliers together accounted for around 80% of the total material spending. The Group's main raw material categories constitute starting materials, solvents, reagents, and purification resins. Where feasible, PolyPeptide sources these materials regionally, supporting environmental sustainability as well as local economies and communities.

PolyPeptide requires its suppliers to acknowledge and comply with its Supplier Code of Conduct and the Global Supply Chain Policy on Child Labor. The Group carries out a risk-based assessment to anticipate, avoid, or mitigate potential or actual adverse impacts associated with its Supply Chain. The instruments that PolyPeptide may use to identify and assess any risks of Child Labor in its Supply Chain are described in the Global Supply Chain Policy on Child Labor.

⁵ Accessible at: www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312283.

⁶ Accessible at: www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C182.

⁷ Accessible at: www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipecc/documents/instructional_material/wcms_ipecc_pub_27555.pdf.

⁸ Accessible at: mneguidelines.oecd.org/due-diligence-guidance-for-responsible-business-conduct.htm.

⁹ See: www.ohchr.org/en/what-are-human-rights/international-bill-human-rights.

PolyPeptide maintains a uniform supplier screening and onboarding process based on a third-party screening interface. The process contributes to the identification of high-risk suppliers and risk-based prioritization. In addition, PolyPeptide began engaging with selected high-risk tier 1 raw material suppliers through a questionnaire based on ISO26000 in 2023. Suppliers are selected using a risk-based approach, focused on any enhanced risks of human rights and child labor violations based on, *inter alia*, the UNICEF Children's Rights in the Workplace Index. PolyPeptide may further conduct on-site as well as remote audits on a case-by-case basis to verify compliance. In the event of observations or suspicions of actual or potential violations, PolyPeptide will engage with the supplier to create a remediation plan, and in severe cases terminate the relationship.

Based on the due diligence activities conducted throughout 2025, including an assessment of five high-risk tier 1 raw material suppliers (2024: ten), PolyPeptide maintains a robust and risk-based approach to identifying and mitigating potential child labor risks in its supply chain. To date, the assessments have not identified any need for action with regard to human rights and child labor risks. While work on identified improvement areas continues, enhancements such as updated onboarding questionnaires, automated Supplier Code of Conduct acknowledgements, and targeted screening against international indices have further strengthened our compliance framework. Regular supplier engagement, ongoing sanctions screening, and staff training reinforce our commitment to responsible sourcing.

Following the introduction of automated Supplier Code of Conduct acknowledgements during the year, approximately 90% of current direct material suppliers have either formally accepted PolyPeptide's Supplier Code of Conduct or confirmed adherence to an equivalent and acceptable code of conduct of their own. Going forward, any new supplier will be required to acknowledge the PolyPeptide Code of Conduct or maintain an equivalent Code of Conduct prior to engaging in transactions.

Furthermore, through its risk analysis conducted in 2025, PolyPeptide did not identify any suspicion of Child Labor beyond its tier 1 Supply Chain. Given the complexity of the Supply Chain beyond tier 1, PolyPeptide will strive to expand its monitoring activities to enhance its diagnostic understanding of those suppliers.

Grievance mechanism

PolyPeptide maintains, as an early warning mechanism for risk identification, a reporting procedure that allows all interested parties to raise reasonable concerns about the existence of a potential or actual adverse impact related to Child Labor.

Anybody with knowledge or suspicion of illegal activities or irregularities at PolyPeptide (including any concerns about Child Labor in PolyPeptide's Supply Chain) can report observations confidentially and even anonymously, if desired, through PolyPeptide's whistleblower programs. Further information about PolyPeptide's whistleblower policies and hotlines can be found at: www.polypeptide.com/investors/corporate-governance/. Anyone who, in good faith, raises a concern about a possible ethics or compliance violation will be supported by PolyPeptide management and will not be subject to any form of retaliation. In addition, PolyPeptide will provide information on reports received to the Audit and Risk Committee or Board of Directors, as appropriate. All reports will be internally documented in writing.

In 2025, PolyPeptide did not receive any complaints or reports about Child Labor in its own operations or Supply Chain.

Traceability system

Names and addresses of all PolyPeptide's tier 1 raw material suppliers, as well as the category of the goods or services they provide, are recorded in the Group's ERP systems. PolyPeptide keeps records of its monitoring activities, assessments, and completed third party ISO26000 questionnaires.

PolyPeptide established and will maintain, as integral part of its Supply Chain management system, a system to document information for each product or service for which there are reasonable grounds to suspect Child Labor, if any ("Supply Chain Traceability System"). The Supply Chain Traceability System consists of internal company documentation and would list, insofar as reasonably possible, the following information for each product or service in the upstream Supply Chain for which there are reasonable grounds to suspect Child Labor: (a) description of the product or service and the trade name (if one exists) and (b) the names and addresses of the vendor and the production sites or the service provider for PolyPeptide. As of 31 December 2025, the Supply Chain Traceability System contained no entries, as PolyPeptide's assessment did not reveal any reasonable suspicion of Child Labor.

Transparency and reporting

PolyPeptide's general communication and reporting in relation to Child Labor are described in the Global Supply Chain Policy on Child Labor.

The Global Supply Chain Policy on Child Labor, Code of Business Conduct and Ethics, and Supplier Code of Conduct are all publicly available on PolyPeptide's website.



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REPORT OF THE INDEPENDENT PRACTITIONER

To the Board of Directors of PolyPeptide Group AG, Baar

Limited Assurance Report on Selected Sustainability Information 2025

We have undertaken a limited assurance engagement on selected Sustainability Information of PolyPeptide Group AG and its subsidiaries (the "Group") included in the Annual Report 2025 (the "Report") on pages 16-83 as at 31 December 2025 and for the period from 01 January 2025 to 31 December 2025 (the "selected Sustainability Information"), including:

- Non-financial disclosures prepared in reference to European Sustainability Reporting Standards as published in May 2024 by the European Financial Reporting Advisory Group ("ESRS Standards") marked as "assured by BDO" in the appendix ESRS - Content index of material disclosures as well as the process carried out by the Group to identify the information reported in the Report (the "Process") in accordance with the description set out in note ESRS 2 IRO-1 as disclosed on pages 62-64 of the Report;
- Non-financial disclosures prepared in accordance with art. 964b Swiss Code of Obligations ("CO") in conjunction with the Swiss Ordinance on Climate Disclosures as disclosed in the appendices Index of disclosure requirements in accordance with art. 964b Swiss Code of Obligations and Climate disclosures in accordance with art. 964 Swiss Code of Obligations and TCFD recommendations on pages 65-76 of the Report;
- The Group's compliance with art. 964j et sqq. CO related to the due diligence and reporting obligations concerning minerals and metals from conflict regions and child labor as disclosed on pages 81-83 of the Report.

The selected Sustainability Information was prepared by management under the supervision of the responsible Committees of the Board of Directors. The selected Sustainability Information has been prepared in accordance with the Group's reporting criteria included in the selected Sustainability Information on the relevant pages of the Report.

Criteria

The selected Sustainability Information was prepared by management under the supervision of the respective responsible Committees of the Board of Directors based on the following criteria (the "applicable Criteria"):

- the ESRS Standards to the extent specified in the section Basis for preparation and the appendix ESRS - Content index of material disclosures, which describe the principles for preparing the Group's Sustainability Report 2025;
- art. 964b CO in conjunction with Swiss Ordinance on Climate Disclosures and;
- art. 964k and 964l CO regarding due diligence and reporting obligations concerning minerals and metals from conflict regions and child labor.

Responsibility of the Board of Directors

The Board of Directors is responsible for:

The Board of Directors is responsible for the selection of the applicable Criteria and for the preparation and presentation, in all material respects, of the selected Sustainability Information in accordance with the applicable Criteria. This responsibility includes the duty on transparency and

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accountability on non-financial matters according to the applicable law and regulations related to reporting of the selected Sustainability Information as well as the design, implementation, and maintenance of the internal control relevant to the preparation of the selected Sustainability Information that are free from material misstatement, whether due to fraud or error.

Independence and Quality Management of the Independent Practitioner

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent Limitations in preparing the Sustainability Report

The accuracy and completeness of the selected Sustainability Information are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data.

Our assurance report should therefore be read in connection with the Group guidelines, their definitions and procedures as well as third-party guidelines used to present the selected Sustainability Information.

Responsibility of the Independent Practitioner

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the selected Sustainability Information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Report as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional skepticism throughout the engagement.

In conducting our limited assurance engagement, with respect to the Process, we:

- obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Group's internal documentation of its Process;
- evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out ESRs 2 IRO-1.

In conducting our limited assurance engagement, with respect to the selected Sustainability Information, we:

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- assessed the design and implementation of systems, processes, and internal controls for determining, processing, and monitoring sustainability performance data, including the consolidation of data;
- interviewed employees responsible for the determination and consolidation as well as the implementation of internal control procedures regarding the selected disclosures;
- inspected selected internal and external documents to determine whether quantitative and qualitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- assessed the data collection, validation, and reporting processes as well as the reliability of the reported data on a test basis and through testing of selected calculations;
- analyzed the assessment of the data and trends of the quantitative disclosures included in the scope of the limited assurance engagement;
- assessed the consistency of the disclosures applicable to the Group with the other disclosures and key figures as well as the overall presentation of the disclosures through critical reading of the Group's selected Sustainability Information;
- assessed the completeness of the selected Sustainability Information regarding the disclosures required by art. 964b para. 1 and 2 CO and the Swiss Ordinance on Climate Disclosures as well as the disclosure requirements of art. 964j para. 1 and 2 CO and the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour.

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained and subject to the inherent limitations outlined in this report, nothing has come to our attention that causes us to believe that the selected Sustainability Information as at 31 December 2025 and for the period from 1 January 2025 to 31 December 2025 in the Report has not been prepared, in all material respects, in accordance with the applicable Criteria.

Basis for Conclusion

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our engagement to obtain limited assurance about whether the selected Sustainability Information is free from material misstatements.

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Our responsibilities under this standard are further described in the "Responsibility of the Independent Practitioner" section of our report. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

Other Matter

Our limited assurance engagement was performed solely in relation to the selected Sustainability Information for the current reporting period. It did not extend to information relating to prior

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periods (including any comparative information) or forward-looking information included in the selected Sustainability Information, and we do not express a conclusion thereon, except for the 2024 greenhouse gas (GHG) emissions, which were included within the scope of our procedures.

Zurich, 10 March 2026

BDO Ltd

Simon Oswald
Audit Expert

Roland Z'Rotz
Audit Expert

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Corporate Governance Report

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Corporate Governance Report 2025

We are committed to the highest principles of good corporate governance, which we believe will provide a sustainable framework for realizing our strategy and objectives while at the same time strengthening our relationship with shareholders, employees, customers, suppliers and other stakeholders. Through accountability, transparency, fairness and responsibility, we strive to create an appropriate balance between management and control in alignment with the interests of our stakeholders.

Our Corporate Governance Report 2025 provides information on corporate governance in accordance with the SIX Swiss Exchange Directive on Information relating to Corporate Governance (“DCG”), the Swiss Code of Obligations (“CO”) and the principles of the Swiss Code of Best Practice for Corporate Governance issued by *economiesuisse*.¹ The information contained herein generally follows the structure of the annex of the DCG.

All information within this Corporate Governance Report 2025 refers to the Company’s organization, Articles of Association² and Organizational Regulations³ that were in effect as of 31 December 2025 (unless otherwise stated).

¹ In its version as approved by the board of *economiesuisse* on 14 November 2022.

² PolyPeptide Group AG’s Articles of Association are available at www.polypeptide.com/investors/results-center/results-2025/.

³ PolyPeptide Group AG’s Organizational Regulations are available at www.polypeptide.com/investors/results-center/results-2025/.

1 Group structure and shareholders

1.1 Group structure

1.1.1 Our Group's operational structure

PolyPeptide is a focused contract development and manufacturing organization ("CDMO") specializing in the development and manufacturing of synthetic peptides used as active pharmaceutical ingredients (*i.e.*, APIs) or intermediates in therapeutic products.

We are organized as a group of companies, and PolyPeptide Group AG (the "Company") is the ultimate parent company with its headquarters in Baar, Canton of Zug, Switzerland.

Our shareholders have the final say at PolyPeptide, and they exercise their rights at the general meeting. Our Board of Directors is directly accountable and reports to our shareholders by whom it is individually and annually elected.

In accordance with our Articles of Association⁴, the Board of Directors determines our strategic direction and supervises the persons responsible for conducting PolyPeptide's business and achieving our strategic objectives. As provided for in the Company's Organizational Regulations⁵, the Board of Directors has delegated the responsibility and authority necessary or appropriate for carrying out the day-to-day and operational activities of PolyPeptide to the Executive Committee.

Under the leadership of the CEO, as of 31 December 2025 the Executive Committee comprised the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Manufacturing and Supply Chain Officer and Chief Legal Officer. The Executive Committee is further supported by additional members of senior management with deep industry experience who are designated and appointed by the CEO and who, together with members of the Executive Committee, form the PolyPeptide Management Committee (the "PMC"). The PMC prepares, informs and coordinates the implementation of the decisions of the CEO and the Executive Committee within their respective operational spheres.

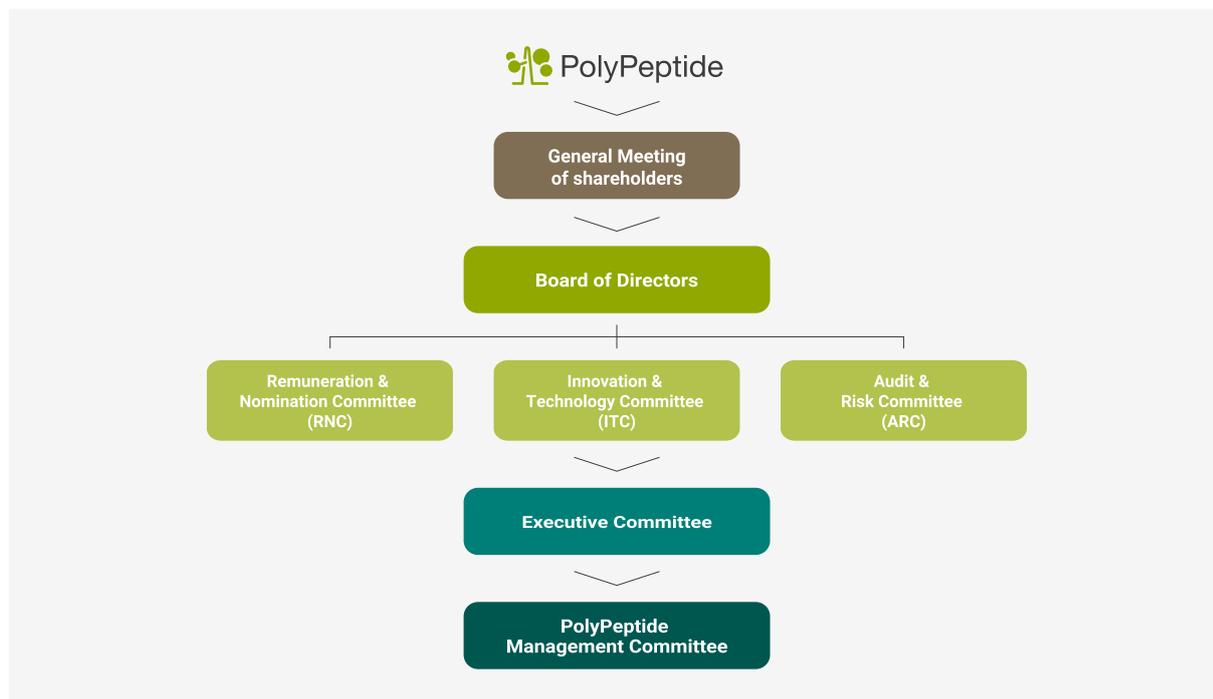
As of 31 December 2025, the PMC comprised the Executive Committee together with the Director Global Innovation & Technology, Chief Human Resources Officer, Chief Commercial Officer and Director Global Quality, Development, Regulatory Affairs. The current members of the PMC are based across PolyPeptide's offices in Europe.

Complementing the PMC is our highly qualified and committed workforce. In 2025, we employed an average of 1,395 FTEs (2024: 1,291) across our headquarters in Switzerland and six (6) manufacturing sites in the US, Europe and India that served our clients' needs throughout the world. For further information about PolyPeptide's business areas, see [note 3 "Revenue and expenses" of the consolidated financial statements in the Financial Report 2025](#).

⁴ PolyPeptide Group AG's Articles of Association are available at www.polypeptide.com/investors/results-center/results-2025/.

⁵ PolyPeptide Group AG's Organizational Regulations are available at www.polypeptide.com/investors/results-center/results-2025/.

Governance bodies



1.1.2 Listing and capitalization

PolyPeptide Group AG, with its registered office at Neuhofstrasse 24, 6340 Baar, Switzerland, is a stock corporation (*Aktiengesellschaft*), in accordance with art. 620 et. seq. of the Swiss Code of Obligations (the "CO"). It was incorporated on 6 April 2021 and registered with the commercial register of the Canton of Zug on 7 April 2021 under the company registration number CHE-159.266.771.

The shares of the Company have been listed on SIX Swiss Exchange (ISIN CH1110760852, ticker symbol: PPGN, valor number: 111 076 085) since 29 April 2021. On 31 December 2025, the market capitalization (excluding treasury shares) of the Company's shares amounted to CHF 861,471,346.50 (2024: CHF 937,100,486.40). Except for the Company, there are no other listed companies belonging to PolyPeptide.

With the exception of the Company's treasury shares (see [section 2.1 "Company's ordinary share capital" of this Corporate Governance Report](#)), which are held by the Company itself, no shares of the Company are owned by any other PolyPeptide subsidiary.

1.1.3 Non-listed companies belonging to PolyPeptide

The Company's only direct shareholding is in Polypeptide Laboratories Holding (PPL) AB, which directly or indirectly wholly owns the other companies of the Group. The table below sets forth, as of 31 December 2025, the name, registered office, ownership interest and share capital of all direct and indirect subsidiaries that the Company consolidates.

Non-listed direct and indirect subsidiaries of PolyPeptide Group AG

Company name	Registered office	Country	Interest held (%)	Share capital	Currency
Polypeptide Laboratories Holding (PPL) AB	Limhamn, Malmö	Sweden	100%	18,264.84	EUR
Polypeptide Laboratories (Sweden) AB	Limhamn, Malmö	Sweden	100%	11,500,000	SEK
PolyPeptide SA	Braine-l'Alleud	Belgium	100%	40,000,000	EUR
PolyPeptide Laboratories France S.A.S.	Strasbourg	France	100%	9,000,000	EUR
PolyPeptide Laboratories Pvt. Ltd.	Ambarnath (East)	India	100%	603,788,800	INR
PolyPeptide Laboratories Inc.	Torrance, CA	USA	100%	7	USD
PolyPeptide Laboratories San Diego, LLC ¹	San Diego, CA	USA	100%	n/a	USD
PolyPeptide Laboratories A/S ²	Hillerød	Denmark	100%	20,000,000	DKK

¹ PolyPeptide Laboratories San Diego, LLC is a wholly owned subsidiary of PolyPeptide Laboratories Inc.

² PolyPeptide Laboratories A/S is a dormant company.

1.2 Significant shareholders

To the best of the Company's knowledge, the following shareholders had holdings reaching or exceeding 3% or more of the voting rights in the Company as of 31 December 2025, as notified in accordance with art. 120 of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (the "FinMIA"):

Shareholder (beneficial owner / direct shareholder) ¹	Number of shares	% of shareholding / voting rights
Cryosphere Foundation (St. Peter Port, Guernsey) / Draupnir Holding B.V. (Hoofddorp, The Netherlands) ²	18,582,406	56.10
Premier Fund Managers Limited (Guildford, Surrey, UK) ³	1,655,153	4.997
Premier Portfolio Managers Limited (Guildford, Surrey, UK) / Premier Miton European Opportunities Fund ⁴	1,633,000	4.93
Rudolf Maag (Binningen BL, Switzerland) ⁵	1,100,000	3.32
Swisscanto Fondsleitung AG (Zurich, CH) ⁶	1,043,101	3.149

¹ The number of shares and/or voting rights shown in this Corporate Governance Report and the percentages are based on the last disclosure communicated by the respective shareholder to the Company and the Disclosure Office of SIX Exchange Regulation (SER). The number of shares held by the relevant shareholder may have changed since the date of such shareholder's notification. Any reportable changes since the date hereof can also be found on the website of SER, which also includes the individual reports of the significant shareholders: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html/.

² Disclosure notice of 9 December 2022. According to the Company's share register as of 31 December 2025, Draupnir Holding B.V. held 18,375,000 registered shares in the Company. The disclosure notice included the treasury shares then held by the Company (PolyPeptide Group AG, Baar, Zug, Switzerland) as well as sale positions then held by the Company pursuant to the long-term incentive plan.

³ Disclosure notice of 29 August 2025.

⁴ Disclosure notice of 18 March 2023.

⁵ Disclosure notice of 4 May 2021.

⁶ Disclosure notice of 10 December 2025.

Notifications made in accordance with art. 120 FMIA during the 12 months preceding 31 December 2025 can be viewed at: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html/.

To the best of the Company's knowledge, as of 31 December 2025, there are no shareholders' agreements in force.

1.3 Cross-shareholdings

The Company does not have any cross-shareholdings exceeding five percent of the capital or voting rights with any other company.

2 Capital structure

2.1 Company's ordinary share capital

As of 31 December 2025, the ordinary share capital of the Company amounted to CHF 331,250.01 and was divided into 33,125,001 registered shares (*vinkulierte Namenaktien*) with a nominal value of CHF 0.01 each. The share capital is fully paid-up.

As of 31 December 2025, the Company held 118,436 treasury shares (2024: 128,505), representing 0.36% (2024: 0.39%) of the Company's share capital.

2.2 Capital band and conditional share capital

Below is a summary of the Company's capital band, conditional share capital for employee participations and conditional share capital for financing as of 31 December 2025.

2.2.1 Capital band

The Company has a capital band ranging from CHF 331,250.01 (lower limit) to CHF 380,937.51 (upper limit). The Board of Directors is authorized within the capital band to increase the share capital once or several times and in any amounts by issuing in aggregate up to 4,968,750 registered shares with a nominal value of CHF 0.01 each until 9 April 2030 or until an earlier expiry of the capital band. The acquisition of registered shares based on [art. 3a of the Articles of Association](#) and every subsequent transfer of these registered shares shall be subject to the transfer restrictions pursuant to [art. 5 of the Articles of Association](#).

In certain circumstances specified in [art. 3a para. 4 of the Articles of Association](#), the Board of Directors is authorized to withdraw or restrict pre-emptive rights of existing shareholders and allocate such rights to individual shareholders, third parties, the Company or any of its group companies. For the list of these circumstances, refer to [art. 3a para. 4 of the Articles of Association](#).

The capital band was created at the general meeting on 9 April 2025. If fully utilized, the maximum amount of this capital band (*i.e.*, CHF 49,687.50) would equal 15% of the existing ordinary share capital. As of 31 December 2025, no shares have been issued out of the capital band.

Further details on the capital band, including the terms and conditions for issuing registered shares out of the capital band, are provided in [art. 3a of the Articles of Association](#). In addition, according to [art. 3a para. 6 of the Articles of Association](#), if the share capital increases due to an increase from conditional capital in accordance with [art. 3b or art. 3c of the Articles of Association](#), the upper and lower limits of the capital band shall increase in accordance with the extent of the increase in the share capital.

2.2.2 Conditional share capital for employee participations

According to [art. 3b of the Articles of Association](#), the share capital of the Company may be increased by up to CHF 6,000 by the issuance of up to 600,000 fully paid-up registered shares with a nominal value of CHF 0.01 each, upon the exercise of option rights or in connection with similar rights regarding shares (including performance stock units (PSU) and / or restricted stock units (RSU)) granted to officers and employees at all levels of the Company and its group companies according to respective regulations and resolutions of the Board of Directors. The pre-emptive rights and the advance subscription rights of the shareholders shall be excluded or restricted, respectively, if and to the extent the option rights are not allocated to the existing shareholders. The acquisition of registered shares based on [art. 3b of the Articles of Association](#) and every subsequent transfer of these registered shares shall be subject to the transfer restrictions pursuant to [art. 5 of the Articles of Association](#).

The conditional share capital was created at the general meeting on 6 April 2021. If fully utilized, the maximum amount of this conditional share capital (*i.e.*, CHF 6,000) would equal approximately 1.8% of the existing share capital. The time period for an increase of the Company's share capital pursuant to [art. 3b of the Articles of Association](#) is unlimited. As of 31 December 2025, no shares have been issued out of conditional share capital for employee participations.

Further details on the conditional share capital for employee participations, including the terms and conditions for issuing registered shares out of the conditional share capital for employee participations, are provided in [art. 3b of the Articles of Association](#).

2.2.3 Conditional share capital for financing

According to [art. 3c of the Articles of Association](#), the share capital of the Company may be increased by up to CHF 49,687.50 by the issuance of up to 4,968,750 fully paid up registered shares with a nominal value of CHF 0.01 each through the voluntary or mandatory conversion of convertible bonds or similar instruments or the voluntary or mandatory exercise of exchange, option, subscription or other rights to acquire registered shares, or through obligations to acquire registered shares, which were granted to, or imposed on, shareholders or third parties alone or in connection with newly or already issued bonds or other debt instruments, options, warrants or other securities or contractual obligations (collectively “Financial Instruments”) of the Company or one of its group companies. The acquisition of registered shares based on [art. 3c of the Articles of Association](#) and every subsequent transfer of these registered shares shall be subject to the transfer restrictions pursuant to [art. 5 of the Articles of Association](#). When shares are issued pursuant to [art. 3c of the Articles of Association](#), the pre-emptive rights of existing shareholders shall be excluded. The respective owners of the Financial Instruments shall be entitled to subscribe for the new shares.

In certain circumstances specified in [art. 3c para. 4 of the Articles of Association](#), the Board of Directors is authorized to withdraw or restrict the advance subscription rights of existing shareholders in connection with the issuance of or entry into Financial Instruments by the Company or any of its group companies. For the list of these circumstances, refer to [art. 3c para. 4 of the Articles of Association](#).

The conditional share capital for financing was created at the general meeting on 9 April 2025. If fully utilized, the maximum amount of this conditional share capital (*i.e.*, CHF 49,687.50) would equal 15% of the existing share capital. The time period for an increase of the Company’s share capital pursuant to art. 3c of the Articles of Association is unlimited. As of 31 December 2025, no shares have been issued out of conditional share capital for financing.

Further details on the conditional share capital for financing, including applicable terms and conditions for issuing registered shares out of the conditional share capital for financing, are provided in [art. 3c of the Articles of Association](#).

2.2.4 Authorized capital

As of 31 December 2025, the Company’s Articles of Association did not include any authorized share capital. Consequently, there was no increase from authorized capital in the reporting year. For past increases from authorized capital, see [sections 2.2.3 “Authorized capital” and 2.3 “Changes in share capital” of the Corporate Governance Report 2023](#).

2.3 Changes in share capital

As of 31 December 2025, and the preceding two financial years, the share capital of the Company comprised the following:

	Share capital (CHF)
Amount as of 31 December 2023	
Ordinary share capital	331,250.01
Conditional share capital for employee participations (<i>if fully utilized</i>)	6,000.00
Amount as of 31 December 2024	
Ordinary share capital	331,250.01
Conditional share capital for employee participations (<i>if fully utilized</i>)	6,000.00
Amount as of 31 December 2025	
Ordinary share capital	331,250.01
Conditional share capital for employee participations (<i>if fully utilized</i>)	6,000.00
Conditional share capital for financing (<i>if fully utilized</i>)	49,687.50
Capital band ¹ (<i>if fully utilized</i>)	49,687.50

¹ The Company’s capital band ranges from CHF 331,250.01 (lower limit) to CHF 380,937.51 (upper limit).

2.4 Shares and participation certificates

As of 31 December 2025, the share capital of the Company amounted to CHF 331,250.01 and was divided into 33,125,001 registered shares (*vinkulierte Namenaktien*) with a nominal value of CHF 0.01 each, all fully paid-up.

Subject to the Percentage Limit described in [art. 5 para. 3 of the Articles of Association](#) and provided that its holder or usufructuary has been duly entered into the share register as a shareholder with voting rights on or before the relevant Record Date, each share carries one vote at a shareholders' meeting. Aside from the limitations described in the preceding sentence, the shares rank *pari passu* in all other respects with each other, including in respect of entitlements to dividends, to a share in the liquidation proceeds in the case of a liquidation of the Company and to pre-emptive rights. Dividend and voting rights are suspended for treasury shares held by the Company.

The Company issues its registered shares only as uncertificated securities (*Wertrechte*) within the meaning of art. 973c CO, and registers them as book-entry securities (*Bucheffekten*) within the meaning of the Federal Act on Intermediated Securities (FISA). In accordance with art. 973c CO, the Company maintains a non-public register of uncertificated securities (*Wertrechtbuch*).

Shareholders have no right to request conversion of the form in which registered shares are issued into another form. Each shareholder may, however, at any time require from the Company a confirmation relating to their current shareholding, as reflected in the Company's share register (*Aktienbuch*).

The Company has not issued any participation certificates (*Partizipationsscheine*).

2.5 Dividend-right certificates

The Company has not issued any dividend-right certificates (*Genussscheine*).

2.6 Limitations on transferability and Nominee registrations⁶

For so long as the Company's shares are issued as uncertificated securities and registered as book-entry securities, the transfer of shares and the granting of security rights must be made in accordance with FISA. The transfer of book-entry securities or the granting of security rights on book-entry securities by way of assignment is excluded.

According to [art. 5 para. 2 of the Articles of Association](#), and except as otherwise provided in the Articles of Association, persons acquiring shares shall on application be entered in the share register without limitation as shareholders with voting rights, provided they expressly declare themselves (i) to have acquired the shares in their own name and for their own account, (ii) that no agreements on the redemption or return of these registered shares exist, (iii) to bear the risk associated with the shares and (iv) comply with the disclosure requirements stipulated by the FinMIA. Entry in the share register as a shareholder with voting rights is subject to the approval of the Company.

Entry in the share register as a shareholder with voting rights may be refused based on the grounds set out in [art. 5 paras 3–7 of the Articles of Association](#). If the Company does not refuse to register the acquirer as shareholder with voting rights within 20 calendar days upon receipt of the application, the acquirer is deemed to be a shareholder with voting rights. Non-recognized acquirers shall be entered in the share register as shareholders without voting rights. The corresponding shares shall be considered as not represented in the general meeting.

The Board of Directors may, according to [art. 5 para. 3 of the Articles of Association](#), refuse the registration in the share register as a shareholder with voting rights if an acquirer would as a result of the recognition as a shareholder with voting rights directly or indirectly acquire, or hold in the aggregate, more than 10 percent of the registered shares recorded in the commercial register (the "Percentage Limit").

⁶ This section 2.6 provides a summary of the limitations on transferability of the Company's shares and Nominee registrations. See [art. 5 of the Articles of Association](#) for more information.

The Board of Directors may enter the registration with voting rights in the share register according to [art. 5 para. 4 of the Articles of Association](#) even if 10 percent of the registered shares recorded in the commercial register are exceeded, (i) for shareholders (and their respective legal successors) who held or were allotted more than 10 percent of the registered shares recorded in the commercial register before completion of the IPO and only to the extent they held or were allotted such registered shares at that time (“Incumbent Shareholders”); (ii) if an Incumbent Shareholder (or such Incumbent Shareholder’s legal successor, respectively) acquires additional registered shares after the IPO; or (iii) if (A) a spouse, descendent, parent, sibling or an affiliated person of an Incumbent Shareholder (or such Incumbent Shareholder’s legal successor, respectively) or (B) any other acquirer acquires registered shares from an Incumbent Shareholder (or such Incumbent Shareholder’s legal successor, respectively) off-market, but in each case only to the extent such registered shares held by such Incumbent Shareholder (or such Incumbent Shareholder’s legal successor, respectively) had been registered with voting rights in the share register.

According to [art. 5 para. 5 of the Articles of Association](#), persons not expressly declaring themselves to be holding the shares for their own account in their application for entry in the share register or upon request by the Company (hereafter referred to as “Nominees”) shall be entered in the share register as shareholders with voting rights without further inquiry up to a maximum of 3.0% of the share capital outstanding at that time. Subject to [art. 5 para. 3 of the Articles of Association](#) (see also [section 6 “Shareholders’ participation rights” of this Corporate Governance Report](#)), above this limit, registered shares held by Nominees shall be entered in the share register with voting rights only if in its application for registration, or thereafter upon request by the Company, the Nominee discloses the names, addresses and shareholdings of the persons for whose account the Nominee is holding 0.5% or more of the share capital outstanding at that time and provided that the disclosure requirements stipulated by the FinMIA are complied with. The Board of Directors has the right to conclude agreements with Nominees concerning their disclosure requirements.

According to [art. 5 para. 6 of the Articles of Association](#) and subject to [art. 652b para. 3 CO](#), the described limits of registration also apply to the subscription for or acquisition of registered shares by exercising pre-emptive, option or convertible rights arising from shares or any other securities issued by the Company or third parties.

According to [art. 5 para. 7 of the Articles of Association](#) legal entities or partnerships or other associations or joint ownership arrangements which are linked through capital ownership or voting rights, through common management or in like manner, as well as individuals, legal entities or partnerships (especially syndicates) which act in concert are considered as one shareholder or Nominee.

According to [art. 5 para. 8 of the Articles of Association](#), the Company may in special cases approve exceptions to the above restrictions ([art. 5 paras. 3, 4 and 5 of the Articles of Association](#)). After due consultation with the persons concerned, the Company is further authorized to delete entries in the share register as shareholder with voting rights with retroactive effect if they were effected on the basis of false information or if the respective person does not provide the information pursuant to [art. 5 para. 3 of the Articles of Association](#). The concerned person has to be immediately informed about the deletion. Until an acquirer of shares becomes a shareholder with voting rights for the shares in accordance with [art. 5 of the Articles of Association](#), the acquirer may neither exercise the voting rights connected with the shares nor other rights associated with the voting rights.

As of 31 December 2025 no agreements with Nominees concerning their disclosure requirements existed and no exceptions under [art. 5 of the Articles of Association](#) had been granted during the period under review.

The easement or abolition of the restrictions of the transferability of the registered shares requires a resolution of a shareholders’ meeting passed by at least two thirds of the represented share votes and an absolute majority of the par value of represented shares (see [art. 12 of the Articles of Association](#)).

2.7 Convertible bonds and options

As of 31 December 2025, neither the Company nor any of its subsidiaries has issued any bonds or options regarding the Company’s shares.

For information regarding the granting of Performance Share Units (PSUs) to selected employees of PolyPeptide, please refer to [section 5.1.4 “Long-term incentive program” of the Remuneration Report 2025](#).

3 Board of Directors

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

We believe that the composition of our Board of Directors should reflect PolyPeptide’s objectives, strategic requirements, geographical reach and its culture. The Board of Directors should further be diverse in terms of age, gender, nationality, geographical / regional background and business experience.

In furtherance of this, the Board of Directors has determined a wide range of skills to ensure that all members are well qualified, committed and willing to devote the necessary time and effort to effectively perform their responsibilities. Based on the defined set of competencies, the Board members were asked to identify their key skills highlighted by their educational and professional background and personal achievements, as illustrated in the chart below.

Board skills distribution

(as of 31 December 2025)

	Industry experience ¹	Finance / accounting / risk management ²	AI / digital transformation ³	Leadership / strategic execution ⁴	Law / regulatory ⁵	Sustainability ⁶
Peter Wilden	✓	✓	✓	✓		✓
Patrick Aebischer	✓		✓	✓		✓
Jane Salik	✓			✓		✓
Erik Schropp	✓	✓	✓	✓		
Philippe Weber				✓	✓	✓
Jo LeCouillard	✓	✓		✓		✓

- ¹ Industry experience: Understanding of peptide manufacturing, regulatory frameworks, and market dynamics to guide strategic decisions.
- ² Finance / accounting / risk management: Expertise in financial oversight, auditing, and enterprise risk management to ensure robust governance and sustainable growth.
- ³ AI / digital transformation: Knowledge of digital technologies, data analytics, and AI-driven innovation to enable operational efficiency and strategic adaptation.
- ⁴ Leadership / strategic execution: Ability to set vision, drive organizational performance, and oversee execution of long-term strategies in complex global environments.
- ⁵ Sustainability: Capability to integrate sustainability principles into corporate strategy, ensuring environmental stewardship and social responsibility.
- ⁶ Law / regulatory: Legal degree, at least five years in a leading position in the legal/compliance field or comprehensive understanding of regulatory requirements critical to CDMO operations.

The RNC 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. In addition, the RNC, together with the Board of Directors, actively considers the key skills illustrated above, as well as gender diversity, in succession planning of the Board of Directors as well as of the Executive Committee.

3.1 Members of the Board of Directors

During the reporting period, the number of members of the Board of Directors remained at six (6). Five (5) Directors in office as of 1 January 2025 stood for re-election at the general meeting 2025 held on 9 April 2025 ("AGM 2025") and were approved by the shareholders. Beat In-Albon was elected as a member of the Board of Directors at the EGM 2021 and decided not to stand for re-election at the AGM 2025.⁷ Furthermore, Jo LeCouilliard was elected as a new member of the Board of Directors at the AGM 2025. Thus, as of 31 December 2025, the Board consisted of six (6) non-executive Directors (including the Chair and the Lead Independent Director), five (5) of which are independent, as outlined below:

Name	Position	First election	End of term
Peter Wilden	Chair, Non-executive and Independent ^{1,2}	2021	AGM 2026
Patrick Aebischer	Vice-Chair, Non-executive and Lead Independent Director ^{2,3}	2021	AGM 2026
Jane Salik	Member, Non-executive and Independent ²	2021	AGM 2026
Erik Schropp	Member, Non-executive ⁴	2021	AGM 2026
Philippe Weber	Member, Non-executive and Independent ^{2,5}	2021	AGM 2026
Jo LeCouilliard	Member, Non-executive and Independent ^{2,6}	2025	AGM 2026

¹ Due to Dr. Wilden's previous roles within the Ferring Group and the Group's ongoing business relationship with Ferring, which is considered a related party, Dr. Wilden was previously assessed as not independent. Having concluded all mandates at Ferring by 31 December 2024, Dr. Wilden is now regarded as independent within the meaning of art. 15 Swiss Code of Best Practice for Corporate Governance and [section 4\(d\) of the Organizational Regulations](#). For further information, please refer to Dr. Wilden's biography below.

² The term "independent" is interpreted in accordance with art. 15 of the Swiss Code of Best Practice for Corporate Governance. In addition, [section 4\(d\) of the Organizational Regulations](#) further specifies that (i) a Director shall be deemed to have no or comparatively minor business relations with any member of the Group as long as such Director is not receiving more than CHF 120,000 during any 12-month period in direct compensation from any member of the Group (other than director fees and related compensations), and (ii) the Director is not a current executive officer of a company that made payments to, or received payments from any member of the Group for property or services in an amount which, in any of the last three fiscal years, exceeded the greater of CHF 200,000 or 5% of the recipient company's consolidated gross revenues for that year, and (iii) the Director has not held any executive position within the Company during the past three years, and (iv) the Director does not represent a shareholder that holds more than 15% of the Company's shares.

³ Dr. Patrick Aebischer served as Senior Partner and member of the Investment Advisory Committee of NanoDimension Management Limited from 2017 until 31 March 2025. In 2021, PolyPeptide committed to a limited investment in a partnership managed by NanoDimension Management Limited, and Dr. Aebischer abstained from voting on this item. As Dr. Aebischer is no longer affiliated with NanoDimension Management Limited, and the indirect business relationship arising from this prior commitment is considered comparatively minor, he is accordingly regarded as independent within the meaning of art. 15 Swiss Code of Best Practice for Corporate Governance and [section 4\(d\) of the Organizational Regulations](#).

⁴ Currently, Mr. Schropp is CEO of Esperante Investments Group and a director of Draupnir Holding B.V. (one of the Company's significant shareholders, see [section 1.2 "Significant shareholders" of this Corporate Governance Report](#), and also a related party). As a result of these roles, Mr. Schropp is assessed as not independent. For further information, please refer to Mr. Schropp's biography below.

⁵ Mr. Weber is a Partner at Niederer Kraft Frey AG (NKF); see [section 4.2 "Compensation of the Board of Directors" of the Remuneration Report 2025](#) for disclosure of the fees paid to NKF for legal services in relation to ongoing corporate legal matters in 2025. The business relationship between PolyPeptide and NKF is considered minor. Thus, Mr. Weber is regarded as independent within the meaning of art. 15 Swiss Code of Best Practice for Corporate Governance and [section 4\(d\) of the Organizational Regulations](#).

⁶ Jo LeCouilliard was elected as a new member of the Board of Directors at the AGM 2025.

PolyPeptide believes that the composition of its Board of Directors and Committees with regard to independence and competences fairly reflects and balances the interests of its shareholders and other stakeholders.

⁷ Beat In-Albon left the Board on 9 April 2025. For further information see [section 3 "Board of Directors" of the Corporate Governance Report 2024](#).

Set out below is a short description of the business experience, education and activities of each Director.

Peter Wilden

Chair since 2021
Independent⁸; Non-executive⁹

Nationality: **German**
Year of birth: **1957**

Professional background

Prior positions at PolyPeptide

- Group Executive Chair (30 January 2023–30 September 2023)

Outside mandates at listed companies

- None

Outside mandates at non-listed companies

- None

Outside mandates at non-profit organizations

- Member of the board of directors of the Suisse Polar Foundation, Switzerland (since 2018)
- Chair of the board of directors of Project HOPE Suisse International Foundation, Switzerland (since 2015)
- Member / Vice-Chair of the board of directors of Project HOPE, US (since 2012)

Former outside activities and functions

- Member of the board of directors of Ferring International Center SA, Switzerland (2002–December 2024, Executive Chair 2002–December 2023)
- Member / Chair of the Audit Committee / Vice-Chair of the board of directors of Lonza Group AG, Switzerland (2004–2014)
- Executive Vice-President and CFO of Ferring Pharmaceuticals, Switzerland (2000–2017)

Education

- PhD in Economics, University of Kiel, Germany (1991)
- MBA in Industrial Economics, University of Kiel, Germany (1986)
- Education Tax Inspector at the German Inland Revenue Service, Germany (1977–1980)



⁸ Due to Dr. Wilden's previous roles within the Ferring Group and the Group's ongoing business relationship with Ferring, which is considered a related party, Dr. Wilden was previously assessed as not independent. Having concluded all mandates at Ferring by 31 December 2024, Dr. Wilden is now regarded as independent within the meaning of art. 15 Swiss Code of Best Practice for Corporate Governance and [section 4\(d\) of the Organizational Regulations](#). Ferring Group is disclosed in [note 22 "Related parties" of the consolidated financial statements in the Financial Report 2025](#) as a related party because it is related to the Company through the Esperante Investments Group ownership structure. For further information, see [note 22 "Related parties" of the consolidated financial statements in the Financial Report 2025](#).

⁹ Dr. Peter Wilden assumed the role of Executive Chair on 30 January 2023 following the resignation of the then current CEO. Upon the appointment of Juan Jose Gonzalez as CEO effective 12 April 2023 and the completion of his introduction to PolyPeptide, Dr. Wilden stepped down from his executive duties as of 30 September 2023 and continued his role as Chair of the Board of Directors. In light of the interim and limited duties as Executive Chair in 2023, Dr. Peter Wilden continues to be assessed as "non-executive".

Patrick Aebischer

Vice-Chair and Lead Independent Director since 2021¹⁰
Non-executive

Nationality: **Swiss**
Year of birth: **1954**

Professional background

Prior positions at PolyPeptide

- None

Outside mandates at listed companies

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

Outside mandates at non-listed companies

- Managing Partner at Limani Partners SA, Switzerland (since 2025)
- 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)
- Chair of the board of directors of Amazentis SA, Switzerland (since 2007)

Outside mandates at non-profit organizations

- Member of the board of directors of Fondation "Geneva Science & Diplomacy Anticipator", Switzerland (since 2019)
- Member of the board of directors of Fondation du domaine de Villette, Switzerland (since 2018)
- Member of the board of directors of Fondation Defitech, Switzerland (since 2017)
- Chair of the board of directors of Swiss Polar Foundation, Switzerland (since 2016)
- Member of the board of directors of Fondation Claude Nobs, Switzerland (since 2015)
- Member of the board of directors of Fondation du Festival de Verbier, Switzerland (since 2015)

Former outside activities and functions

- Senior Partner of NanoDimension Management Limited, Cayman Islands (2017–2025)
- Member of the board of directors of Logitech SA, Switzerland (2016–2024)
- Chair of the board of directors of the Novartis Venture Fund, Switzerland (2014–2023)
- Member of the board of directors of Lonza Group AG, Switzerland (2008–2020)
- Professor of Neurosciences, Swiss Federal Institute of Technology Lausanne (EPFL), Switzerland (2000–2019)
- President of the Swiss Federal Institute of Technology Lausanne (EPFL), Switzerland (2000–2016)

Education

- Dr. in Medicine, University of Geneva, Switzerland (1983)
- MD, University of Geneva, Switzerland (1980)



¹⁰ Dr. Patrick Aebischer served as Senior Partner and member of the Investment Advisory Committee of NanoDimension Management Limited from 2017 until 31 March 2025. In 2021, PolyPeptide committed to a limited investment in a partnership managed by NanoDimension Management Limited, and Dr. Aebischer abstained from voting on this item. As Dr. Aebischer is no longer affiliated with NanoDimension Management Limited, and the indirect business relationship arising from this prior commitment is considered comparatively minor, he is accordingly regarded as independent within the meaning of art. 15 Swiss Code of Best Practice for Corporate Governance and [section 4\(d\) of the Organizational Regulations](#).

Erik Schropp

Member since 2021
Non-executive

Nationality: **Dutch**
Year of birth: **1964**

Professional background

Prior positions at PolyPeptide

- Member of the board of directors of PolyPeptide Laboratories Holding B.V., The Netherlands, and PolyPeptide Laboratories Holding (PPL) AB, Sweden (2017–2021)

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)¹¹ 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 one subsidiary entity)

Outside mandates at non-profit organizations

- Member of the board of directors, Stichting Det Paulsen Legaat, The Netherlands (since 2023)
- Member of the board of directors, Stichting Vrienden van Megara, The Netherlands (since 2022)

Former outside activities and functions

- Group Financial Officer, C&P Investors Group (presently: Esperante Investments Group), The Netherlands (2008–2020)

Education

- Master's degree in Economics & Tax, Erasmus University, Rotterdam, The Netherlands (1988)



¹¹ Draupnir Holding B.V. is one of the Company's significant shareholders, see [section 1.2 "Significant shareholders"](#) of this Corporate Governance Report. Draupnir Holding B.V. is also disclosed in [note 22 "Related parties"](#) of the consolidated financial statements in the [Financial Report 2025](#) as a related party because it is related to the Company through the Esperante Investments Group ownership structure. For further information, see [note 22 "Related parties"](#) of the consolidated financial statements in the [Financial Report 2025](#). As a result of his roles at Esperante Investments Group and Draupnir Holding B.V., Mr. Schropp is assessed as not independent.

Jane Salik

Member since 2021
Independent¹²; Non-executive

Nationality: **American**
Year of birth: **1953**

Professional background

Prior positions at PolyPeptide

- Group CEO (2006–April 2021) and Executive Committee member (2006–August 2021)
- President, PolyPeptide Laboratories Inc., US (1996–2006)
- Member of the board of directors of PolyPeptide Laboratories Holding B.V., The Netherlands, as well as certain of its direct and indirect global subsidiaries (2003–2021)

Outside mandates at listed companies

- None

Outside mandates at non-listed companies

- None

Outside mandates at non-profit organizations

- None

Former outside activities and functions

- Vice President of Sales and Marketing, Bachem California, US (1986–1996)
- Technical services biochemist, product manager and marketing manager, Boehringer Mannheim, US (1980–1986)

Education

- PhD in Molecular and Cellular Biology, SUNY Stony Brook, US (1980)
- B.A. in Biology, Lafayette College, US (1975)



¹² Ms. Salik joined PolyPeptide in 1996 as President of PolyPeptide Laboratories Inc. and was appointed CEO in 2006. Ms. Salik resigned as CEO on 29 April 2021 and was a member of the Executive Committee of PolyPeptide until 17 August 2021. Since her operational management roles at the Group ended more than three years ago, Ms. Salik is now assessed as independent within the meaning of art. 15 Swiss Code of Best Practice for Corporate Governance and [section 4\(d\) of the Organizational Regulations](#).

Philippe Weber

Member since 2021
Independent¹³; Non-executive

Nationality: **Swiss**
Year of birth: **1965**

Professional background

Prior positions at PolyPeptide

- None

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)
- Company Secretary of CLS Group Holdings AG, Switzerland (since 2002)

Outside mandates at non-profit organizations

- None

Former outside activities and functions

- Director of Robert Aebi AG, Switzerland (2004–2017)

Education

- PhD in law (summa cum laude), University of Zurich, Switzerland (1995)
- LL.M. (with distinction), European University Institute (EUI) in Fiesole, Italy (1994)



¹³ Mr. Weber is a Partner at Niederer Kraft Frey AG (NKF); see [section 4.2 "Compensation of the Board of Directors" of the Remuneration Report 2025](#) for disclosure of the fees paid to NKF for legal services in relation to ongoing corporate legal matters in 2025. The business relationship between PolyPeptide and NKF is considered minor. Thus, Mr. Weber is regarded as independent within the meaning of art. 15 Swiss Code of Best Practice for Corporate Governance and [section 4\(d\) of the Organizational Regulations](#).

Jo LeCouilliard

Member since 2025
Independent; Non-executive

Nationality: **United Kingdom and Ireland**
Year of birth: **1963**

Professional background

Prior positions at PolyPeptide

- None

Outside mandates at listed companies

- Member of the board of directors and chair of the Remuneration and Nomination Committee of Recordati SpA, Italy (since 2019), member of the Risk, Control & Corporate & Social Responsibility Committee (2019–2022)

Outside mandates at non-listed companies

- Member of the board of directors of Washington Topco Ltd, UK (which is the holding company of GlobalData Healthcare, UK) (since 2024)

Outside mandates at non-profit organizations

- None

Former outside activities and functions

- Member of the board of directors, chair of the Remuneration Committee and member of the Audit Committee of Indivior PLC, UK (2021-2025)
- Member of the board of directors of Alliance Pharma PLC, UK, (2019–2024), chair of the board of directors (2023–2024), chair of the Remuneration Committee (2021–2024), member of the Audit & Risk Committee (2019–2024), Nominations Committee (2019–2024) and ESG Committee (2021–2024)
- Member of the board of directors, chair of the Audit & Risk Committee and member of the Remuneration Committee and Nominations Committee of Niox Group PLC, UK (2018–2024), chair of the Nominations Committee (2019)
- Member of the board of directors and member of Audit and Remuneration Committees of Cello Health PLC, UK (2018–2020)
- Various senior roles within the Glaxo SmithKline Group, UK (1995–2005 and 2009–2018), including Senior Vice President Global Commercial Transformation, UK (2017–2018), Senior Vice President Area Head Asia Pacific, Singapore (2013–2016)
- Member of the board of directors of Duke-NUS Medical School, Singapore (2013–2016)

Education

- ACA, Institute of Chartered Accountants in England & Wales (ICAEW), UK (1989)
- Master's degree in Natural Sciences, Cambridge University, UK (1985)



3.2 Other activities and vested interests

Except as disclosed in the biographies of the members of the Board of Directors, no further activities or vested interests are carried out outside of PolyPeptide.

3.3 Mandates and other permitted activities

In accordance with Swiss law, our [Articles of Association](#) limit the number of functions in superior management or administrative bodies of legal units other than with PolyPeptide that Directors are allowed to hold at one time.

Pursuant to [art. 23 of the Articles of Association](#), the Directors may have the following comparable functions at other companies with an economic purpose (including their group):

- up to four (4) mandates as member of the board of directors or any other superior management or administrative body of listed companies; and, in addition,
- up to ten (10) mandates as member of the board of directors or any other superior management or administrative body of legal entities that do not meet the above mentioned criteria.

With respect to the additional activities of the Directors, mandates in companies that are under uniform control or the same beneficial ownership are deemed to be one mandate.

The following mandates shall not be subject to the limitations set forth in [art. 23 of the Articles of Association](#):

- mandates in companies which are controlled by the Company or which control the Company;
- mandates held at the request of the Company or companies controlled by it; no Director shall, however, hold more than ten (10) such mandates; and
- mandates in associations, charitable organizations, foundations, employee welfare foundations and other similar organizations; no Directors shall, however, hold more than fifteen (15) such mandates.

3.4 Election and term of office

According to [art. 15 of the Articles of Association](#), the Board of Directors consists of a minimum of three (3) members. As prescribed by Swiss Law, all members of the Board of Directors, including the Chair, have to be elected individually, and may only be removed by a shareholders' resolution. The maximum term of office for a member of the Board of Directors is one year. In this context, one year means the time period between one general meeting and the next or, if a member is elected at an extraordinary shareholders' meeting between such extraordinary shareholders' meeting and the next general meeting. Re-election is possible. The Company's [Articles of Association](#) do not contain a limitation on the number of terms served or the age of members of the Board of Directors, including the Chair. Furthermore, the Company's [Articles of Association](#) do not contain any rules concerning the appointment of the Chair, the members of the RNC or the independent proxy (the "Independent Proxy") that deviate from those prescribed by Swiss law.

The members of the RNC (individually) as well as the Independent Proxy are also elected by the general meeting for a one-year term.

If the office of the Chair of the Board of Directors is vacant, the RNC is not complete or the Company does not have an Independent Proxy, the Board of Directors shall appoint a substitute for the time period until the conclusion of the next general meeting who must be (with the exception of the Independent Proxy) a member of the Board of Directors.

Please refer to [section 3.1 "Members of the Board of Directors" of this Corporate Governance Report](#) for information relating to the time of first election to office of the Company's current Directors.

3.5 Internal organizational structure

3.5.1 Allocation of tasks within the Board of Directors

3.5.1.1 General

Our Board of Directors is responsible for the ultimate direction of PolyPeptide, supervision of our management and holds the ultimate decision-making authority, with the exception of matters reserved for shareholders.

The Board of Directors determines PolyPeptide's strategy, the allocation of resources and the management framework. It is also responsible for setting the organizational structure, accounting, financial control and financial planning. In addition, the Board of Directors takes responsibility for all sustainability issues. For further information, see [section 2.2.5 of the Organizational Regulations](#) and the [Sustainability Report 2025](#).

The internal structure of our Board of Directors is set out in the [Organizational Regulations](#), which determines the corporate bodies of PolyPeptide, defines their responsibilities and competences regarding management and regulates the functioning and cooperation of the various bodies involved in PolyPeptide's management. Subject to applicable law and the [Articles of Association](#), the allocation of tasks within the Board of Directors is determined annually by the Board at its first meeting following the general meeting in accordance with [section 2.1.1 of the Organizational Regulations](#). The Board of Directors regularly reviews the Organizational Regulations and makes any necessary amendments.

To operate effectively and allow in-depth focus in specific areas, the Board of Directors has three standing committees (each, a "Committee"):

Committee	Chair	Member
Audit and Risk Committee (ARC)	Jo LeCouilliard ¹	Erik Schropp
Remuneration and Nomination Committee (RNC)	Philippe Weber	Peter Wilden
Innovation and Technology Committee (ITC)	Patrick Aebischer	Jane Salik

¹ The Board of Directors elected Jo LeCouilliard as chair of the ARC effective as of 9 April 2025.

Except for the election of the Chair of the Board of Directors and the members of the RNC (which are to be elected by the general meeting), the Board of Directors determines its own organization. It elects from among one of the independent Directors the Lead Independent Director and the chair of the RNC (from among those Directors elected to the RNC at the general meeting). Furthermore, it elects the chair and members of the other Committees as well as appoints a secretary (who does not need to be a shareholder or a member of the Board of Directors).

Each Committee generally comprises two or more members of the Board of Directors with its own charter governing its duties and responsibilities. These Charters are regularly reviewed and amended as required. The Committees have no decision-making authority of their own (unless provided with such authority by a special resolution of the Board of Directors) and generally act in advisory and preparatory capacities. The Board of Directors remains ultimately responsible for the tasks delegated to the Committees by Swiss law, the [Articles of Association](#) or the [Organizational Regulations](#).

The Board of Directors may form additional ad-hoc and standing committees for particular areas within the scope of its duties to deal with specific issues. In 2025, no additional ad-hoc or standing committees were formed.

At least annually, the Board reviews its own performance, as well as the performance of each of the Committees. Such anonymous assessments seek to evaluate the Board's contribution to the Group and determine whether each of the Board and the Committees function effectively and efficiently. In addition, these assessments aim to improve governance, identify gaps in skill sets and diversity, as well as define future priorities for the Group. The assessments are reviewed on an annual basis by the RNC, which periodically considers together with the Board an external evaluation. For 2025, the self-assessments were prepared by the Company based on customary industry evaluations and questionnaires. Following the completion of the assessments, the Board of Directors reviews the results and discusses areas or opportunities for improvement.

3.5.1.2 Chair of the Board of Directors

The Chair calls and chairs the meetings of the Board of Directors and presides over the general meetings. Together with the person keeping the minutes (*i.e.*, the secretary), the Chair signs the minutes of the deliberations and resolutions of the Board of Directors. The Chair, together with the CEO, is responsible for ensuring effective communication with shareholders and stakeholders, including government officials, regulators and public organizations. The Chair establishes and maintains a close working relationship with the CEO, providing advice and support to him or her. Furthermore, the Chair seeks to facilitate a constructive relationship between the Board of Directors, the CEO, and the other Board Committee members.

The Chair has the right to call upon third parties as advisors in meetings of the Board. The Committees shall keep the Chair informed on a current basis about all important strategic issues, transactions, the business situation and development, and important organizational changes within their scope of responsibilities and duties. The Chair shall monitor such informational duty of the Committees. The Chair reports to the Board of Directors on information received from each of the Committees. In addition, the Chair shall immediately inform the other Directors of any extraordinary situation regarding the Company or the Group of which the Chair may become aware. Peter Wilden is currently serving as the Chair of the Board of Directors. For more information, see [section 3 of the Organizational Regulations](#).

3.5.1.3 Lead Independent Director

The Lead Independent Director is an independent member of the Board of Directors and is elected by the Board of Directors until the conclusion of the next general meeting. If the Chair is indisposed, the Lead Independent Director will take the chair at the meetings of the Board of Directors and the shareholders' meeting. In particular, the Lead Independent Director will chair the meeting of the Board of Directors or the shareholders' meeting if the Chair is required to abstain from the deliberation and decision-taking in case the following items are on the agenda: (i) assessment of the work of the Chair; (ii) decision of the Board of Directors on the request to the shareholders' meeting for the re-election or not of the Chair; (iii) decision about the compensation of the Chair; and (iv) any other matters in which the Chair has a conflict of interest. The Lead Independent Director is entitled to call a meeting of the Board of Directors whenever he or she deems fit. Patrick Aebischer is currently serving as the Lead Independent Director and Vice-Chair. For more information, see [section 4 of the Organizational Regulations](#).

3.5.2 Working methods of the Board of Directors

3.5.2.1 Overview

Meetings of the Board are held as often as the business requires, but as a general rule at least four (4) times per year, including (i) in the first quarter, *inter alia*, to approve the annual report, including the management report, the financial statements, remuneration report and the report on non-financial matters, as well as the organization and the invitation to the upcoming general meeting; (ii) immediately after the general meeting, *inter alia*, to constitute the Board; (iii) in the third quarter, *inter alia*, to approve the half year financials; and (iv) in the fourth quarter, *inter alia*, to approve the budget for the next financial year. For each of these meetings, the Chair also generally selects key business or strategic topics for more in-depth focus and discussion, such as operations, customer developments, quality and risk management. Meetings of the Board are convened by the Chair if and when the need arises or whenever a Director or the CEO, indicating the reasons, so requests in writing. If the Chair does not comply with any such request within fourteen (14) days, the Lead Independent Director is entitled to call the meeting.

Notice of meetings is given at least five (5) business days prior to the meeting. The notice must set forth the time, place and agenda of the meeting so that Directors may have a reasonable understanding of the business intended to be conducted at the meeting. Directors are provided with all necessary supporting materials at least five (5) business days prior to the meeting. In urgent cases (as determined by the Chair at his or her discretion), a meeting may be held at appropriate shorter notice. If the Chair deems it necessary, supporting materials may also be provided later to allow the Board to receive the latest available information. This applies, in particular, to updates on financial and other relevant data. Board meetings may be held in person, by telephone or by video conference.

The Chair, or in his absence the Lead Independent Director, or in the absence of both, a Director designated by the majority of the votes cast of the attending Directors (abstentions count as votes uncast), shall chair the meeting.

If all Directors are present and agree, deviations from the formal requirements set forth in the [Organizational Regulations](#) (including those described above) are permitted; in particular, decisions can be taken in respect of items that are not listed on the agenda for the meeting.

In order to pass resolutions, not less than a majority of the Directors must be participating in the meeting (whether in person, by phone or video conference). The Board may pass its resolutions with the majority of the votes cast (simple majority). Abstentions count as votes uncast. In case of a tie of votes, the Chair has the casting vote. Board resolutions may also be passed by means of circular resolutions, by letter or electronic means (e.g., e-mail or via board management portals/platforms); provided that no Director requests by phone or e-mail within five (5) days of receipt of the proposed resolution that the resolution be deliberated in a meeting. Board resolutions by means of circular resolutions require the affirmative vote of the majority of the Directors.

In principle (and as set forth in the [Organizational Regulations](#)), the CEO and the other members of the Executive Committee attend designated and selected sections of the meetings of the Board without the right to vote as guests, except where not appropriate (e.g., if particular matters relating to their performance or remuneration are discussed). For example, as a general matter, all members of the Executive Committee attend Board sessions dedicated to reports from management, whereas no members of the Executive Committee are present at the non-executive sessions of the Board meetings. Other members of the Group's senior management are expected to participate at meetings of the Board if specific issues falling within their responsibility are on the agenda. The Chair decides if and which persons outside the Board are entitled to attend meetings of the Board as guests.

The minutes set forth all resolutions passed and reflect in a general manner the considerations that led to the decisions taken, including, where applicable, any statements of attendees expressly made "for the record". The minutes must be signed by the Chair (or, where applicable, the Director who chaired the meeting) and the secretary. The minutes are available for review prior to the next meeting of the Board of Directors, when it is approved. Resolutions passed by means of circular resolutions or telephone conference shall be included in the next minutes. Board Members are entitled to examine the minutes of any Board meeting (as well as any Committee meeting) at any time.

As a general principle, Directors shall arrange their personal and business affairs so as to avoid, as much as possible, a conflict of interest. As set forth in the [Organizational Regulations](#), each Director shall disclose to the Chair any conflict of interest arising from or relating to any matter to be discussed at the meeting of the Board as soon as the Director becomes aware of its potential existence. Directors should neither conclude any investment nor other transactions nor accept any benefits that may jeopardize their independent safeguarding of the Company's interests.

The Chair (or, if applicable, the Lead Independent Director or the RNC) will decide upon appropriate and commensurate measures to avoid any interference of such conflict of interests with the decision-making of the Company. In the event of doubt, the Chair (or, if applicable, the Lead Independent Director or the RNC) shall request the respective corporate body (under exclusion of the Director(s) who are subject to the potential conflict of interest) to determine whether a conflict of interest exists and to decide upon appropriate measures.

As a rule, subject to exceptional circumstances in which the best interests of the Company dictate otherwise, in case of a disclosed conflict of interest, a two-stage vote regarding the matter at stake is to be held, first among all Directors and then without the Director subject to the conflict of interest. The Director with a conflict shall have the right to, or may be required by the Chair, to provide a statement of their view of the matter. In case of a continuing conflict of interest, the Board of Directors shall decide whether the Director subject to the conflict of interest should be asked to resign or should not be nominated for re-election (as the case may be).

3.5.2.2 2025 Board of Director meetings and key topics

Since 1 January 2025, the Board of Directors met nine (9) times, including a one-day strategy meeting, in a combination of in-person sessions and video conferences, for an average duration of approximately three and a half (3.5) hours (with individual sessions lasting between one (1) to over four and a half (4.5) hours).

The following table outlines the Board attendees of each meeting of the Board of Directors in 2025.

Directors	Number of attended meetings
Peter Wilden	7
Patrick Aebischer	9
Jane Salik	9
Erik Schropp	9
Beat In-Albon ¹	2
Philippe Weber	8
Jo LeCouilliard ²	6.5
Total number of meetings held	9
Meeting attendance	93.5%

¹ Beat In-Albon did not stand for re-election as a member of the Board of Directors at the AGM 2025 and left the Board of Directors on 9 April 2025.

² Jo LeCouilliard was elected as a new member of the Board of Directors at the AGM 2025.

The Board of Directors met with members of the Executive Committee at each ordinary Board meeting for business updates and to take certain decisions. In addition, other members of PolyPeptide's management attended designated portions of the Board meetings as deemed appropriate by the Chair (e.g., strategy sessions and subject matter deep dives). None of the meetings involved the participation of external consultants or external auditors.

The key topics of the Board of Directors during this period included, among other things:

- Regular review and discussion of year-to-date sales, operations, financials, full-year outlook, and monitoring of cash flow and net working capital
- Review and approval of the Group's 2025 budget as well as review and approval of the 2026 budget
- Review and approval of the Group's strategy and mid-term business plan
- Review and approval of the 2024 annual report, including management report, remuneration report, non-financial matters report, and audited consolidated and statutory financial statements
- Review and approval of the AGM 2025 agenda and invitation
- Review and approval of the 2024 variable short-term incentive for Executive Committee members; approval of individual targets and weightings for the 2025 short-term incentive; and performance targets for the 2025 long-term incentive award
- Approval of changes to the composition of the Executive Committee
- Approval of material business transactions and agreements, and monitoring of key customer developments and operational/profitability improvement initiatives
- Approval of the 2025 half-year report and interim consolidated financial statements
- Review and monitoring of the Group's sustainability strategy and related non-financial reporting obligations, including approval of the climate strategy and transition plan
- Review and approval of the Group's 2025 Enterprise Risk Management Report
- Planning and content of the 2025 annual report and topics for the 2026 general meeting
- Review of the Articles of Association, approval of revised Organizational Regulations and other key governance and corporate policies

3.5.3 Working methods of the Committees

The Committees act in advisory and preparatory capacities and have no decision-making authority of their own (unless provided with such authority by a special resolution of the Board of Directors). The Board remains ultimately responsible for the tasks delegated to the Committees by Swiss law, the [Articles of Association](#) or the [Organizational Regulations](#).

The Committees keep the Chair of the Board of Directors informed on a current basis about all important strategic issues, transactions as well as any business situations and / or developments within their scope of responsibilities and duties. The Chair monitors such informational duties of the Committees. The chair of each Committee provides the full Board of Directors at their meeting with an overview of key topics discussed at the most recent Committee meeting.

Each 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 times per year. Additional meetings may be held and may be convened at the request of either the Board of Directors or any Committee member. The ARC further meets upon request of the governance, risk and compliance officer (the "GRC Officer").

Members of the Executive Committee and other senior management may attend designated sections of Committee meetings as guests, without voting rights, when topics within their area of responsibility are discussed. Attendance is excluded where matters relating to their own performance or remuneration are considered. Other senior managers are invited by the respective Committee chair when specific Committee agenda items fall under their remit.

The secretary prepares the agenda for each meeting, keeps the minutes, and assists the Committee and the chair to coordinate and fulfill their duties and assignments. Once signed by the Committee chair and secretary, the minutes (together with all presentation and background materials) of each Committee meeting are made available to the full Board of Directors for their review.

3.5.3.1 Remuneration and Nomination Committee

The RNC 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 RNC is also responsible for submitting proposals and recommendations to the Board of Directors regarding compensation matters. The RNC further supports the Board of Directors in preparing the compensation proposals for the general meeting. In addition, the RNC 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 RNC, 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 RNC are set forth in [art. 19 of the Articles of Association](#), [section 5.3 of the Organizational Regulations](#) as well as the [RNC Charter](#).

The members of the RNC are individually elected by the general meeting. The term of office of the members of the RNC ends at the conclusion of the next ordinary general meeting. Re-election is possible. The chair of the RNC shall be independent and is appointed by the Board of Directors. As of 31 December 2025, the RNC consisted of two members: Philippe Weber (chair) and Peter Wilden.

2025 Remuneration and Nomination Committee meetings and key topics

Since 1 January 2025, the RNC met five (5) times, in a combination of in-person sessions and video conferences, for an average duration of approximately one (1) hour and twenty (20) minutes. The Chief Human Resources Officer is a permanent guest of the RNC, and the CEO participated in all meetings. In addition, an external consultant attended a designated portion of one (1) RNC meeting (see [section 1.3 "Role and activities of the RNC" of the Remuneration Report 2025](#)).

Directors	Number of attended meetings
Peter Wilden	5
Philippe Weber	5
Total number of meetings held	5
Meeting attendance	100%

During the course of 2025, the key topics discussed by the RNC included, among other things:

- Regular review and assessment of PolyPeptide's remuneration principles, strategy, and structure, including the implementation of a clawback provision in the short-term incentive plan (STIP)
- Review and preparation of proposals for Board of Directors and Executive Committee compensation for AGM 2025
- Review and preparation of proposals regarding:
 - achievement of the 2024 variable short-term incentive for Executive Committee members, including individual performance appraisal
 - performance targets and weightings for the 2025 short-term incentive
 - performance targets for the 2025 long-term incentive award
- Review and approval of the 2024 Remuneration Report and planning for the 2025 report, including remuneration disclosure analysis
- Review of shareholders' and proxy advisors' feedback on the 2024 Remuneration Report
- Review of remuneration benchmarking for the Board of Directors and Executive Committee
- Succession planning for the Board of Directors and review of management succession strategy
- Review of Board and Committee self-assessments and consideration of an external evaluation
- Review of management's assessment on the Board of Directors' effectiveness
- Updates on corporate governance trends, best practices and relevant regulatory developments
- Review of shareholder analysis and outreach activities
- Update on human capital management, including human resources mid- and long-term plans and key people analytics
- Review of material sustainability topics assigned to the RNC
- Review and approval of the RNC Charter

3.5.3.2 Audit and Risk Committee

The ARC supports the Board of Directors with respect to matters involving the financial and risk management aspects of governance, including the integrity of the Company's and Group's financial statements. The ARC focuses on assessing the adequacy and effectiveness of the Group's internal and prudential systems and controls in relation to both financial and non-financial risks. This includes compliance with legal and regulatory obligations, insurance and related matters. The ARC will also obtain reasonable assurance with respect to the activities of the Internal Audit as well as evaluates the external auditors regarding the fulfillment of the necessary qualifications and independence according to the applicable legal provisions and makes proposals to the Board of Directors concerning the choice of the external auditors. The ARC is further responsible for the pre-approval of the appointment, dismissal and the compensation for the Head of Internal Audit. The ARC communicates at least once a year with the external auditor without the participation of management (in "private sessions"). The specific responsibilities and competencies, organization, functioning and reporting of the ARC are set forth in [section 5.2 of the Organizational Regulations](#) as well as the [ARC Charter](#).

The members of the ARC are appointed by the Board of Directors. The chair of the ARC shall be independent. As of 31 December 2025, the ARC consisted of two members: Jo LeCouilliard (chair) and Erik Schropp.

2025 Audit and Risk Committee meetings and key topics

Since 1 January 2025, the ARC met seven (7) times, in a combination of in-person sessions and video conferences, for an average duration of approximately two (2) hours and twenty (20) minutes. The Chief Financial Officer (CFO) and the Head of Internal Audit are permanent guests of the ARC and the CEO, participated in all meetings. Representatives of BDO (the Group's external auditor) participated in four (4) meetings (see [section 9.4 "Information instruments pertaining to the external audit" of this Corporate Governance Report](#)). In addition, external consultants participated in two (2) ARC meetings.

Directors	Number of attended meetings
Erik Schropp	7
Beat In-Albon ¹	1
Jo LeCouilliard ²	5
Total number of meetings held	7
Meeting attendance	92.9%

¹ Beat In-Albon did not stand for re-election as a member of the Board of Directors at the AGM 2025 and left the Board of Directors on 9 April 2025.

² Jo LeCouilliard was elected as a new member of the Board of Directors at the AGM 2025. The Board of Directors elected Jo LeCouilliard as chair of the ARC effective as of 9 April 2025.

During the course of 2025, the key topics discussed by the ARC included, among other things:

- Review of 2024 BDO audit and annual consolidated and standalone financial statements and respective recommendations to the Board of Directors
- Review of 2025 interim consolidated financial statements and recommendation to the Board of Directors
- Regular review and discussion regarding the Group's year-to-date sales and financials as well as monitoring cash flow, net working capital and the Group's long-term financing strategy
- Review of the procedures and assumptions of the annual budgeting process and medium-term planning
- Review of the work of Internal Audit, including compensation proposal for the Head of Internal Audit
- Review of the Enterprise Risk Management Report 2025 and recommendations to the Board of Directors
- Review of the Group's compliance programs
- Assessment and approval of the Group's internal control system
- Review of the Group's insurance program and treasury policy
- Assessment of the Group's accounting policies as well as of tax and transfer pricing aspects
- General assessment of yearly business expenses of the members of the Executive Committee
- Review of the status of material legal proceedings, including measures taken by management to protect the interests of the Group
- Evaluation of the Group's external auditor and recommendation to the Board of Directors regarding re-election at AGM 2026, as well as pre-approval and oversight of all audit and non-audit services, budget and fees performed by the Group's external auditors
- Review of material sustainability topics assigned to the ARC and engagement of BDO for limited assurance on the Group's [Sustainability Report 2025](#)
- Review of the ARC Charter and Internal Audit Charter

3.5.3.3 Innovation and Technology Committee

The ITC supports the Board of Directors and Executive Committee through the review of PolyPeptide's technology plans and strategies, while monitoring existing and future trends in technology related or adjacent to PolyPeptide's business. The specific responsibilities and competencies, organization, functioning and reporting of the ITC are set forth in [section 5.4 of the Organizational Regulations](#) as well as the [ITC Charter](#).

The members of the ITC are appointed by the Board of Directors. The chair of the ITC shall be independent. As of 31 December 2025, the ITC consisted of two members: Patrick Aebischer (chair) and Jane Salik.

2025 Innovation and Technology Committee meetings and key topics

Since 1 January 2025, the ITC met four (4) times, in a combination of in-person sessions and video conferences, for an average duration of approximately one (1) hour and fifteen (15) minutes. The Director Global Innovation & Technology and the Director Global Quality, Development, Regulatory Affairs are permanent guests of the ITC. The CEO and the Chief Commercial Officer participated in all ITC meetings. None of the meetings involved the participation of external consultants.

Directors	Number of attended meetings
Patrick Aebischer	4
Jane Salik	4
Total number of meetings held	4
Meeting attendance	100%

During the course of 2025, the key topics discussed by the ITC included, among other things:

- Discussion of PolyPeptide’s green chemistry agenda, including governance, strategic priorities, and objectives
- Planning for a scientific event in 2026
- Addressing large-scale manufacturing demand through modular design, standardization, and process intensification (identified opportunities and expected outcomes)
- Review of the innovation program, including priorities and deployment roadmap
- Defining the innovation value proposition for early-phase programs, covering market demand, technology solutions, and organizational capabilities
- Review of material sustainability topics assigned to the ITC
- Review of the ITC Charter

3.6 Areas of responsibility between the Board of Directors and the Executive Committee

The Board of Directors' responsibilities, duties and competencies and the procedural principles by which it is governed are specified by Swiss law, [art. 17 of the Articles of Association](#) and [sections 2 through 5 of the Organizational Regulations](#). Importantly, the responsibilities of the Board of Directors include determining the strategy of PolyPeptide as well as the appointment, supervision and dismissal of the members of the Executive Committee.

[Art. 17 of the Articles of Association](#) sets out the non-transferable and irrevocable duties of the Board of Directors, and in addition to the non-transferable and irrevocable duties set out in art. 716a CO, the Board of Directors has the further non-transferable and irrevocable duties to (i) prepare the report on non-financial matters and other reports as required by law, (ii) organization of the internal control system (ICS) and performance of the risk assessment, (iii) adopt resolutions and amendments to the Articles of Association regarding the subsequent payment of capital with respect to non-fully paid-in shares, (iv) adopt resolutions on the change of the share capital to the extent such power is vested in the Board of Directors, confirming changes in the share capital and adopt the consequential amendments to the Articles of Association (including deletions), (v) examine compliance with the legal requirements regarding the appointment / election of the external auditors, and (vi) execute the agreements pursuant to art. 12, 36 and 70 of the Federal Act on Merger, Demerger, Transformation and Transfer of Assets (Merger Act).

While the Board of Directors is responsible for PolyPeptide's ultimate strategic direction and supervision of management, through the [Organizational Regulations](#) the Board has delegated the responsibility and authority necessary or appropriate for carrying out the day-to-day and operational activities of PolyPeptide to the Executive Committee under the leadership of the CEO. Nevertheless, the Board of Directors retains certain duties (in addition to the non-transferable and irrevocable duties described above), such as annually approving the budgets and business plans for the Group, monitoring risks as well as ensuring that fundamental policies and controls are in place for compliance with applicable law and regulations. In addition, the [Organizational Regulations](#) set out specific parameters, including financial thresholds, for certain strategic, operational and financial matters that remain within the competence of the Board of Directors. This information is also set out in an [authority chart](#), which is an annex to the Organizational Regulations.

The Executive Committee is responsible for ensuring the execution of the decisions of the Board of Directors and implementing the strategy of PolyPeptide in accordance with Swiss law, the [Articles of Association](#), the [Organizational Regulations](#) and the resolutions of the shareholders' meeting. The Executive Committee is led by the CEO and as of 31 December 2025, it comprised the CEO, CFO, Chief Manufacturing and Supply Chain Officer and the Chief Legal Officer. The Executive Committee may include other officers as may be determined by the Board of Directors, in consultation with the CEO, from time to time. The Executive Committee has a dual function in the management of PolyPeptide. On the one hand, under the leadership of the CEO, the Executive Committee is responsible for the day-to-day business of the Company (to the extent not reserved to the Board); and, on the other hand, it is responsible for the operational business of the whole Group as well as of each individual site and subsidiary (to the extent that the respective competences are not reserved to the Board pursuant to the [Organizational Regulations](#) or are, by law, reserved to the boards of directors of the subsidiaries).

Pursuant to the [Organizational Regulations](#), the CEO is appointed and removed by the Board of Directors upon recommendation of the RNC. The other members of the Executive Committee are appointed and removed by the Board of Directors upon recommendation of the RNC and in consultation with the CEO.

3.7 Information and control instruments vis-à-vis the Executive Committee

3.7.1 Principles of Board information

The Board of Directors has different information instruments in place to oversee, monitor and control the implementation of PolyPeptide's strategy as well as the execution of the responsibilities delegated to the Executive Committee.

Specifically, the **Organizational Regulations** require the CEO, together with the other members of the Executive Committee, to regularly inform the Board and its Committees at its ordinary meetings on the current course of business and all major business matters and important business developments, including anticipated opportunities and risks.

Specifically, a report from the CEO is a standing agenda item at each ordinary board meeting where the CEO provides insight on the development of the Group's business and key strategic initiatives.

In addition, the Chair and the CEO are in contact at regular intervals with respect to all major corporate policy issues. Extraordinary matters, including significant unanticipated developments, must immediately be reported to the Chair. In addition, the Directors shall be informed immediately of extraordinary events by way of circular letter and, if necessary, in advance by telephone or e-mail.

Furthermore, each Director is entitled to request information concerning all of PolyPeptide's affairs reasonably necessary to fulfill their fiduciary duties. For Directors requiring information or wishing to review documents outside of ordinary Board meetings, the Director must address their request in writing (including by e-mail) to the Chair. To the extent necessary to fulfill their duties, each Director may further request in writing (including by e-mail) that the Chair authorizes the inspection of the books and records of the Company. If the Chair rejects a request for information, hearing or inspection, the Lead Independent Director or the Board shall decide whether to grant such request.

3.7.2 Regular reports to the Board

As noted above, the Executive Committee regularly reports to the Board of Directors and its Committees at their respective ordinary meetings. In addition to these meetings, on a monthly basis, the Board of Directors receives sales and financial reports with (i) an executive summary, (ii) an assessment of the Group's monthly and year-to-date revenue, (iii) the profit and loss statement, the balance sheet and the cash flow statement, (iv) overview of inventory and net working capital as well as (v) selected Group KPIs, updates on various initiatives and the Group's outlook. The Board of Directors also receives monthly updates on key capital expenditures projects, including progress updates and timelines. These monthly reports illustrate the actual financial results to date, along with comparisons to the previous period and the budgeted amounts, all with accompanying commentaries (where relevant). Directors often react to these reports with questions that are responded to by the CEO or CFO. Through the ARC, the Board also receives the reports of PolyPeptide's external auditor in connection with the audit of the annual financial statements and the review and procedures performed on the interim financial statements.

3.7.3 Enterprise Risk Management Framework

The ARC, together with the Chief Legal Officer and members of the finance team, have implemented an Enterprise Risk Management Framework. While the Board of Directors retains the ultimate responsibility for risk management and for determining the appropriate level of risk that PolyPeptide is willing to accept, the PMC (together with the ARC) is responsible for ensuring that the operation of the Enterprise Risk Management Framework is sound, including risk management of significant risks through the monitoring of specified actions.

The Enterprise Risk Management Framework provides a consistent, Group-wide view of key risks and emerging risk areas, incorporating updates from ongoing monitoring and input from risk owners and other stakeholders. The purpose of these risk assessments is to: (i) provide greater transparency on PolyPeptide's principal risks, (ii) define measures to manage, mitigate or leverage risks and opportunities while monitoring their effectiveness and (iii) strengthen the Group's overall risk management framework. This approach ensures that risk management practices remain aligned with PolyPeptide's strategic objectives. Should the ongoing evaluation of the Enterprise Risk Management Framework reveal significant, unforeseen developments, the PMC will immediately report these to the ARC and the Chair of the Board. The Board of Directors will also be informed of any extraordinary events as outlined above.

The PMC, in coordination with the Chief Legal Officer, the Head of Internal Audit, the Global Head of Sustainability and Corporate Compliance, and other internal stakeholders, conducts an annual risk assessment to (i) identify risks, including sustainability-related risks, (ii) evaluate their probability and impact and (iii) define strategies to address them. These strategies include specific mitigating or managing actions tailored to each risk or opportunity, with designated risk owners responsible for monitoring implementation and effectiveness. Throughout the year, the PMC oversees the Enterprise Risk Management Framework to ensure continuous alignment with the Group's objectives.

Based on the annual risk assessment, PolyPeptide prepares an Enterprise Risk Management Report that specifies and evaluates the Group's principal risks in terms of probability and potential impact, outlines corresponding mitigation and management measures, and submits the report at least once per year to the ARC. The report is also presented to the Board of Directors during one of its scheduled meetings for discussion on risk assessment and management. In the 2025 report, PolyPeptide identified, among other areas, projects and capital expenditures, quality, operational, and supply chain risks, for which appropriate mitigation measures were implemented.

See also [chapter Business Review](#) and [note 23 "Financial risk management objectives and policies" of the consolidated financial statements in the Financial Report 2025](#).

3.7.4 Internal controls

The Board of Directors is also responsible for designing, implementing and maintaining the Group's internal control system, which provides the ultimate oversight for PolyPeptide's strategy, operations and finances. Importantly, the internal control system aims to ensure the integrity and completeness of accounting, to provide timely and reliable financial reporting, and to prevent, minimize and identify errors and irregularities in the financial statements. The ARC supports the Board of Directors through the assessment of the adequacy and effectiveness of the Group's internal and prudential systems and controls in respect of both financial and non-financial risks, including through discussions with and reviewing reports from the external auditor, internal officers and management. PolyPeptide's internal control system is structured to ensure the correct disclosure and adequate coverage of control over all Group activities, with particular attention on areas considered potentially at risk. The external auditor confirms the existence of the internal control system in connection with the annual audit.

According to the [Organizational Regulations](#), the CFO, in cooperation with the CEO, ensures good financial governance, overseeing all financial planning, budgeting (short- and mid-term), reporting and risk management activities. Furthermore, the CFO leads the implementation of systems and procedures to ensure compliance with regulatory requirements for financial information, reporting, disclosure requirements and internal control. The CFO and the ARC regularly evaluate the risks of material misstatements in the consolidated financial statements and assess if the risks are reduced to an acceptable level by established and planned mitigating controls and processes.

Significant risks are also regularly discussed in the meetings of the Executive Committee, the PMC and the ARC, which all take place on a regular basis. During the course of 2025, the ARC, together with the CFO and members of the finance team, evaluated key risks of financial misstatements in certain identified key areas together with mitigating controls / processes currently in place, all of which were reviewed by the external auditor. In addition, improvement suggestions are submitted by the external auditor on a yearly basis, which are implemented by management in the following year.

3.7.5 Internal Audit

In 2025, the Board of Directors, through the ARC, was further supported by the Internal Audit function within PolyPeptide led by the Head of Internal Audit. Internal Audit's mission is to ensure that PolyPeptide's operations are conducted according to high standards by providing an independent, objective assurance function and by advising on best practices. Through a systematic and disciplined approach, Internal Audit helps PolyPeptide accomplish its objectives by evaluating and improving the effectiveness of the Group's risk management, control and governance processes. As is customary across the industry, the evaluation and internal audit of PolyPeptide's cGMP activities remain with the Quality department under the supervision of the Director Global Quality, Development, Regulatory Affairs.

Internal Audit is responsible for, among other things, (i) developing and implementing annual internal audit plans using appropriate risk-based methodology, (ii) evaluating and assessing significant merging / consolidating of functions and new or changing services, processes, operations, technologies and control processes at the time of their development, implementation or expansion, (iii) establishing an Internal Audit quality assurance program to ensure high standards of operations, (iv) issuing periodic reports to the ARC as well as the Executive Committee, (v) participating in any investigations at PolyPeptide and (vi) recommending appropriate actions to correct any deficiencies identified. The ARC reviews and approves the annual internal audit plan. Further information on the responsibilities of Internal Audit can be found in the [Internal Audit Charter](#), which is an annex to the [Organizational Regulations](#). Functionally, the Internal Audit department reports to the ARC. Administratively, the Internal Audit department reports to the CFO.

In 2025, Internal Audit, supported by external consultants, conducted process audits across five sites and performed an access and segregation of duties audit. Audit reports were distributed to the ARC, the Executive Committee, relevant PMC members, designated owners of the findings and their line managers, as well as the external auditor. All reports and related findings were presented and discussed during scheduled ARC meetings, with the results of the 2025 audits formally reported in the second quarter. As part of its regular meetings, the Head of Internal Audit provides the ARC with (i) progress updates on the approved audit plan and proposes modifications if risk priorities change, and (ii) status updates on management's corrective actions. See also [section 3.5.3.2 "Audit and Risk Committee" of this Corporate Governance Report](#).

3.7.6 Compliance controls

PolyPeptide is committed to the highest levels of ethics and integrity in the way that it does business and understands that this is crucial for its continued success and reputation. PolyPeptide's core values and Code of Business Conduct and Ethics guide its everyday conduct. To monitor these efforts, the Chief Legal Officer shall be or shall designate another person as the Group's governance, risk and compliance officer ("GRC Officer"). Currently, the Chief Legal Officer serves as the GRC Officer.

The GRC Officer is responsible for developing and maintaining compliance policies, promoting a culture of responsibility, maintaining risk management, identifying remediation needs, providing training and taking other steps to assist the Group in meeting its legal, regulatory and ethical obligations. The GRC Officer reports to the CEO. However, the GRC Officer also has direct access to the ARC and reports to the ARC whenever requested or if there exists a significant compliance or risk issue that involves or implicates a member of the Executive Committee that the GRC Officer believes cannot be or has not been appropriately addressed by, or directly implicates, the CEO.

PolyPeptide has implemented various compliance initiatives and is continuously expanding these to respond to PolyPeptide's ever-changing dynamic business environment. For example, in August 2022, PolyPeptide constituted a cross-functional Corporate Compliance Committee (the "CCC") to promote compliance across the organization with a focus on corporate compliance issues and matters, including compliance with securities laws and regulations, data privacy, artificial intelligence as well as sanctions and trade. In 2025, membership of the CCC was further expanded to ensure relevant cross-functional representation. The GRC Officer, or a delegate of the GRC Officer, is responsible for reporting on at least a quarterly basis (or more frequently, as needed) to the Executive Committee and the ARC. The CCC conducts an annual review of the Group's compliance policies and updates them as needed to ensure alignment with best practices and evolving standards. Furthermore, PolyPeptide regularly updates its electronic learning tools aimed at reinforcing the principles set out in its Code of Business Conduct and Ethics and whistleblower programs.

In addition, PolyPeptide has established and promotes its [whistleblower programs and hotlines](#), where anybody with knowledge or suspicion of illegal activities or irregularities at PolyPeptide can report these observations confidentially and even anonymously. To ensure independence, PolyPeptide has mandated the operation of its whistleblower hotlines to a third-party service provider. The Group received eight (8) whistleblower reports in 2025 (2024: ten). During 2025, the investigation for seven (7) reports has been closed and summarized to the ARC, with a summary submitted to the Board of Directors. Of the seven (7) closed cases, three (3) were partially or fully substantiated and appropriate actions taken. The remaining four (4) were not substantiated. The investigation of the one (1) remaining report is still ongoing.

The implementation of these and other compliance measures is supervised by and regularly reported to the ARC at each of their ordinary meetings.

3.7.7 Quality assurance

To oversee and monitor PolyPeptide's quality assurance, the CEO has designated this responsibility to the Director Global Quality, Development, Regulatory Affairs who reports to the CEO and is part of the PMC. The Director Global Quality, Development, Regulatory Affairs supervises, *inter alia*, the Group's quality control and quality assurance functions and is responsible for setting, reviewing, monitoring, revising and implementing the Group's quality management, quality control systems and quality assurance programs to comply with regulatory requirements and ensure high quality products, processes and related customer support. In addition, the Director Global Quality, Development, Regulatory Affairs is responsible for, *inter alia*, providing results-oriented leadership to sustain and improve an effective and efficient international quality organization comprised of quality operations, quality systems, supplier quality and quality control / analytical development subject matter domains. The Director Global Quality, Development, Regulatory Affairs provides periodic updates to the Board. As of 31 December 2025, Jon Holbech Rasmussen was serving as the Director Global Quality, Development, Regulatory Affairs.

3.8 Gender guidelines

As of 31 December 2025, two (2) out of six (6) members of the Board of Directors were female (33%). The RNC, together with the Board of Directors, actively considers gender diversity in succession planning of the Board of Directors.

4 Executive Committee

Through our [Organizational Regulations](#), the Board of Directors has delegated the responsibility and authority necessary or appropriate for carrying out the day-to-day and operational activities of PolyPeptide to the Executive Committee under the leadership of the CEO.

The CEO is accountable for the sustainable management and results-oriented performance of the Group. As such, the CEO leads, manages, supervises and coordinates the Executive Committee and the PMC as well as executes the corporate goals and strategy as set by the Board of Directors. The detailed responsibilities and functions of the Executive Committee, including the CEO and the CFO, are described in [section 6 of the Organizational Regulations](#).

In general, meetings of the Executive Committee take place as determined by the CEO, with the expectation that there be no fewer than six such meetings per calendar year (as provided for in the [Organizational Regulations](#)). For the year ended 31 December 2025, the Executive Committee formally met seven (7) times, in a combination of in-person sessions and video conferences, for an average duration of approximately one and a half (1.5) hours. The resolutions of the Executive Committee are taken by the majority of the members of the Executive Committee present, where the CEO has the power to overrule any Executive Committee resolution. The [Organizational Regulations](#) set forth procedures to address conflicts of interest.

4.1 Members of the Executive Committee

As of 31 December 2025, the Executive Committee comprised the CEO, CFO, Chief Manufacturing and Supply Chain Officer and the Chief Legal Officer. Jens Fricke stepped down as Director Global Operations and from the Executive Committee as of 10 August 2025.¹⁴ The year of appointment in the table below reflects each Executive Committee member's respective appointment in their current position with the Group (including at Group subsidiaries).

Name	Year of birth	Year of appointment	Position
Juan Jose Gonzalez	1972	2023	CEO
Marc Augustin	1972	2024	CFO ¹
Christina Del Vecchio	1978	2021	Chief Legal Officer
Raoul Bernhardt	1970	2025	Chief Manufacturing and Supply Chain Officer ²

¹ Marc Augustin resigned as CFO and member of the Executive Committee effective 31 March 2026.

² Raoul Bernhardt joined the Company and became a member of the Executive Committee as of 11 August 2025.

¹⁴ For the information regarding the former Director Global Operations, Jens Fricke, who stepped down as of 10 August 2025, see [section 4.1 "Members of the Executive Committee" of the Corporate Governance Report 2024](#).

Set out below is a short description of the business experience, education and activities for each Executive Committee member in office as of 31 December 2025.



Juan Jose Gonzalez

Chief Executive Officer

Nationality: **Peruvian and American**

Year of birth: **1972**

Professional background

Functions at PolyPeptide

- Chief Executive Officer (since 2023)
- Chair / Member of the board of directors of several PolyPeptide subsidiaries (since 2023)

Outside mandates at listed / non-listed companies or non-profit organizations

- None

Former outside activities and functions

- Member of the board of directors and Member of the Audit & Remuneration Committee, Straumann Group, Switzerland (2019–2024)
- Chief Executive Officer, Ambu, Denmark (2019–2022)
- Various senior roles within the Johnson & Johnson Group, US (2007–2019), including Global Vice President, Smoking Cessation, OTC division, UK, (2007), Area Managing Director, Consumer sector, United Kingdom (2011–2013) and ultimately serving as President Orthopaedics, Medical Devices sector, US (2016–2019)
- Commercial Director Europe, Middle East and Africa, Pfizer Inc. Consumer Healthcare Division, UK, (2004–2006)

Education

- Master of Technology Management, Columbia University, New York, US (2016)
- MBA in Marketing and Corporate Finance, University of Notre Dame, US (1999)
- Bachelor of Science in Industrial Engineering, University of Lima, Peru (1993)



Marc Augustin

Chief Financial Officer

Nationality: **German and Swiss**

Year of birth: **1972**

Professional background

Functions at PolyPeptide

- Chief Financial Officer (since 2024)¹⁵
- Member of the board of directors of several PolyPeptide subsidiaries (since 2025)

Outside mandates at listed / non-listed companies or non-profit organizations

- None

Former outside activities and functions

- Various senior roles at Lonza AG, Switzerland (2016–2023), including Vice President Finance Biologics (2020–2022) and Global Head Sales Excellence Biologics (2022–2023)
- Various senior roles at Smith & Nephew Orthopaedics AG, Switzerland (2009–2016), including Head of Finances Operations Orthopaedics Europe (2013–2016) and Finance Director Switzerland (2009–2013)
- Head of Finance, Alcoa Extrusion Hannover GmbH & CO. KG, Germany (2008–2009)

Education

- MBA in Controlling, Tax, Heinrich-Heine-Universität Düsseldorf, Germany (1998)

¹⁵ Marc Augustin resigned as CFO and member of the Executive Committee effective 31 March 2026.



Christina Del Vecchio

Chief Legal Officer

Nationality: **Swiss and Swedish**

Year of birth: **1978**

Professional background

Functions at PolyPeptide

- Chief Legal Officer and Corporate Secretary (since 2025)
- General Counsel and Corporate Secretary (2021–2024)
- Member of the board of directors of a PolyPeptide subsidiary (since 2023)

Outside mandates at listed / non-listed companies or non-profit organizations

- None

Former outside activities and functions

- Counsel, Niederer Kraft Frey AG, Switzerland (2018–2021)
- Senior Associate, Niederer Kraft Frey AG, Switzerland (2013–2018)
- Associate, Latham & Watkins LLP, United Kingdom (2008–2012)

Education

- Juris Doctor, James Kent Scholar, Columbia Law School, US (2008)
- Bachelor of Arts, summa cum laude, University of Florida, US (2000)



Raoul Bernhardt

Chief Manufacturing and Supply Chain Officer

Nationality: **French**

Year of birth: **1970**

Professional background

Functions at PolyPeptide

- Chief Manufacturing and Supply Chain Officer (since 2025)
- Member of the board of directors of several PolyPeptide subsidiaries (since 2025)

Outside mandates at listed / non-listed companies or non-profit organizations

- None

Former outside activities and functions

- Senior Vice President Technical Operations, Guerbet, France (2023–2025)
- Various senior roles at Catalent Pharma Solutions, France and Germany (2014–2023), including Vice-President Operations, Pharma Product Delivery Division (2022–2023), Regional General Manager Europe and APAC (2021–2022)

Education

- Master of Sciences in Supply Chain Management from Strasbourg Management School, France (2008)

In 2025, the Executive Committee, under the leadership of the CEO, was further supported by additional members of management, that, together with the Executive Committee, formed the PMC.

4.2 Other activities and vested interests

Except as disclosed in the biographies of the members of the Executive Committee, no further activities or vested interests are carried out outside of PolyPeptide.

4.3 Mandates and other permitted activities

In accordance with Swiss law, our [Articles of Association](#) limit the number of functions in superior management or administrative bodies of legal units other than with PolyPeptide that members of the Executive Committee are allowed to hold at one time.

Pursuant to [art. 23 of the Articles of Association](#), with the approval of the Board of Directors, the members of the Executive Committee may have the following comparable functions at other companies with an economic purpose (including their group):

- up to one (1) mandate as member of the board of directors or any other superior management or administrative body of listed companies; and, in addition,
- up to five (5) mandates as member of the board of directors or any other superior management or administrative body of other legal entities that do not meet the above mentioned criteria.

With respect to the additional activities of the members of the Executive Committee, mandates in companies that are under uniform control or the same beneficial ownership are deemed to be one mandate.

The following mandates shall not be subject to the limitations set forth in [art. 23 of the Articles of Association](#):

- mandates in companies which are controlled by the Company or which control the Company;
- mandates held at the request of the Company or companies controlled by it; no member of the Executive Committee shall, however, hold more than ten (10) such mandates; and
- mandates in associations, charitable organizations, foundations, employee welfare foundations and other similar organizations; no member of the Executive Committee shall, however, hold more than fifteen (15) such mandates.

4.4 Management contracts

The Company and its subsidiaries have not entered into any management contracts with third parties.

4.5 Gender guidelines

As of 31 December 2025, one (1) out of four (4) members of the Executive Committee was female (25%). The RNC, together with the Board of Directors, actively considers gender diversity in succession planning of the Executive Committee.

5 Compensation, shareholdings and loans

Information on compensation and shareholdings of the current and former members of the Board of Directors and the Executive Committee can be found under:

- [section 4 “Compensation framework for the Board of Directors”](#),
- [section 5 “Compensation framework for the Executive Committee”](#), and
- [section 6 “Ownership of shares and options”](#) in the Remuneration Report 2025.

The rules regarding the principles of compensation are set in:

- [art. 25 \(Principles relating to the Compensation of the members of the Board of Directors\)](#),
- [art. 26 \(Principles of Compensation relating to the members of the Executive Management\)](#), and
- [art. 29 \(Additional Amount of Compensation for new members of the Executive Management\)](#) of the Articles of Association.

The rules regarding the approval of the remuneration by the general meeting are set forth in [art. 13 \(Votes on Compensation\)](#) of the Articles of Association.

Furthermore, according to [art. 28 \(Loans, Credits, Pension Benefits other than from Occupational Pension Funds, Securities\)](#) of the Articles of Association, the Company shall not grant loans, credits, pension benefits (other than from occupational pension funds) 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 not subject to these general restrictions.

In principle, there will be no payments to pension funds or similar institutions for the members of the Board of Directors. In exceptional cases, such payments may be made upon request of the RNC and subject to the approval by the general meeting if the members in question do not have other insurable income from subordinate employment.

Please refer to the [Remuneration Report 2025](#) for further detailed information, and specifically with regard to loans and credits, see [section 4.3 “Loans, credits and related-party compensation”](#) and [section 5.3 “Loans, credits and related-party compensation”](#) of the Remuneration Report 2025.

6 Shareholders' participation rights

6.1 Voting rights restrictions and representation

6.1.1 General rules on restrictions to voting rights

Voting rights may be exercised only after a shareholder has been registered in the share register as a shareholder with voting rights up to a specific qualifying day prior to the shareholders' meeting designated by the Board of Directors (the "Record Date"). For such purpose, [art. 5 para. 2 of the Articles of Association](#) provides, except as otherwise provided in the Articles of Association, that persons acquiring registered shares shall on application be entered in the share register without limitation as shareholders with voting rights, provided they expressly declare themselves (i) to have acquired these shares in their own name and for their own account, (ii) that no agreements on the redemption or return of these shares exist, (iii) to bear the risk associated with the shares and (iv) comply with the disclosure requirements stipulated by FinMIA. Entry in the share register as a shareholder with voting rights is subject to the approval of the Company.

Entry in the share register as a shareholder with voting rights may be refused based on the grounds set out in [art. 5 paras 3–7 of the Articles of Association](#). If the Company does not refuse to register the acquirer as shareholder with voting rights within 20 calendar days upon receipt of the application, the acquirer is deemed to be a shareholder with voting rights. Non-recognized acquirers shall be entered in the share register as shareholders without voting rights. The corresponding shares shall be considered as not represented in the general meeting.

The Board of Directors may, according to [art. 5 para. 3 of the Articles of Association](#), refuse the registration in the share register as a shareholder with voting rights if an acquirer would as a result of the recognition as a shareholder with voting rights directly or indirectly acquire, or hold in the aggregate, more than 10 percent of the registered shares recorded in the commercial register (the "Percentage Limit"). The Company may in special cases approve exceptions to the above restrictions ([art. 5 paras. 3, 4 and 5 of the Articles of Association](#)).

Subject to the Percentage Limit described above and provided that its holder or usufructuary has been duly entered into the share register as a shareholder with voting rights on or before the relevant Record Date, each share entitles the holder to one vote.

For detailed information regarding the Percentage Limit and Nominee registrations, including the group clause, see [section 2.6 "Limitations on transferability and Nominee registrations" of this Corporate Governance Report](#).

6.1.2 Exceptions granted in the period under review

No exceptions from the voting rights restrictions (*i.e.*, the Percentage Limit) as set forth in the Articles of Association were granted in the period under review.

6.1.3 Procedure and conditions for abolishing voting rights restrictions

[Art. 12 of the Articles of Association](#) outlines important shareholder resolutions that require a qualified majority, including the easement or abolition of the restriction of the transferability of the registered shares. All other resolutions can be passed by the majority of the votes represented as set out in [art. 11 of the Articles of Association](#), to the extent that Swiss law does not provide otherwise.

For information regarding the convocation of general meetings and the inclusion of items on the agenda, see [section 6.3 "Convocation of the general meeting"](#) and [section 6.4 "Inclusion of items on the agenda"](#) of this Corporate Governance Report.

6.1.4 Rules on participation at shareholders' meetings, instructions to the Independent Proxy and electronic participation at shareholders' meetings

At shareholders' meetings, each shareholder may be represented by the Independent Proxy or by means of a written proxy by any other person of such shareholder's choice. The Board of Directors determines the requirements regarding proxies and voting instructions ([art. 11 of the Articles of Association](#)).

Importantly, no shareholder or proxy may, directly or indirectly, exercise voting rights attached to own or represented shares that would collectively exceed ten (10) percent of the registered shares recorded in the commercial register. Legal entities or partnerships or other associations or joint ownership arrangements which are linked through capital ownership or voting rights, through common management or in like manner, as well as individuals, legal entities or partnerships (especially syndicates) which act in concert are considered as one shareholder for the purposes of such voting. However, the foregoing restriction of voting rights does not apply to the exercise of voting rights by shareholders or their proxies (including the Independent Proxy), to the extent that their shares are registered with voting rights in the share register in accordance with [art. 5 para. 4 of the Articles of Association](#).

The Independent Proxy has a duty to exercise the voting rights assigned to the Independent Proxy by shareholders in accordance with their instructions. Further duties of the Independent Proxy are governed by the relevant statutory provisions. **Art. 14 of the Articles of Association** provides that the general meeting elects an Independent Proxy. Natural persons as well as legal entities and partnerships are eligible for election. The term of office of the Independent Proxy ends at the conclusion of the next general meeting. Re-election is possible. Swiss law allows for proxy instructions both in written as well as electronic form. For the period between the AGM 2025 held on 9 April 2025 and the next general meeting, ADROIT Attorneys, Kalchbühlstrasse 4, 8038 Zurich, Switzerland, has been elected as the Independent Proxy.

According to **art. 8 para. 3 of the Articles of Association** the Board of Directors shall determine the venue of the general meeting and the form in which it is to be held. However, no shareholder shall be unduly obstructed in exercising their rights in connection with the general meeting by the choice of venue (art. 701a para. 2 CO). The place of meeting may also be abroad or several places of meeting may be determined for one general meeting. If the general meeting is held at several locations at the same time, the votes of the participants must be transmitted directly in picture and sound to all meeting locations (art. 701a para. 3 CO). Pursuant to **art. 8 para. 4 of the Articles of Association**, the Board of Directors may provide that shareholders who are not present at the physical location of the general meeting have the option to exercise their rights electronically (*i.e.*, hybrid general meeting). The Board of Directors may also waive the determination of a physical venue and order the holding of a purely virtual general meeting (*i.e.*, exclusively by using electronic means).

The AGM 2025 was held with the physical presence of shareholders in accordance with the **Articles of Association**. The shareholders were able to attend the AGM 2025 personally or exercise their rights at the AGM 2025 through the Independent Proxy or by means of a written proxy by any other person of such shareholder's choice. The proxy and voting instruction forms were either sent by mail or submitted through the use of the electronic voting platform. The general meeting 2026 ("AGM 2026") will be held in person, with the details to be provided in the invitation.

6.2 Quorums required by the Articles of Association

The **Articles of Association** do not prescribe that a quorum of shareholders is required to be present at a shareholders' meeting.

Pursuant to **art. 11 of the Articles of Association**, shareholders' resolutions generally require the majority of the votes represented at the shareholders' meeting, to the extent that neither Swiss law nor the Articles of Association provide otherwise. The Chair shall have no casting vote.

Pursuant to **art. 12 of the Articles of Association**, a resolution passed by at least two thirds of the represented share votes and the absolute majority of the represented shares par value is required for (i) matters listed in art. 704 of the CO and in art. 18, 43 and 64 of the Merger Act, (ii) the easement or abolition of the restriction of the transferability of the registered shares, (iii) any amendment or cancellation of art. 31 of the Articles of Association (*i.e.*, exclusion of mandatory tender offer); (iv) any changes to or cancellation of art. 12 of the Articles of Association (*i.e.*, qualified majority for important resolutions).

6.3 Convocation of the general meeting

According to **art. 7 Articles of Association**, the ordinary general meeting shall be held annually within six months after the close of the business year.

According to **art. 8 para. 2 Articles of Association**, notice of a general meeting is given by publishing a notice of such meeting in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*) at least 20 calendar days before the date of the meeting. To the extent the post and / or e-mail addresses of the shareholders are known, notice may also be sent simultaneously by post and / or e-mail.

According to **art. 8 para. 2 Articles of Association**, the notice of the general meeting shall state (i) the date, beginning, nature and place of the general meeting, (ii) the agenda items, (iii) the proposals of the Board of Directors with a brief statement of reasons, (iv) the proposals of the shareholders, if any, together with a brief statement of reasons, and (v) the name and the address of the Independent Proxy. According to **art. 8 para. 3 Articles of Association** the Board of Directors shall determine the venue of the general meeting and the form in which it is to be held. The place of meeting may also be abroad or several places of meeting may be determined for one general meeting. According to **art. 8 para. 4 Articles of Association** the Board of Directors may provide that shareholders who are not present at the place of the general meeting may exercise their rights by electronic means (*i.e.*, hybrid general meeting). The Board of Directors may also waive the determination of a meeting location and order the holding of a purely virtual general meeting (*i.e.*, exclusively by using electronic means). According to **art. 8 para. 5 Articles of Association** the annual report, the remuneration report and related audit report, the Auditors' report, the report on non-financial matters and other reports as required by law shall be made available to the shareholders at least 20 calendar days prior to the date of the ordinary general meeting.

In accordance with the CO and [art. 7 para. 3 Articles of Association](#), the Board of Directors is required to convene an extraordinary shareholders' meeting within 60 calendar days if one or more shareholder(s) representing at least five (5) percent of the share capital or the votes request such meeting in writing, setting forth the items to be discussed and the proposals to be decided upon.

6.4 Inclusion of items on the agenda

The Board of Directors states the items on the agenda.

According to [art. 9 para. 2 Articles of Association](#) registered shareholders with voting rights individually or jointly representing at least 0.5% of the share capital or votes of the Company may demand that items be put on the agenda or that proposals for items be included in the notice convening the general meeting. Such demands have to be submitted to the Chair of the Board of Directors at least 40 calendar days before the date of the relevant shareholders' meeting and need to be in writing, specifying the items and the proposals. Shareholders may submit a brief statement of reasons together with the agenda items or proposals. This must be included in the notice convening the general meeting.

No resolutions may be passed on motions concerning agenda items which have not been duly announced apart from those exceptions permitted by Swiss law.

6.5 Entries in the share register

Voting rights may be exercised only after a shareholder has been registered in the share register as a shareholder with voting rights up to a specific qualifying day designated by the Board of Directors (*i.e.*, the Record Date).

There are no statutory rules concerning deadlines for entry in the share register. However, for organizational reasons, the share register is closed several days before the respective shareholders' meeting. The Board of Directors has resolved to set the cut-off date for participation in shareholders' meetings to not more than ten days prior to the date of the meeting. The Record Date for inscription in the share register is announced in the invitation to the shareholders' meeting. For the AGM 2026 to be held on 8 April 2026, the Record Date is 31 March 2026.

A shareholders' meeting is convened by publishing a notice of such meeting in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*) at least 20 calendar days before the date of the meeting. To the extent the post and / or e-mail addresses of the shareholders are known, notice may also be sent simultaneously by post and / or e-mail.

For information on certain limitations on transferability and Nominee registrations, please refer to the information provided under [section 2.6 "Limitations on transferability and Nominee registrations" of this Corporate Governance Report](#). For information on certain limitations on share voting rights, please refer to the information provided under [section 6.1.1 "General rules on restrictions to voting rights" of this Corporate Governance Report](#).

6.6 Right to inspect the minutes of the general meeting

The minutes of AGM 2025, held on 9 April 2025, can be viewed on PolyPeptide's website at www.polypeptide.com/news/events/agm-2025/. Shareholders may also read the minutes at PolyPeptide's headquarters in Baar, Switzerland, upon prior notice. The minutes of AGM 2026 will be published on the PolyPeptide website within 15 days from the date of AGM 2026.

7 Change of control and defense measures

7.1 Duty to make an offer

Pursuant to the applicable provisions of FinMIA, any person that acquires shares of a company whose shares are listed on a Swiss stock exchange, whether directly or indirectly or acting in concert with third parties, and, as a result, exceeds the threshold of 33⅓% of the voting rights (whether exercisable or not) of such company, must submit a public tender offer to acquire all of the listed shares of such company. A company's articles of association may either waive this requirement entirely ("opting-out") or raise the relevant threshold to up to 49% ("opting-up").

Art. 31 of the Articles of Association includes an opting-out provision and thereby exempts shareholders from the duty to make a mandatory public tender offer pursuant to art. 135 FinMIA. As a result, any shareholder or group of shareholders exceeding the threshold of 33⅓% of the voting rights (whether exercisable or not) of the Company is / are not required to make a mandatory tender offer to the other shareholders. In contrast with other companies listed in Switzerland which have no opting-out clause (and no opting-up clause), upon such shareholder or group of shareholders reaching or exceeding the threshold of 33⅓% of the voting rights (whether exercisable or not) of the Company, the shareholders will neither benefit from the option to sell their shares in a mandatory tender offer nor from minority shareholder protection rules related to such mandatory tender offers.

7.2 Clauses on change of control

PolyPeptide's share-based long-term incentive program ("LTIP") for eligible participants provides that if a change of control (as defined in the LTIP rules) occurs while the participant still holds any unvested awards, then all unvested awards shall immediately vest at target. For more information on our LTIP, please refer to [section 5.1.4 "Long-term incentive program" of the Remuneration Report 2025](#).

Other than in relation to PolyPeptide's LTIP, there are no agreements or schemes in place containing change of control clauses benefiting members of the Board of Directors and / or the Executive Committee or other members of the Company's management.

8 Transparency on non-financial matters

To create transparency on non-financial matters, PolyPeptide has prepared its [Sustainability Report 2025](#) in accordance with art. 964b CO and in reference to the European Sustainability Reporting Standards (ESRS). See also [section "Basis for preparation" of the Sustainability Report 2025](#).

The report on non-financial matters for the financial year 2025 comprises selected sections from PolyPeptide's [Sustainability Report 2025](#) (as outlined in the [section "Index of disclosure requirements in accordance with art. 964b Swiss Code of Obligations" of the Sustainability Report 2025](#)) that contain the non-financial information required under art. 964b CO. In accordance with the Swiss Ordinance on Climate Disclosure, the Sustainability Report 2025 also includes the Group's Climate Report based on the Taskforce on Climate-related Financial Disclosure (TCFD) recommendations.

The [Sustainability Report 2025](#) further includes an independent practitioner's (BDO AG, Zurich), limited assurance report on the Sustainability Report 2025 (see [section "Independent practitioner's limited assurance report on the Sustainability Report 2025" of the Sustainability Report 2025](#)).

9 Auditors

9.1 Duration of the mandate and term of office of the lead auditor

Our external auditor's term of office is one year. It ends with the approval of the annual financial accounts by the general meeting. Re-election and revocation for cause (*aus wichtigen Gründen*) by the general meeting are possible at any time. The lead auditor is rotated every seven years in accordance with Swiss law.

For the period between the AGM 2025 held on 9 April 2025 and the next general meeting, BDO AG ("BDO"), Schiffbaustrasse 2, 8005 Zurich, Switzerland, has been elected our independent external auditors. BDO has been our independent auditor since our incorporation on 6 April 2021. BDO is supervised and regulated by the Federal Audit Oversight Authority. Since 6 April 2021, René Füglistner has been the lead auditor.

9.2 Auditing fees

Total auditing fees charged by BDO for the audit of the consolidated financial statements, the audit of the statutory financial statements as well as the audit of selected sections of the Remuneration Report 2025 of the Company (i.e., PolyPeptide Group AG) for the financial year 2025 amounted to CHF 842,380 (2024: CHF 743,960).

9.3 Additional fees

For additional services performed by BDO (or its affiliates) in the year ended 31 December 2025, PolyPeptide was charged total non-auditing fees amounting to CHF 138,335 (2024: 93,400), as listed below.

CHF	Amount ¹
BDO India: Review of income tax return / tax audit report for PolyPeptide Laboratories Pvt. Ltd.	7,050
BDO Sweden: Audit related services on local sustainability report	1,270
BDO Sweden: Review of income tax return for the two Swedish subsidiaries	4,240
BDO Switzerland: Audit-related services	5,775
BDO Switzerland: Limited assurance on PolyPeptide Group AG's Sustainability Report 2025	120,000
Total	138,335

¹ Amounts converted to CHF from other currencies are translated at the average exchange rate 2025.

9.4 Information instruments pertaining to the external audit

The Board of Directors monitors compliance and proposes the annual election of the external auditor to the general meeting as recommended by the ARC. In accordance with the [Organizational Regulations](#) and the [ARC Charter](#), the ARC oversees the integrity of PolyPeptide's financial statements, the effectiveness of the internal control over financial reporting, the compliance with legal and regulatory requirements and the effectiveness of PolyPeptide's risk management and compliance.

In addition, the ARC annually (or more often as required) assesses the performance, qualifications and independence of the external auditor as well as evaluates the audit fees. The ARC's assessment of the external auditor is based on the independency and objectivity of the external auditors, the professional competence, the presented reports, the demonstrated technical and operational competences, the quality and sufficiency of resources, the ability to provide effective and practical recommendations as well as the external auditor's open and effective communication and coordination with PolyPeptide's finance team and other employees. Based on its assessment, the ARC makes a recommendation to the Board of Directors concerning the choice of the external auditor.

With respect to non-audit services, the ARC is focused on ensuring that BDO is not awarded any contracts that could lead to a conflict of interest with the audit mandate or impair its independence. The results of the assessment are reported to the Board of Directors.

The budget for audit fees (and any additional non-audit services) is reviewed and negotiated by the ARC, with the final audit and non-audit fees subject to approval by the Board of Directors.

Since 1 January 2025, the ARC held four (4) meetings with representatives of BDO. The Head of Internal Audit participated in all meetings of the ARC held in 2025 (i.e., in seven (7) meetings). During these meetings, various accounting and reporting topics were discussed, including the audit report for 2024, the 2025 interim consolidated financial statements, key accounting topics, ongoing year-to-date financial performance, oversight of the work of the Internal Audit function, review of the Enterprise Risk Management Report 2025, evaluation of the Group's key financial risks and mitigating strategies, audit plan and requirements for the 2025 audit of the consolidated financial statements, compliance and (cyber)security matters and internal control system. On an annual basis, the external auditor also presents a comprehensive report on the results of the audit of the consolidated financial statements, the findings on significant accounting and reporting matters and findings on the internal control system. For the year ended 31 December 2025, this presentation was held at the ARC meeting on 4 March 2026 (in relation to the review of the 2025 annual financial statements and recommendation to the Board of Directors). The results and findings of this report are also discussed in detail with the CFO and other members of the PolyPeptide finance team. The chair of the ARC presented a summary of the external auditor's presentation (including accompanying materials submitted) to the Board of Directors at its next scheduled meeting, which occurred on 10 March 2026.

For more information regarding the ARC and their meetings which included the external auditors, please refer to [section 3.5.3.2 "Audit and Risk Committee" of this Corporate Governance Report](#).

For information regarding PolyPeptide's Internal Audit function, please refer to [section 3.7.5 "Internal Audit" of this Corporate Governance Report](#).

10 Information policy

We maintain a policy of transparent communication with all our stakeholders.

We release our annual financial results in the form of an annual report. Our annual report is published only in English and only in electronic form under the links at the end of this section 10 within four months of the 31 December balance sheet date. According to [art. 8 para. 5 Articles of Association](#) the annual report, the remuneration report and related audit report, the Auditors' report, the report on non-financial matters and other reports as required by law shall be made available to the shareholders at least 20 calendar days prior to the date of the ordinary general meeting.

In addition, our interim financial results for the first half of each fiscal year are released only in English and only in electronic form under the links at the end of this section 10 within three months of the 30 June balance sheet date.

Our annual report and interim results are announced via press releases and media and investor conferences held in person, via telephone or video conference / webcast.

In addition, we comply with the requirements of SIX Exchange Regulation on the dissemination of price-sensitive information. Ad hoc announcements can be accessed at the same time as they are communicated to the SIX Exchange Regulation at the links indicated at the end of this section 10. PolyPeptide will also send material and price-sensitive information directly, promptly and free of charge by e-mail. This service is offered under the links indicated at the end of this section 10.

Notices to shareholders are made by publication in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*). The Board of Directors may designate further means of publication.

Contact addresses

Copies of all information and documents pertaining to press releases, media conferences, investor updates and presentations at analyst and investor presentation conferences can be downloaded from our website at www.polypeptide.com or obtained upon request from Investor Relations, Neuhofstrasse 24, 6340 Baar, Switzerland (phone: +41 435 020 580; e-mail: investorrelations@polypeptide.com).

Main registered office

PolyPeptide Group AG
Neuhofstrasse 24
6340 Baar
Switzerland

Weblinks

The Company's website:
www.polypeptide.com

Subscription for ad hoc messages (push system):
www.polypeptide.com/news/subscription/

Ad hoc messages (pull system):
www.polypeptide.com/news/

Financial reports:
www.polypeptide.com/investors/results-presentations/

Corporate calendar:
www.polypeptide.com/investors/calendar/

Upcoming important dates:

- 12 March 2026 – Full-year Results 2025 and Media Conference
- 8 April 2026 – General Meeting 2026
- 13 August 2026 – Half-year Results 2026 and Media Conference
- 9 March 2027 – Full-year Results 2026 and Media Conference
- 7 April 2027 – General Meeting 2027
- 10 August 2027 – Half-year Results 2027

11 Quiet periods (Blocked periods)

Our trading policy sets out internal guidance and rules on the proper handling of inside information and for trading in the Company's securities. In addition, our disclosure policy defines the information requirements and responsibilities with regard to informing the public in a fair and transparent manner, and at the earliest possible stage, about significant developments and changes concerning PolyPeptide.

We have introduced ordinary blocked periods, during which time the Company and blocked persons must not deal in Company securities or make respective recommendations to any other person regardless of whether or not such person is in possession of inside information. PolyPeptide's ordinary blocked periods are (i) from 15 November until the lapse of one trading day following the public release of our annual results and (ii) from 15 May until the lapse of one trading day following the public release of our half-year results.

Blocked persons subject to the ordinary blocked periods include members of the Board of Directors, the Executive Committee, the PMC and other individuals having access to inside information during these periods as identified by the CFO and Chief Legal Officer, in consultation with other members of management. The Chief Legal Officer maintains a list of the blocked persons, which is reviewed together with the CFO ahead of the commencement of each ordinary blocked period, and informs such individuals (other than members of the Board of Directors or the Executive Committee and the PMC, who are ex officio blocked persons), of their designation as a blocked person. Each blocked person must also deliver an acknowledgment of their designation as a blocked person to the Chief Legal Officer. In addition, the Chief Legal Officer reminds all blocked persons by e-mail of the applicable restrictions ahead of each ordinary blackout period.

In 2025, the following ordinary blocked periods applied: from 15 November 2024 until (and including) 11 March 2025; from 15 May 2025 until (and including) 12 August 2025; and from 15 November 2025 until (and including) 12 March 2026. No exceptions to the ordinary blocked period were granted in 2025.

In addition to ordinary blocked periods, the Chair, CEO, CFO or the Chief Legal Officer may each impose extraordinary blocked periods from time to time where they consider it necessary or appropriate, including (without limitation) where inside information exists or may arise (for example in connection with a potential material transaction) or where restrictions are required or appropriate to comply with regulatory or other requirements.

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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,

On behalf of the Board of Directors and the Remuneration and Nomination Committee (RNC), I am pleased to present PolyPeptide's Remuneration Report for 2025.

This report provides an overview of PolyPeptide's remuneration framework, its governance and the principles that ensure compensation, particularly variable components, is aligned with PolyPeptide's strategic objectives, sustainable performance and shareholder interests.

2025 was a year of strategic capacity investments, marked by the ramp-up of the large-scale SPPS capacity in Braine-l'Alleud, the successful delivery and installation of pre-built modules in Malmö and the newly added SPPS capacity expansion in Strasbourg becoming operational, with production expected to ramp up throughout 2026. In addition, the Group announced an investment at its Amernath facility planned to increase production capacity, transforming it into a larger and more diverse site. Collectively, we believe that these developments position PolyPeptide for sustainable growth and enhanced global capabilities in a dynamic peptide therapeutics market. Against this backdrop, the RNC worked to ensure that our remuneration policies continue to support the Group's long-term ambitions while reflecting shareholder expectations and evolving governance standards.

Incentive Programs

Throughout the year, the RNC focused on strengthening pay-for-performance alignment and embedding sustainability priorities into our incentive structures. The Long-Term Incentive Program (LTIP) continues to emphasize Revenue, EBITDA and Total Shareholder Return (TSR) as core metrics, reflecting our ambition for growth, operational excellence and shareholder value creation. We further expanded the LTIP participant group targeting key managerial roles, while preserving flexibility to attract external talent. The Short-Term Incentive Program (STIP) maintains consistent weighting across the Executive Committee, with 85% tied to Group financial and sustainability objectives, reinforcing the Group's financial performance and commitment to corporate responsibility. In addition, we introduced a new clawback provision to the STIP, further strengthening management's long-term accountability.

Market Benchmarking

Building on previous surveys, we conducted benchmarks against peers to ensure our remuneration and governance approach reflects market practice and evolving trends. This process included reviewing the Group's compensation, policy, strategy and principles as well as considering peer remuneration and governance structures and sustainability-linked incentives. These assessments have been valuable in shaping our policies and ensuring that our remuneration and governance framework remains competitive, fair and aligned with long-term value creation.

Governance and Succession Planning

Governance and succession planning also remained key priorities. The RNC maintained an active succession planning approach to ensure leadership continuity. During the year, the RNC led the onboarding of Jo LeCouilliard, new member of the Board elected at the AGM 2025. Furthermore, updates to the Organizational Regulations and regular reviews of committee charters and authority levels reinforce robust governance and ensure compliance with evolving standards. In addition, the RNC oversaw and reviewed the results of the annual Board self-assessment as well as a management survey on Board effectiveness, ensuring continuous transparency and evolution.

People and Engagement

One of our key priorities is PolyPeptide's "People", as the RNC's entrusted material sustainability topic. In 2025, the RNC, together with the Group's Chief Human Resources Officer, reviewed the progress of organizational initiatives aimed at attracting, developing and retaining talent. Throughout 2025, PolyPeptide invested in the recruitment and development of qualified workforce for capacity expansion and strategic projects. We continuously focus on the further development of the organization, talents and succession pipeline. The RNC reviewed key people KPIs as well as the outcomes of the annual Group-wide talent review process. In addition, employees were invited to the annual Employee Engagement Survey to share their feedback and insights. These initiatives reinforce our ambition to be an employer of choice in our sector, committed to fostering a fair, inclusive and respectful work environment offering meaningful development opportunities.

Ongoing Priorities

Looking ahead, the RNC will continue to monitor the effectiveness of the revised LTIP and STIP structures to maintain an active understanding of stakeholder expectations and ensure alignment with governance standards and market trends. We will also continue to regularly review emerging best practices and regulatory developments to keep our remuneration policies robust and forward-looking. Our approach will continue to be rooted in pay-for-performance, fairness and transparency.

At the AGM 2026, shareholders will be invited to cast a consultative vote on this Remuneration Report and approve the aggregate compensation for the Board of Directors (until AGM 2027) and the Executive Committee for FY 2027 through binding votes. We respectfully request your approval of these agenda items at the AGM 2026.

On behalf of the Board and the RNC, I thank you for your trust and continued support. We remain committed to transparency, accountability and a remuneration framework that reflects our focus on performance and corporate responsibility.

Sincerely,

Philippe Weber

Chair of the Remuneration and Nomination Committee

Remuneration Report 2025

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](#).¹

All information within this Remuneration Report 2025 refers to the Company’s organization, Articles of Association² and Organizational Regulations³ that were in effect as of 31 December 2025 (unless otherwise stated).

¹ In its version as approved by the board of [economiesuisse](#) on 14 November 2022.

² PolyPeptide Group AG’s Articles of Association are available at www.polypeptide.com/investors/results-center/results-2025/.

³ PolyPeptide Group AG’s Organizational Regulations are available at www.polypeptide.com/investors/results-center/results-2025/.

1 Remuneration governance

1.1 Articles of Association

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

Table 1: Articles of Association

Votes on compensation Article 13	<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>
Principles of compensation Board of Directors Article 25 para. 1	<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>
Principles of compensation Executive Committee Article 26 para. 1	<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>
Short-term and long-term variable compensation Article 26 paras. 2-4	<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>
Agreements related to compensation, maximum contract terms and non-compete terms of the Executive Committee Article 24	<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>
Additional compensation for new members of the Executive Committee Article 29	<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>
Loans, credits and pension benefits Article 28 para. 1	<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](#)⁵, including the Charter of the Remuneration and Nomination Committee (the "RNC"), further describe and define the roles and responsibilities of the RNC and the Board of Directors.

⁴ PolyPeptide Group AG's Articles of Association are available at www.polypeptide.com/investors/results-center/results-2025/.

⁵ PolyPeptide Group AG's Organizational Regulations are available at www.polypeptide.com/investors/results-center/results-2025/.

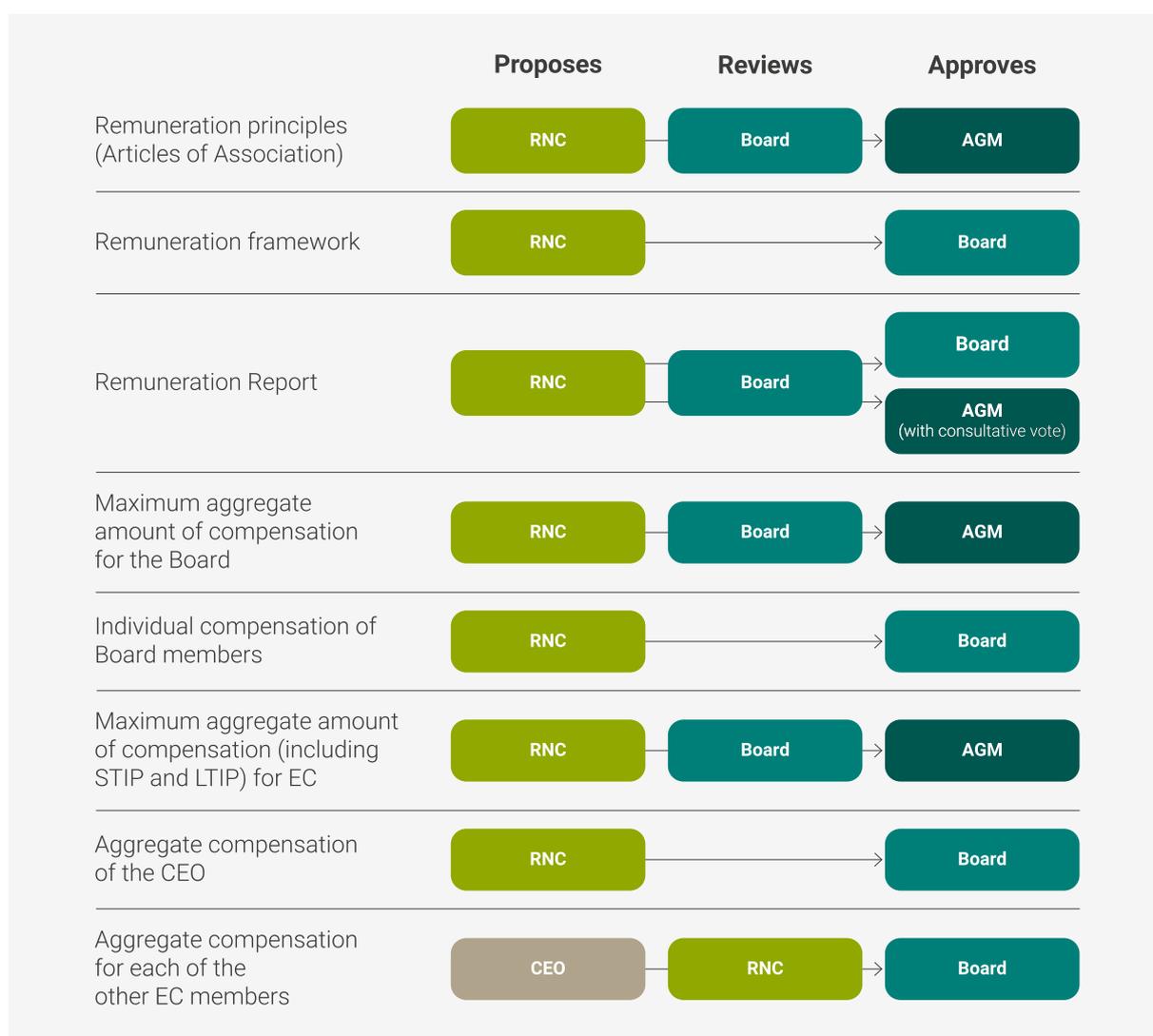
1.2 Role and activities of the Board of Directors and shareholders

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 RNC, 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 RNC and the CEO is illustrated below.

Table 2: Responsibilities regarding compensation decisions

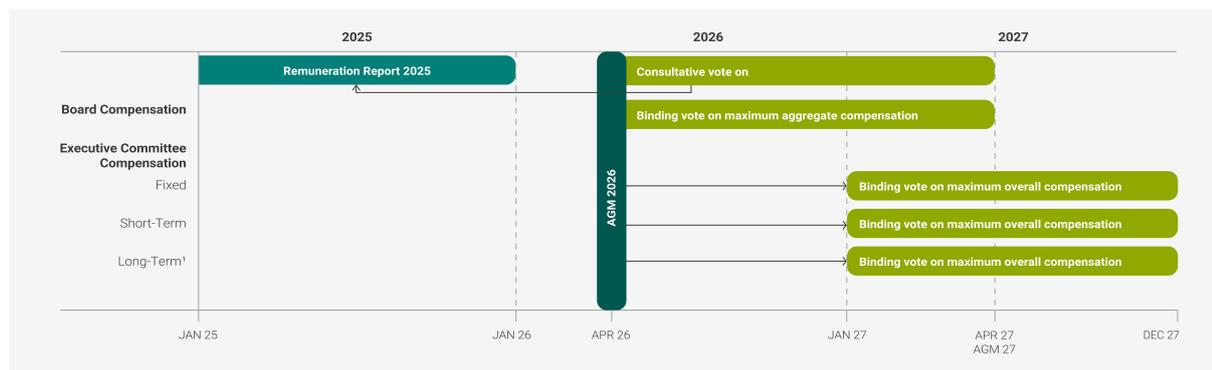


The Board of Directors will submit two separate binding prospective compensation-related resolutions for shareholder approval at the upcoming general meeting 2026 (“AGM 2026”):

- 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 2027); and
- The maximum overall compensation of the Executive Committee (fixed and variable components) for the financial year 2027.

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 2026



¹ 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 2025 (“AGM 2025”), 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 2026) 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 2026 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 2024 in a consultative vote. For a reconciliation of approved compensation for the Board of Directors versus the estimated awarded amounts until the AGM 2026, 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 2025, see [section 5.2.2 “Aggregate compensation of the Executive Committee” of this Remuneration Report](#).

1.3 Role and activities of the RNC

The RNC 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 RNC by Swiss law, the [Articles of Association](#) or the [Organizational Regulations](#).

The RNC 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 RNC is also responsible for submitting proposals and recommendations to the Board of Directors regarding compensation matters. The RNC further supports the Board of Directors in preparing the compensation proposals for the general meeting. In addition, the RNC 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 RNC, 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 RNC are set forth in [art. 19 of the Articles of Association](#), [section 5.3 of the Organizational Regulations](#) as well as the [RNC Charter](#).

The RNC 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 RNC is independent and is appointed by the Board of Directors. As of 31 December 2025, the RNC consisted of two members: Philippe Weber (chair) and Peter Wilden.⁶

The RNC 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 RNC member. Since 1 January 2025, the RNC met five (5) times, in a combination of in-person sessions and video conferences, for an average duration of approximately one (1) hour and twenty (20) minutes.

The RNC 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 RNC provides the full Board of Directors at their ordinary meetings with an overview of key topics discussed at the most recent RNC meeting. The signed minutes (together with all presentation and background materials) from each RNC meeting are also circulated or otherwise made available to the full Board for their review.

The RNC communicates periodically with and may invite to meetings the CEO and the Chief Human Resources Officer, as well as such other persons (including external specialist advisors) as the RNC 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 2025, the RNC worked with HCM International Ltd., Zurich ("HCM International") as external independent advisor to assist with the target setting for the long-term incentive program. HCM International did not have any additional mandates at PolyPeptide in 2025.

⁶ The AGM 2025 confirmed the re-election of Philippe Weber and Peter Wilden as members of the RNC.

In accordance with [art. 19 of the Articles of Association](#) and the [RNC Charter](#), the RNC discussed, *inter alia*, the following topics at its meetings in 2025:

Review of remuneration principles, strategy and structure

- Review and approval of the 2024 Remuneration Report and planning for the 2025 report, including remuneration disclosure analysis
- Regular review and assessment of PolyPeptide's remuneration principles, strategy, and structure, including the implementation of a clawback provision in the short-term incentive plan (STIP)
- Review of shareholders' and proxy advisors' feedback on the Remuneration Report 2024

Compensation of the Board of Directors

- Review and preparation of proposals for AGM 2025 for the Board of Directors
- Review of remuneration benchmarking for the Board of Directors

Compensation of the Executive Committee

- Review and preparation of proposals regarding:
 - achievement of the 2024 variable short-term incentive for Executive Committee members, including individual performance appraisal
 - performance targets and weightings for the 2025 short-term incentive
 - performance targets for the 2025 long-term incentive award
- Review and preparation of proposals for AGM 2025 for the Executive Committee
- Review of remuneration benchmarking for the Executive Committee

Succession and governance

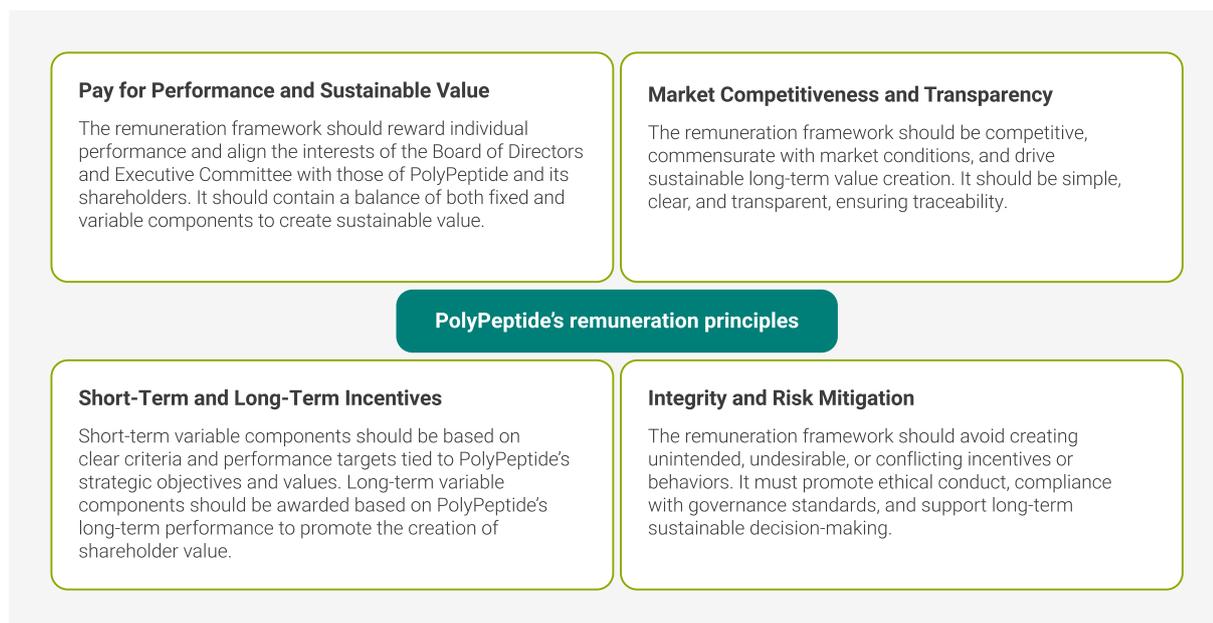
- Succession planning for the Board of Directors
- Review of management succession strategy
- Review of Board and Committee self-assessments and consideration of an external evaluation
- Review of management's assessment on the Board of Directors' effectiveness
- Updates on corporate governance trends, best practices and relevant regulatory developments
- Review of shareholder analysis and outreach
- Update on human capital management, including human resources mid- and long-term plan and key people analytics
- Review of material sustainability topics assigned to the RNC
- Review of the RNC Charter

For more information, see also [section 3.5.3.1 "Remuneration and Nomination Committee" of the Corporate Governance Report 2025](#).

2 Remuneration philosophy and principles

PolyPeptide's remuneration philosophy is rooted in its commitment to fostering a corporate culture that offers employees dynamic working conditions and meaningful opportunities to grow, contribute and achieve shared objectives. This approach supports long-term customer loyalty through excellence in peptide technology, quality, value, service, and support—pillars essential to the Group's enduring success.

In line with this approach, and to provide transparent insight into how compensation supports PolyPeptide's strategy and governance, the Group's remuneration principles, as overseen by the RNC, are set out below.



The RNC regularly benchmarks the Group's compensation system against comparable companies every two to three years (or more frequently if required). This process ensures that remuneration remains aligned with established principles and competitive enough to attract and retain talent. In conducting these reviews, the RNC evaluates whether external advisors should be engaged, confirms the validity of peer groups used in prior studies, and considers factors such as internal pay structures, individual profiles (e.g., skills, experience, seniority), PolyPeptide's global footprint, and the increasing complexity of its industry. Based on these assessments, the RNC may recommend to the Board adjustments to base salaries or the structure and proportion of compensation components for proposal at the subsequent general meeting.

In 2025, the RNC undertook a review of Board remuneration using internally compiled data from (i) executive studies and reports and (ii) disclosures of Swiss companies of similar size and structure, (e.g., considering sector, employee base, revenue, market capitalization, business model, and geographic presence).⁷ This analysis confirmed that PolyPeptide maintained its positioning between the tenth and twenty-fifth percentile within the Swiss peer group, consistent with 2024 (see [section 2 "Remuneration philosophy and principles" of the Remuneration Report 2024](#)). After examining the available data, the RNC observed that PolyPeptide's aggregate Board remuneration trended moderately higher. At the same time, the RNC remains committed to the Group's strategic objectives and recognizes the importance of attracting and retaining highly qualified directors to support PolyPeptide's future growth. In addition, at least half of the Board's remuneration is delivered in shares, ensuring strong alignment between the Board's interests and those of the Company's shareholders in driving PolyPeptide's success (see also [section 4.1 "Remuneration approach" of this Remuneration Report](#)). On this basis, the RNC concluded that no changes to Board remuneration were warranted at this time.

⁷ The similarly sized Swiss peer group comprised 12 companies in 2025: Lonza Group AG, Straumann Holding AG, Sonova Holding AG, Bachem Holding AG, Tecan Group Ltd., Galenica AG, Siegfried Holding AG, Medacta Group SA, medmix AG, Medartis Holding AG, Sensiron Holding AG and Ypsomed Holding AG.

To ensure competitiveness with the market, the compensation of the Executive Committee was also benchmarked in 2025 against internally compiled data from (i) executive studies and reports, (ii) previously obtained European benchmark data (adjusted for inflation between 2022 and 2025)⁸ and (iii) disclosures of Swiss companies of similar size and structure, (e.g., considering sector, employee base, revenue, market capitalization, business model, and geographic presence).⁷ PolyPeptide generally ranked around the twenty-fifth percentile, with higher aggregate compensation for certain roles reflecting market competitiveness and the Group's growth strategy. The RNC reviewed the results while taking into account PolyPeptide's ambitious growth strategy and the need to attract and retain highly qualified executives in a competitive international labor market. Based on this assessment, the RNC concluded that no changes to the aggregate remuneration of the Executive Committee were warranted at this time.

PolyPeptide currently does not maintain formal shareholding requirements for Executive Committee members, largely due to the transformational period the Group has undergone. Nevertheless, the Board and the RNC are actively considering whether to introduce such requirements in the future as part of ongoing governance and alignment initiatives. At present, all members of Executive Committee have a long-term economic interest in the Company through their participation in the LTIP, which reinforces the alignment of their interests with those of shareholders.

⁸ PolyPeptide commissioned a report from Willis Towers Watson ("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. 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 RNC 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 RNC, 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.⁹ All shares received as part of the Board's remuneration are subject to a three-year blocking period from the date of grant. The cash and share compensation are paid out on a quarterly basis. 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.

In 2025, the allocated shares were sourced from the Company's treasury shares. During the period under review, there were no payments to pension funds or similar institutions for the members of the Board of Directors.

⁹ 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)

Fixed annual compensation		Pay mix ¹	
Base fees			
Chair	300,000	50% Blocked shares	3-year blocking period
Lead Independent Director and Vice Chair	160,000		
Other members	140,000		
Fees per Committee chair (ARC, RNC and ITC)		50% Cash	
	40,000		

¹ 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).

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 did not change in 2025 compared to 2024. However, the total compensation of the Board of Directors decreased by 2.5% for the year ended 31 December 2025 as compared to 31 December 2024 due to the slightly different composition of the Board of Directors during the respective years.

The following tables show the compensation of the Board of Directors for the period from 1 January 2025 to 31 December 2025 (Table 5) and from 1 January 2024 to 31 December 2024 (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: 2025 Compensation of the Board of Directors
(1 January 2025–31 December 2025)

CHF	Position	Cash compensation	Share-based compensation ¹	Total (cash and shares)	Social security contributions	Total compensation
Peter Wilden	Chair	75,000	239,564	314,564	17,329	331,893
Patrick Aebischer	Vice-Chair, Lead Independent Director, ITC Chair	50,000	159,723	209,723	11,179	220,902
Erik Schropp ²	Member	–	–	–	–	–
Jane Salik	Independent Member	70,000	68,855	138,855	–	138,855
Philippe Weber ³	Independent Member, RNC Chair	18,000	176,931	194,931	12,759	207,690
Jo LeCouilliard ⁴	Independent Member, ARC Chair	67,500	66,964	134,464	19,702	154,165
Beat In-Albon ⁵	Independent Member	9,750	27,175	36,925	1,802	38,727
Total Board of Directors		290,250	739,212	1,029,462	62,771	1,092,233

¹ 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 2025](#).

² 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 2025](#)), waived all compensation for his Board duties for the term of office from the AGM 2025 to AGM 2026, including for his role as chair of the Audit and Risk Committee ("ARC") until 8 April 2025. Erik Schropp stepped down as Chair of the ARC as of 8 April 2025.

³ Philippe Weber is a Partner at Niederer Kraft Frey AG (NKF). For the year ended 31 December 2025, the Group paid CHF 108,385.01 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 560.00 was directly attributable to legal services provided by Philippe Weber.

⁴ Jo LeCouilliard was elected as a new member of the Board of Directors at the AGM 2025 on 9 April 2025. The Board of Directors elected Jo LeCouilliard as chair of the ARC effective as of 9 April 2025.

⁵ Beat In-Albon decided not to stand for re-election at the AGM 2025 on 9 April 2025.

Table 6: 2024 Compensation of the Board of Directors
(1 January 2024–31 December 2024)

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

¹ 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](#).

² 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 Audit and Risk Committee ("ARC") as of 11 April 2024.

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

⁴ 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.

⁵ 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.

Reconciliation of compensation to shareholder resolutions

For the term to the AGM 2026, the AGM 2025 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 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).

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 2024 to AGM 2025	CHF 1,044,839	CHF 1,600,000	Approved AGM 2024
AGM 2025 to AGM 2026	CHF 1,111,135 ¹	CHF 1,600,000	Approved AGM 2025

¹ The amount represents an estimate for the term of office from AGM 2025 to AGM 2026. The amount is calculated as an estimate for the six members of the Board of Directors elected at the AGM 2025, 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 2026.

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 2025 or 31 December 2024, 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 2025 or 31 December 2024, respectively, to former members of the Board of Directors.

For the years ended 31 December 2025 and 31 December 2024, 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 2025 or 31 December 2024, 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 2025](#).

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 RNC 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 RNC 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 RNC 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
Fixed compensation			
Base salary	Monthly 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
Pension and Other benefits	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
Variable compensation			
Short-term incentive program	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
Long-term incentive program	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 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 and collective agreement 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 cash awards to incoming Executive Committee members to compensate for remuneration forfeited at the previous employer 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 RNC, 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 rigorous STIP financial performance targets to drive best-in-class financial and operational results. These annual targets are derived from the Group's budget and mid-term strategic plan, ensuring alignment with PolyPeptide's long-term objectives. In parallel, individual performance targets, typically qualitative and strategic in nature, cover areas such as leadership, organizational development, adherence to PolyPeptide's values, and management of strategic projects. Together, these objectives motivate the Executive Committee to deliver on the Group's priorities.

As a guiding principle, all financial, operational, and individual targets incorporate meaningful improvements over prior-year achievements. Given their commercially sensitive nature, disclosing specific STIP targets would reveal privileged insights into PolyPeptide's strategy and create a competitive disadvantage. Therefore, we do not publish detailed targets, but provide a general commentary on achievement at the end of the performance 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 2025).

Following the end of the applicable financial year, the RNC 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 RNC 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, prorated 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 subject to clawback provisions.

5.1.3.2 2025 STIP

For the year ended 31 December 2025, 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 2025 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 2025 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 (including the sustainability targets), 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 2025, the STIP objectives for the Executive Committee comprised financial, operational, sustainability and individual performance objectives, as detailed in the table below.

Table 9: 2025 STIP performance objectives and weighting for the Executive Committee

Focus in 2025	Performance objective	Weighting
Growth	Revenue	30%
Profitability	EBITDA	35%
Liquidity and operational efficiency	Net Working Capital	15% ¹
Sustainability	Green Chemistry and Climate Strategy	5%
Individual performance	Personal objectives	15%

¹ The weighting of the Net Working Capital performance objective is split between: H1 2025 at 5% and H2 2025 at 10%.

To promote engagement and alignment within the Executive Committee, STIP performance metrics are weighted consistently for all members: 85% based on Group-wide performance criteria and 15% on individual objectives. These objectives were selected as key value drivers for PolyPeptide, rewarding efforts that support growth, liquidity, operational efficiency, profitability and long-term value creation. In addition, dedicated sustainability objectives underscore PolyPeptide's commitment to (i) green chemistry by measuring progress in reducing solvent consumption and advancing green solvent projects, and (ii) the reduction of CO2 emissions (see also [Sustainability Report 2025](#)).

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 RNC 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 RNC. 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 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. In addition, where applicable and supported by appropriate documentation and verification, supplemental LTIP awards may be granted to incoming Executive Committee members to compensate for long-term remuneration forfeited at their previous employer. Any such LTIP awards are reported as “LTIP grant”. 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 Plan¹⁰

In 2025, the RNC continued to oversee the Long-Term Incentive Plan (LTIP) to ensure it supports sustainable, high-quality performance with appropriate risk-taking. The LTIP is structured around three key performance metrics measured over a three-year period: (i) revenue, to drive the Group’s targeted growth; (ii) EBITDA, to reinforce 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. The eligible participant pool currently includes all members of the Executive Committee, the PolyPeptide Management Committee and other key senior leaders in the Group, reflecting the Group’s commitment to fostering accountability and shared success across its leadership team.

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 RNC.

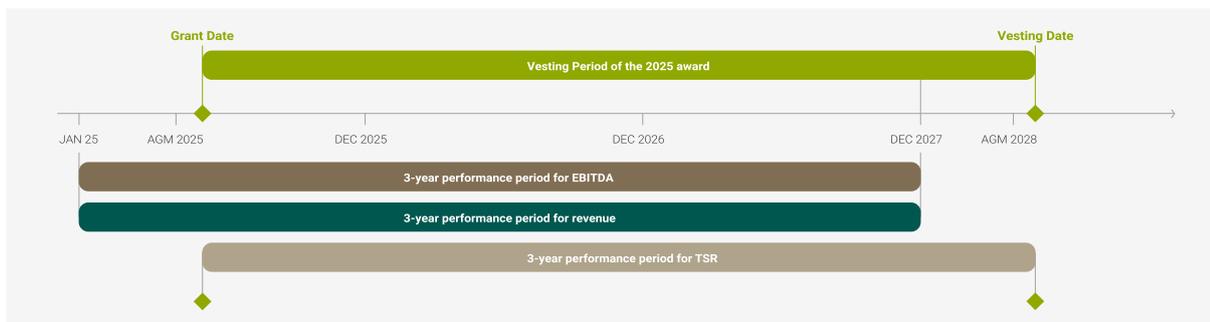
Revenue and EBITDA performance targets are aligned with the Group’s financial reporting cycles (*i.e.*, three full financial years) and are derived from the audited financial statements.

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 years.

¹⁰ Summary of the relevant LTIP Plan.

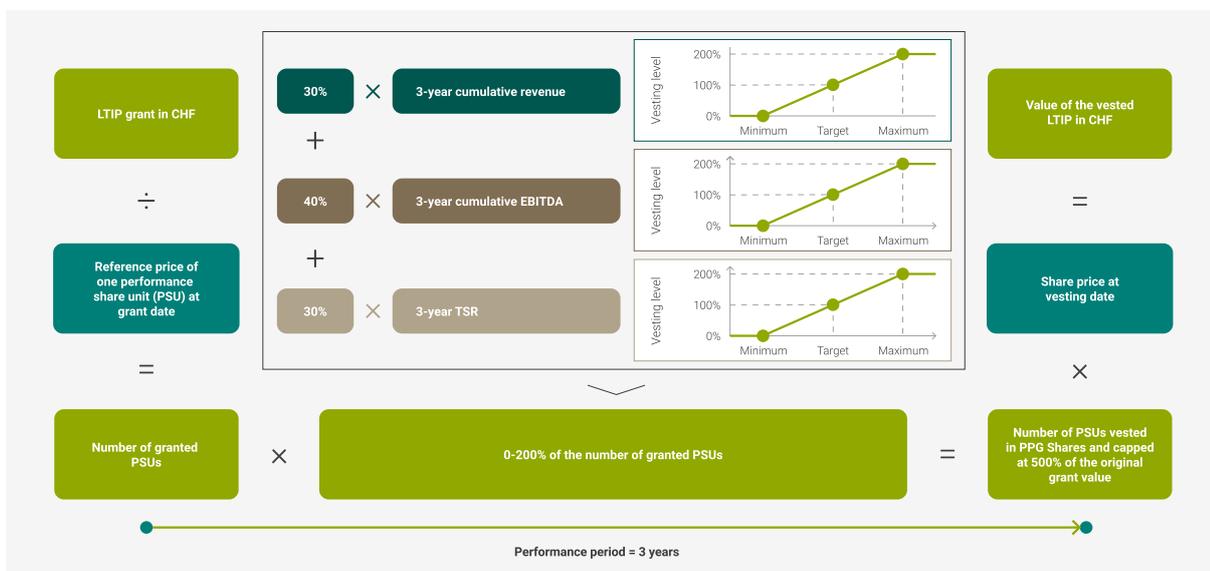
An illustration of the performance periods for each of the measures is presented in Table 10.

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 specific revenue, EBITDA, and TSR targets are commercially sensitive. Disclosing these figures could reveal privileged insights into PolyPeptide’s strategy and potentially create a competitive disadvantage. Therefore, if any PSUs vest, we will share information on target achievement at the conclusion of the respective performance period (i.e., for the 2025 LTIP award with the reporting for the financial year 2028, 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 RNC, 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 malus and clawback provisions that allow for the cancelation or forfeiture of all or part of any unvested PSUs (i.e., malus) or, following vesting of any PSUs, the repayment for all or part of any vested PSUs, shares or cash settlements made under the Plan (i.e., clawback). 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.

5.1.4.3 LTIP Plan awards and vesting of prior awards

The following table provides an overview of the granted entitlements (PSUs) under LTIP awards as at 31 December 2025.

Table 12: LTIP award

	LTIP award 2023	LTIP award 2024	LTIP award 2025	Total granted PSUs as at 31 December 2025
CEO	34,040	38,988	66,353	139,381
Executive Committee	–	6,030	12,624	18,654
Management	–	14,055	33,854	47,909
Total	34,040	59,073	112,831	205,944

In 2023, the current CEO was the only eligible participant in the LTIP and was granted 34,040 PSUs. The PSUs granted in 2023 will not vest (based on the financial statements for the year ended 31 December 2025) because the minimum performance thresholds for RONO and EPS over the 2023 – 2025 performance period were not achieved (see [section 5.1.4.3 "2023 LTIP Plan awards and vesting of prior awards" of the Remuneration Report 2023](#)).

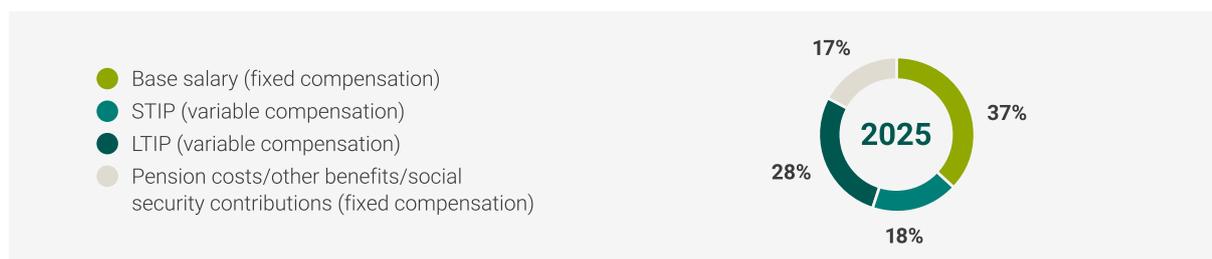
5.2 Compensation of the Executive Committee

5.2.1 Overview and performance assessment

For the year ended 31 December 2025, 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 2025, the total variable compensation of the CEO (i.e., STIP and LTIP) amounted to 63.0% of his total compensation and 170.5% 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 21.9% of the total compensation and an average of 28.0% 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.

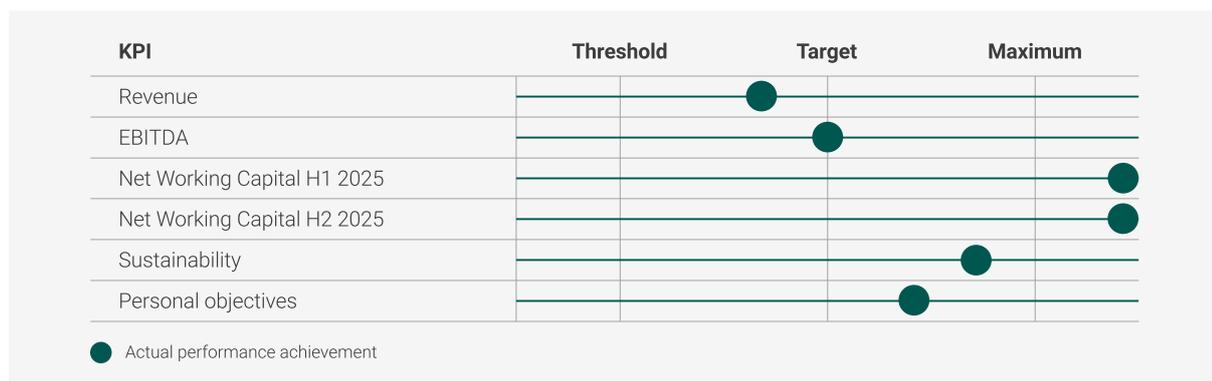
Table 13: Breakdown of Executive Committee compensation



In light of PolyPeptide’s reported revenue increase of 15.6% and EBITDA of 12.0%, the STIP 2025 financial performance objectives were between the minimum threshold and target for growth and slightly above the target for profitability. In terms of Net Working Capital, the performance objective’s achievement was above the maximum threshold for H1 2025 and H2 2025. With regard to the sustainability objective, the Group’s overall achievement was between the target and maximum threshold for green chemistry and at the maximum threshold for climate strategy. Upon recommendation of the RNC following its assessments of the respective individuals, the Board determined that the eligible members of the Executive Committee had achieved between 100% and 150% of their respective personal objectives.

Table 14 illustrates the outcome of the STIP performance targets for 2025 (see Table 9 in section 5.1.3.2 “2025 STIP” of this Remuneration Report for an overview of the 2025 STIP performance objectives and weighting for the Executive Committee).

Table 14: 2025 STIP performance of objectives¹



¹ Applicable for eligible Executive Committee members in office as of 31 December 2025.

Thus, under the STIP 2025, the combined payout for the financial, operational and individual performance targets is 105.1% of the STIP target incentive amount for the CEO and between 100.6% and 108.1% of the STIP target incentive amounts for the other current and eligible members of the Executive Committee in office as of 31 December 2025.

5.2.2 Aggregate compensation of the Executive Committee

The following table shows the total aggregate compensation for the CEO (i.e., Juan Jose Gonzalez) 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 2025 to 31 December 2025.

For the year ended 31 December 2025, the Executive Committee received total remuneration of CHF 4,863,885 (2024: CHF 4,714,606). This is an overall slight increase of 3.2% compared to the previous year, with the main changes explained in greater detail below.

Table 15: 2025 Compensation of the Executive Committee
(1 January 2025–31 December 2025)

<i>CHF</i>	Juan Jose Gonzalez (CEO)	Other members of the Executive Committee ⁷	Total
Base salary	804,551	1,007,485	1,812,036
Pension costs ¹	106,040	162,991	269,031
Other benefits ²	44,000	163,326	207,326
Social security contributions ³	105,247	225,784	331,032
Total fixed compensation	1,059,838	1,559,586	2,619,423
STIP bonus ⁴	636,392	225,153	861,545
LTIP grant ⁵	1,170,925	211,992	1,382,917
Total compensation⁶	2,867,155	1,996,730	4,863,885

¹ Reflects pension contributions made in the year ended 31 December 2025, including (i) estimated contributions in relation to STIP 2025 to be paid by 30 June 2026 and (ii) differences in actual contributions paid in 2025 in relation to STIP 2024 compared to the estimated contributions in relation to STIP 2024 as disclosed in Table 16.

² Other benefits may include company car or car allowance, health coverage, variable vacation supplement etc. and, where relevant, relocation-related, international benefits (e.g., executive benefits allowance, tax advisory services, etc) as well as supplemental cash awards to incoming Executive Committee members to compensate for remuneration forfeited at their previous employer (as supported by appropriate documentation and verification). The amounts reflected also include (i) estimated Other benefits due in relation to STIP 2025 to be paid by 30 June 2026; (ii) differences in actual Other benefits due in 2025 in relation to STIP 2024 compared to the estimated Other benefits in relation to STIP 2024 as disclosed in Table 16.

³ Reflects social security contributions made in the year ended 31 December 2025, including (i) estimated contributions in relation to STIP 2025 to be paid by 30 June 2026; and (ii) differences in actual contributions paid in 2025 in relation to STIP 2024 compared to the estimated contributions in relation to STIP 2024 as disclosed in Table 16.

⁴ Includes (i) the STIP to be paid by 30 June 2026; and (ii) differences in actual STIP 2024 paid in 2025 compared to the estimated STIP 2024 due to currency rate fluctuations.

⁵ Disclosure reflects the LTIP grant for the reporting year, *i.e.*, the value of the PSUs at grant date, assuming 100% target achievement, as well as supplemental LTIP awards granted to incoming Executive Committee members to compensate for long-term remuneration forfeited at their previous employer (as supported by appropriate documentation and verification). The LTIP value at vesting may vary based on performance outcomes (between 0 and 200%) and respective share price at the time of vesting.

⁶ 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 2025.

⁷ Reflects the compensation for the period from 1 January 2025 to 31 December 2025 of the other current members of the Executive Committee as well as former members of the Executive Committee as follows: *inter alia* (i) the pro-rated compensation paid to Jens Fricke as Director Global Operations up and until 10 August 2025 and (ii) the pro-rated compensation paid to Raoul Bernhardt as Chief Manufacturing and Supply Chain Officer from 11 August 2025 to 31 December 2025. For the year ended 31 December 2025, the Company paid CHF 0 in compensation to former members of the Executive Committee.

Table 16: 2024 Compensation of the Executive Committee
(1 January 2024–31 December 2024)

CHF	Juan Jose Gonzalez (CEO)	Other members of the Executive Committee ⁷	Total
Base salary	791,700	1,235,348	2,027,048
Pension costs ¹	105,545	166,307	271,851
Other benefits ²	24,000	119,276	143,276
Social security contributions ³	89,119	219,768	308,887
Total fixed compensation	1,010,364	1,740,698	2,751,062
STIP bonus ⁴	380,982	250,493	631,476
LTIP grant ⁵	1,153,643	178,426	1,332,069
Total compensation⁶	2,544,989	2,169,618	4,714,606

¹ 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 in section 5.2.2 "Aggregate compensation of the Executive Committee" of the Remuneration Report 2024.

² 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 in section 5.2.2 "Aggregate compensation of the Executive Committee" of the Remuneration Report 2024.

³ 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 in section 5.2.2 "Aggregate compensation of the Executive Committee" of the Remuneration Report 2024.

⁴ 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.

⁵ 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.

⁶ 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.

⁷ 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.

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 2025 as compared to 2024:

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 2025 to 31 December 2025, with 4.0 full-time equivalents in total. In 2025, Jens Fricke stepped down as Director Global Operations and member of the Executive Committee as of 10 August 2025. Thus, the totals reflected in Table 15 include, *inter alia*, (i) the pro-rated compensation paid to Jens Fricke as Director Global Operations up and until 10 August 2025 and (ii) the pro-rated compensation paid to Raoul Bernhardt as Chief Manufacturing and Supply Chain Officer from 11 August 2025 to 31 December 2025.

Table 16 reflects the remuneration of the current and former members of the Executive Committee, with 5.0 full-time equivalents in total, for the period from 1 January 2024 to 31 December 2024. 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 16 include, *inter alia*, (i) the compensation paid to Lalit Ahluwalia as CFO ad interim and member of the Executive Committee 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.

Base salary: The variance in base salary between 2024 and 2025 (a decrease of 10.6%) 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 2024 and 31 December 2025, respectively, the aggregated base salary levels in CHF increased by 1.3% in 2025 as compared to 2024, mainly due to individual salary increases.

Other benefits: Other benefits increased by 44.7% in 2025 as compared to 2024, mainly due to the changes in the composition of the Executive Committee, as described above, with corresponding differences in applicable local benefits schemes.

STIP: The total payout under the STIP in 2025 is 36.4% higher than in 2024, 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 2025 as compared to 2024 is further impacted by the changes to the composition of the Executive Committee, as described above.

LTIP: The LTIP expenses increased by 3.8% in 2025 as compared to 2024 primarily due to the changes in the composition of the Executive Committee, as described above.

Reconciliation of compensation to shareholder resolutions

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 the 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.

For the year ended 31 December 2025, the AGM 2024 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 2024 (*i.e.*, the Chief Manufacturing and Supply Chain Officer); however, no additional compensation amount in excess of that approved by the AGM 2024 has been paid / granted, since the approved aggregate amount of compensation for the financial year 2025 was sufficient to compensate the members of the Executive Committee. The compensation paid / granted to the Executive Committee in the year ended 31 December 2025 amounted to CHF 4,863,885 (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 2024 – 31 December 2024	CHF 4,714,606	CHF 7,000,000	Approved AGM 2023
1 January 2025 – 31 December 2025	CHF 4,863,885	CHF 7,000,000	Approved AGM 2024
1 January 2026 – 31 December 2026	–	CHF 7,000,000	Approved AGM 2025

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 2025 or 31 December 2024, 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 2025 or 31 December 2024, respectively, to former members of the Executive Committee.

For the years ended 31 December 2025 and 31 December 2024, 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 2025 or 31 December 2024, 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 2025](#).

6 Ownership of shares and options

The members of the Board of Directors and Executive Committee reflected in the table below held 1.11% of the outstanding shares as at 31 December 2025 and 1.05% as at 31 December 2024. 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 2024 or 31 December 2025, respectively.

Table 18: Shares held by members of the Board of Directors¹

Name	Position	Shares held as at 31 December 2025	Shares held as at 31 December 2024
Peter Wilden	Chair	42,179	30,690
Patrick Aebischer	Vice-Chair, Lead Independent Director, Chair ITC	27,666	20,006
Erik Schropp ²	Member	3,193	3,193
Jane Salik	Independent Member	29,184	25,882
Philippe Weber	Independent Member, Chair RNC	30,556	22,071
Jo LeCouilliard ³	Independent Member, Chair ARC	2,933	n/a
Beat In-Albon ⁴	Independent Member	n/a	17,196

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

² 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 2025](#)).

³ Member of the Board of Directors as of 9 April 2025.

⁴ Beat In-Albon did not stand for re-election as a member of the Board of Directors at the AGM 2025 on 9 April 2025.

Table 19: Shares held by members of the Executive Committee

Name	Position	Shares held as at 31 December 2025	Shares held as at 31 December 2024
Juan Jose Gonzalez	CEO	227,842	227,842
Marc Augustin	CFO	2,500	2,500
Christina Del Vecchio	Chief Legal Officer	–	–
Raoul Bernhardt ¹	Chief Manufacturing and Supply Chain Officer	–	n/a
Jens Fricke ²	Director Global Operations	n/a	1,380

¹ Member of the Executive Committee as of 11 August 2025.

² Member of the Executive Committee until 10 August 2025.

As of 31 December 2025, 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 2025 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 2025, 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

- Managing Partner at Limani Partners SA, Switzerland (since 2025)
- 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)
- Chair of the board of directors of Amazentis SA, Switzerland (since 2007)

Jane Salik

Independent member

Outside mandates at listed companies

- None

Outside mandates at non-listed companies

- None

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)
- Company Secretary of CLS Group Holdings AG, Switzerland (since 2002)

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 one subsidiary entity)

Jo LeCouilliard

Independent member

Outside mandates at listed companies

- Member of the board of directors and chair of the Remuneration and Nomination Committee of Recordati SpA, Italy (since 2019), member of the Risk, Control & Corporate & Social Responsibility Committee (2019–2022)

Outside mandates at non-listed companies

- Member of the board of directors of Washington Topco Ltd, UK (which is the holding company of GlobalData Healthcare, UK) (since 2024)

Executive Committee

Juan Jose Gonzalez

Chief Executive 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

Marc Augustin

Chief Financial Officer

Outside mandates at listed companies

- None

Outside mandates at non-listed companies

- None

Raoul Bernhardt

Chief Manufacturing and Supply Chain Officer

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 2025.



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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 2025. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) contained in table 5 "2025 Compensation of the Board of Directors (1 January 2025 - 31 December 2025)" on page 147, section 4.3 "Loans, credits and related-party compensation" on page 149, table 15 "2025 Compensation of the Executive Committee (1 January 2025 - 31 December 2025)" on page 157, section 5.3 "Loans, credits and related-party compensation" on page 160, table 18 "Shares held by members of the Board of Directors" on page 161, table 19 "Shares held by members of the Executive Committee" on page 161, section 7 "Other remuneration-related information under the CO" on page 162, and section 8 "Activities in other companies" on pages 163 to 165 of the remuneration report.

In our opinion, the information pursuant to Art. 734a-734f CO in the remuneration report (pages 136 to 165) 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, applicable to financial audits of public interest entities. We have also 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 "2025 Compensation of the Board of Directors (1 January 2025 - 31 December 2025)" on page 147, section 4.3 "Loans, credits and related-party compensation" on page 149, table 15 "2025 Compensation of the Executive Committee (1 January 2025 - 31 December 2025)" on page 157, section 5.3 "Loans, credits and related-party compensation" on page 160, table 18 "Shares held by members of the Board of Directors" on page 161, table 19 "Shares held by members of the Executive Committee" on page 161, section 7 "Other remuneration-related information under the CO" on page 162, and section 8 "Activities in other companies" on pages 163 to 165 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.



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Responsibilities of the Board of Directors 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 2026

BDO Ltd

René Füglistner
Licensed Audit Expert
Auditor in Charge

Jan Trautwein
Licensed Audit Expert

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Financial Report

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Consolidated income statement

1 January–31 December

kEUR	Note	2025	2024
Revenue	3	389,327	336,792
Other operating income	3	2,622	1,978
Total income		391,949	338,770
Cost of sales		-325,336	-299,422
Gross profit / (loss)		66,613	39,348
Marketing and sales expenses	3	-4,473	-3,866
Research expenses	3	-2,282	-1,095
General and administrative expenses	3	-51,169	-41,751
Total operating expenses		-57,924	-46,712
Operating result (EBIT)		8,689	-7,364
Financial income	3	1,843	6,802
Financial expenses	3	-30,589	-17,583
Total financial result		-28,746	-10,781
Result before income taxes		-20,057	-18,145
Income tax	5	-1,112	-1,419
Result for the year		-21,169	-19,564
Attributable to shareholders of PolyPeptide Group AG		-21,169	-19,564
Earnings per share in EUR, basic	7	-0.64	-0.59
Earnings per share in EUR, diluted	7	-0.64	-0.59

Consolidated statement of comprehensive income

1 January–31 December

kEUR	Note	2025	2024
Result for the year		-21,169	-19,564
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations, net of tax		-333	-523
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-333	-523
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Remeasurement gain / (loss) on defined benefit plans	16	4,245	-6,490
Income tax effect	5	-927	1,392
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		3,318	-5,098
Other comprehensive result for the year, net of taxes		2,985	-5,621
Total comprehensive result for the year, net of taxes		-18,184	-25,185
Attributable to shareholders of PolyPeptide Group AG		-18,184	-25,185

Consolidated statement of financial position

As at 31 December

Assets, kEUR	Note	2025	2024
Non-current assets			
Intangible assets	8	13,908	15,018
Property, plant and equipment	9	437,249	364,541
Right-of-use assets	10	21,545	24,448
Deferred income tax assets	5	19,306	17,620
Other financial assets	24	7,512	5,164
Contract costs	3	1,563	1,563
Total non-current assets		501,083	428,354
Current assets			
Inventories	12	154,246	146,351
Trade receivables	13	60,864	82,499
Contract assets	3	3,441	3,761
Corporate income tax receivables		9,938	8,023
Other current assets	14	21,798	19,311
Cash and cash equivalents	15	74,589	68,277
Total current assets		324,876	328,222
Total assets		825,959	756,576

Consolidated statement of financial position (continued)

As at 31 December

Equity and liabilities, kEUR	Note	2025	2024
Equity attributable to equity holders of the parent company			
Share capital	6	302	302
Share premium		203,129	203,129
Translation reserve		20,976	21,309
Treasury shares	6	-6,466	-8,398
Other capital reserves		31	425
Retained earnings		122,626	140,477
Total equity		340,598	357,244
Non-current liabilities			
Deferred income tax liabilities	5	3,894	3,205
Pensions	16	29,849	32,133
Provisions	17	2,785	1,942
Interest-bearing loans and borrowings	19	109,034	39,420
Lease liabilities	10	15,979	18,982
Other financial liabilities	18	9,435	9,508
Contract liabilities	3	127,852	99,639
Total non-current liabilities		298,828	204,829
Current liabilities			
Interest-bearing loans and borrowings	19	544	30,642
Lease liabilities	10	5,008	5,073
Other financial liabilities	18	1,361	1,266
Corporate income tax payable		1,580	356
Trade payables	20	74,308	73,256
Contract liabilities	3	74,171	60,475
Other current liabilities	20	29,561	23,435
Total current liabilities		186,533	194,503
Total liabilities		485,361	399,332
Total equity and liabilities		825,959	756,576

Consolidated statement of changes in equity

1 January–31 December

Attributable to shareholders of PolyPeptide Group AG:

KEUR	Share capital	Share premium	Translation reserve	Treasury shares	Other capital reserves	Retained earnings	Total
Balance as at 1 January 2025	302	203,129	21,309	-8,398	425	140,477	357,244
Result for the year						-21,169	-21,169
Remeasurement gain / (loss) on defined benefit plans, net of tax						3,318	3,318
Currency exchange differences			-333				-333
Total comprehensive income	-	-	-333	-	-	-17,851	-18,184
Purchase of own shares				-484			-484
Share-based payment					2,022		2,022
Transfer of own shares				2,416	-2,416		-
Total transactions with owners	-	-	-	1,932	-394	-	1,538
Balance as at 31 December 2025	302	203,129	20,976	-6,466	31	122,626	340,598

Consolidated statement of changes in equity (continued)

1 January–31 December

Attributable to shareholders of PolyPeptide Group AG:

kEUR	Share capital	Share premium	Translation reserve	Treasury shares	Other capital reserves	Retained earnings	Total
Balance as at 1 January 2024	302	203,129	21,832	-10,394	1,217	165,139	381,225
Result for the year						-19,564	-19,564
Remeasurement gain / (loss) on defined benefit plans, net of tax						-5,098	-5,098
Currency exchange differences			-523				-523
Total comprehensive income	-	-	-523	-	-	-24,662	-25,185
Share-based payment					1,204		1,204
Transfer of own shares				1,996	-1,996		-
Total transactions with owners	-	-	-	1,996	-792	-	1,204
Balance as at 31 December 2024	302	203,129	21,309	-8,398	425	140,477	357,244

Consolidated statement of cash flows

1 January–31 December

kEUR	2025	2024
Cash flow from operating activities		
Result for the year	-21,169	-19,564
Adjustments to reconcile cash generated by operating activities		
Depreciation, amortization and impairment	38,066	32,714
Movement in provisions	1,031	195
Movement in pensions	-121	105
Share-based payment expense	2,022	1,204
Financial income	-1,843	-6,802
Financial expenses	30,589	17,583
Income tax expense / (income)	1,112	1,419
Changes in net working capital		
(Increase) / decrease in inventories	-11,100	-16,969
(Increase) / decrease in trade receivables	18,759	-5,009
(Increase) / decrease in contract assets	351	-1,669
(Increase) / decrease in other current assets	-7,777	-3,192
Increase / (decrease) in trade payables	5,636	11,372
Increase / (decrease) in contract liabilities	27,418	89,897
Increase / (decrease) in other current liabilities	5,589	-1,980
Cash generated from operations	88,563	99,304
Interest income received	1,823	586
Interest expenses paid	-9,112	-8,533
Income taxes paid	-3,764	-1,958
Net cash flows from operating activities	77,510	89,399
Cash flow from investing activities		
Acquisition of intangible assets	-1,152	-1,217
Acquisition of property, plant and equipment	-107,753	-85,751
Disposal of property, plant and equipment	587	2
Investments in other financial assets	-3,392	-2,489
Investments in contract costs	–	-1,563
Net cash flows from investing activities	-111,710	-91,018

Consolidated statement of cash flows (continued)

1 January–31 December

KEUR	2025	2024
Cash flow from financing activities		
Purchase of own shares	-484	–
Net proceeds from long-term borrowings from banks	50,000	–
Repayment of short-term borrowings from Draupnir Holding B.V.	-10,000	-10,000
Repayment of long-term borrowings from banks	–	-10,000
Repayment of lease liabilities	-4,951	-4,625
Repayment of other financial liabilities	-773	-698
Net cash flow from financing activities	33,792	-25,323
Net movement in cash and cash equivalents	-408	-26,942
Cash and cash equivalents at the beginning of the year	68,277	95,706
Net foreign currency exchange differences	6,720	-487
Cash and cash equivalents at the end of the year	74,589	68,277

Notes to the consolidated financial statements

General

PolyPeptide Group AG (the “Company”) is the holding company of a group of companies (the “Group”) engaged in the development, manufacturing and marketing of peptide-based compounds for use in the pharmaceutical and related research industries. The Group offers a full-service concept from early-stage custom development to contract manufacturing in both solid phase and solution phase technology.

The registered office of the Company is Neuhofstrasse 24, 6340 Baar, Switzerland.

As at 31 December 2025, the Company was a 55.47% subsidiary of Draupnir Holding B.V., a company registered in the Netherlands. Draupnir Holding B.V.’s ultimate controlling parent entity is Cryosphere Foundation, a foundation registered on Guernsey, of which Mr. Frederik Paulsen (Lausanne, Switzerland) is at present a named beneficiary pursuant to the charter of the foundation governed by the laws of Guernsey, although he has no vested interest in any portion of the foundation assets.

1 Summary of material accounting policy information

Basis of preparation

The consolidated financial statements of PolyPeptide Group AG and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial year for the Group is 1 January–31 December 2025.

All amounts are stated in thousands of Euros (EUR), unless otherwise indicated.

Changes in accounting policies and presentation

The following amendments became mandatorily effective from 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21)

The adoption of the amendments to the IFRS Accounting Standards has not had any significant impact on the 2025 financial statements of the Group.

On 28 November 2025, the IASB issued Disclosures about Uncertainties in the Financial Statements – Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The illustrative examples are accompanying materials to IFRS Accounting Standards and do not have an effective date. The IASB had issued a near-final staff draft of the illustrative examples in July 2025. The Group has considered these illustrative examples in its preparation of the consolidated financial statements and no additional disclosures or changes in presentation were considered necessary.

As a result, the accounting policies are consistent with prior years.

Principles of consolidation

The consolidated financial statements include the Company and its subsidiaries as at 31 December of each year. Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date the Company obtains control until such time as control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. Reference is made to Note 11 for information regarding the consolidated subsidiaries. All intra-group balances, income and expenses and unrealized gains and losses resulting from intra-group transactions are eliminated in full. A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

Translation of foreign currencies

The Group's consolidated financial statements are presented in Euros. The functional currency of the parent company is Swiss Franc (CHF). Each entity within the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Translation of transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

Translation of subsidiaries

The functional currencies of the foreign operations are the Euro (EUR), US Dollar (USD), Indian Rupee (INR) and the Swedish Krona (SEK). As at the reporting date, the assets and liabilities of the subsidiaries with a functional currency other than the Euro are translated into the presentation currency of the Group (the Euro) at the rate of exchange ruling at the reporting date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recorded in other comprehensive income. On disposal of a foreign entity, the component of other comprehensive income relating to that foreign operation is recognized in the income statement.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising from the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Net investment in a foreign operation

One subsidiary has a monetary item that is receivable from another subsidiary. As of 1 October 2025, settlement of the inter-company loan (functional currencies EUR and USD) is neither planned nor likely to occur in the foreseeable future. As a result, the monetary item was reclassified and, in substance, became part of the parent company's net investment in the foreign operation. As of 1 October 2025, exchange differences arising from the translation of the loan into the functional currency of the parent company are therefore recognized in other comprehensive income and remain in equity, without subsequent reclassification to profit or loss unless the net investment is disposed of.

The parent company of the Group has a monetary item that is a receivable from one of its subsidiaries. As of 1 December 2024, settlement of the receivable is neither planned nor likely to occur in the foreseeable future. As a result, the monetary item became, in substance, a part of the parent company's net investment in the subsidiary. As of 1 December 2024, exchange differences arising from the translation of the receivable into the functional currency of the parent company are thus initially recognized in other comprehensive income in the consolidated financial statements and reclassified to profit or loss on disposal of the net investment.

Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other taxes and duties. Revenue is recognized when a performance obligation is satisfied.

Performance obligations and timing of revenue recognition

The Group earns the majority of its revenues from the sale of goods. As a result, most of the Group's revenues are recognized at a point in time when control of the goods has transferred to the customer. All indicators of transfer of control according to IFRS 15 are normally in place when the Group delivers the goods to the customer. The level of judgement needed to determine the point in time at which a customer obtains control of the goods is thus limited.

When bill-and-hold arrangements are in place, the Group satisfies its performance obligation while still retaining physical possession of the goods until it is transferred to the customer at a point in time in the future. However, IFRS 15 clearly states four criteria that must be met for a customer to have obtained control of a product in a bill-and-hold arrangement. These criteria are reflected in the agreements with the customers, and the level of judgement needed for revenue recognition for bill-and-hold arrangements is thus also limited.

The Group has no sales contracts that include performance obligations relating to warranties or returns.

The Group also incurs a portion of its revenues in connection with pharmaceutical services like development and analytical services. In some cases, these contracts run longer than a year with revenue recognized typically on an over time basis. These service contracts are set up in a way to be distinct and the consideration related to the services is based upon standard hourly prices. For these services, the Group recognizes revenues based upon stage of completion which is estimated by comparing the number of hours actually spent on the project with the total number of hours expected to complete the project (i.e. an input-based method). This is considered a faithful depiction of the transfer of services as the contracts are initially priced on the basis of anticipated hours to complete the projects and therefore also represent the amount to which the Group would be entitled to based on its performance to date.

Determining the transaction price

With respect to the sale of goods, a transaction price is agreed in an order or order confirmation between the Group and its customer. Prices may also be included in the master service agreements, which are usually updated every year. However, the price in the order confirmation is controlling. There are no other variable components included in the transaction price such as payables to the customer, non-cash considerations, etc. All other special considerations such as volume discounts are calculated on a calendar-year basis and therefore do not result in any uncertainties about the amount of the transaction price at the end of the financial year. The transaction price for services is based upon a price list with standard prices (fair value) for different kind of services.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the Group and the customer (either explicitly or implicitly) provides the Group with a significant benefit of financing the transfer of goods or services to the customer. The objective of this adjustment is to recognize revenue at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. When adjusting the promised amount of consideration for a significant financing component, the Group uses the discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception.

If the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the Group applies a practical expedient and does not adjust the promised amount of consideration for the effects of a significant financing component.

Allocating amounts to performance obligations

As each performance obligation in a customer contract is generally priced against its fair value, only limited judgment is involved in the allocation of the total contract price to the individual performance obligations. This allocation will usually be determined by dividing the total contract price by the number of units ordered or hours spent.

Contract liabilities

If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group recognizes a contract liability when the payment is received, or the payment is due (whichever is earlier). The contract liability is derecognized and offset as revenue when the Group subsequently transfers the good or service to the customer.

Contract assets

A contract asset is defined as an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance).

The Group recognizes a contract asset for unbilled work in progress related to the transfer of services where revenue is recognized 'over time'.

Contract assets are subject to impairment assessment. Please refer to the accounting policies on impairment of financial assets.

Contract costs

The Group capitalizes costs to fulfil a contract as 'Contract costs' if the costs incurred are not within the scope of another IFRS standard, and all of the following criteria are met:

- the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Capitalized contract costs are amortized in a manner that reflects the expected progress towards complete satisfaction of the related performance obligations. In most cases, this does not follow a straight-line basis over the contract terms.

Other income, costs and expenses

Other income, costs and expenses are allocated to the year to which they relate. Losses are accounted for in the year in which they arise.

Interest

For all financial instruments measured at amortized cost, interest income or expense is recorded using the effective interest rate. Interest income and expense is included in financial income and expense in the income statement.

Research expenses

Research expenses relating to Custom Projects are included in 'Cost of sales' in the income statement. Research expenses not relating to Custom Projects are presented on the separate financial line item 'Research expenses' in the income statement

Share-based payment

Share-based compensation is provided to members of the Board of Directors, the Executive Committee and certain other selected key employees (as applicable).

The programs are classified as equity arrangements where the fair value of the shares granted under the programs are recognized as an expense with a corresponding increase in equity. The fair value of the shares is measured at the market share price of PolyPeptide Group AG's shares, adjusted to take into account terms and conditions upon which the shares were granted. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of shares that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Corporate income tax is calculated on taxable profit according to the applicable tax rates in the various countries.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Current income tax items are recognized in correlation to the underlying transaction either in profit or loss, through other comprehensive income or directly in equity.

Tax credits

Tax credits that can only be realized by a reduction of current or future corporate tax payments, rather than being directly settled in cash, are presented as part of the income tax charge for the year.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect to taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, the carry-forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realized and the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in profit or loss, through other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

VAT

Income, expenses and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Fair value measurements

The Group measures certain financial instruments at fair value. The fair values of financial instruments measured at amortized costs are disclosed in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Group must be able to access the principal market or the most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internal development of software for internal use is recognized as intangible assets if the recognition criteria are met. Otherwise, the expenditure is reflected in the income statement in the year in which it is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- The ability to use the intangible asset generated

Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

The Group's intangible assets consist of software that is amortized on a straight-line basis over five to ten years.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the costs of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized as dwelling costs in the income statement.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, as stated hereunder.

• buildings (and leasehold improvements)	10 to 50 years
• machinery and equipment	3 to 20 years
• other	3 to 5 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective

assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

For a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Financial assets at amortized cost (debt instruments)

This category is most relevant to the Group. The Group's financial assets at amortized cost mainly include trade receivables.

The Group measures financial assets at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

Factoring

In the reporting period beginning 1 January 2023, the Group decided to enter a non-recourse factoring agreement with a bank for a few selected customers. The arrangement is non-recourse between the Group and the bank where all risks and rewards of ownership of receivables are fully transferred to the bank, and where the Group does not provide any guarantee about the performance of the receivables. When the Group derecognizes the receivable from the customer and recognizes the consideration received from the bank, the difference between the carrying amount of the receivable and the consideration received from the bank is recognized as a financial expense in the income statement.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from credit enhancements that are integral to the contractual terms.

Financial assets at amortized cost (debt instruments)

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit loss at each reporting date.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials are recognized at standard cost at the time of purchase.

Finished goods and work-in-progress include costs of direct materials and labor and a proportion of manufacturing overhead based on normal operating capacity but excluding borrowing cost as the production does not require a substantial period of time.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Other current assets

All other current assets are stated at the amounts at which they were acquired or incurred.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position and in the statement of cash flows comprise cash on hand and in banks and short-term deposits with an original maturity of three months or less.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings and payables as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

After initial recognition, the financial liabilities are measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the income statement.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continued involvement in the asset. If there is an

associated liability, the Group recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continued involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the net of the carrying amount and the maximum amount of the consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as financial expenses in the income statement.

Pensions

The Group has insured contributory pension plans covering substantially all employees. Pension obligations are funded through annual premiums. The Group has defined benefit obligations to employees. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit actuarial valuation method.

Remeasurements, comprising actuarial gains and losses and the return on plan assets (excluding net interest), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The net defined benefit liability is the aggregate of the present value of the defined benefit obligation and the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value is based on market price information and in the case of quoted securities it is the published bid price.

Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability, except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes that the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;

- the exercise price of any purchase option granted in favor of the Group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of a termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognized where the Group is contractually required to dismantle, remove or restore the leased assets.

Subsequent to initial measurement, lease liabilities are increased as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that a purchase option will be exercised, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the revised net present value of future lease payments. The carrying amount of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or an index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use asset, with the revised carrying amount being depreciated over the remaining (revised) lease term.

Other liabilities

All other liabilities are stated at the amounts at which they were acquired or incurred.

Cash flow statement

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents comprise cash on hand and in banks and short-term deposits with an original maturity of three months or less. Interest and income tax cash flows are included in the cash flow from operating activities.

Future changes in accounting policies

The following standards, amendments to standards, and interpretations have been issued by the IASB and are mandatorily effective for reporting periods beginning 1 January 2026 or later. The Group has not early adopted any of these and does not believe these standards, amendments to standards, and interpretations will have a material impact on the recognition and measurements of financial items in the consolidated financial statements once adopted:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
These amendments provide additional clarification and disclosure requirements relating to the derecognition of financial liabilities and classification of financial assets. The Group does not expect these changes to have a material impact on its financial instruments.
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
The amendments clarify accounting treatment for nature-dependent electricity contracts. The Group is assessing potential implications for its electricity procurement contracts; no significant impact is anticipated.

- **IFRS 18 *Presentation and Disclosure in Financial Statements***

IFRS 18 replaces IAS 1 and introduces new requirements aimed at improving comparability, transparency and the usefulness of financial information. The new standard is effective for annual reporting periods beginning on or after 1 January 2027, with retrospective application required.

Although IFRS 18 will not impact the Group's net profit or the recognition and measurement of financial statement items, the Group expects presentation-related changes in several areas:

Statement of profit or loss – Income and expenses will be presented within new mandatory categories (operating, investing and financing). Certain foreign exchange effects currently shown in finance income/expense may be reclassified and presented above operating profit.

Aggregation and disaggregation – IFRS 18 strengthens the principles for providing meaningful, structured information. While the content of disclosures is expected to remain broadly consistent, the grouping of information may change.

New disclosures – The standard introduces expanded requirements, including: – management-defined performance measures (MPMs), – a breakdown of the nature of expenses for line items presented by function in the operating category, and – a reconciliation in the first year of application between IAS 1 and IFRS 18 presentation.

Statement of cash flows – The starting point will change to operating profit, and interest received/paid will be reclassified to investing/financing cash flows, respectively.

The Group is currently assessing the detailed impact of IFRS 18. Based on preliminary analysis, no material impact on equity, total comprehensive income or cash flows is expected.

- **IFRS 19 *Subsidiaries without Public Accountability: Disclosures***

Effective from 1 January 2027, this standard provides reduced disclosure requirements for eligible subsidiaries.

The Group is assessing the applicability of IFRS 19 to certain subsidiaries. However, IFRS 19 will have no impact on the consolidated financial statements.

Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date and tests for impairment when there are indicators that the carrying amounts may not be recovered. When value in use calculations is undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate to calculate the present value of those cash flows. Even though 2024 and 2025 were characterized by a volatile macroeconomic environment, the Group has not identified any indicators of impairment. No impairment losses of non-current assets have thus been recognized in 2025 (2024: No impairment losses).

Pension and other employment benefits

The cost of defined benefit pension plans is determined using actuarial calculations. The actuarial calculations include assumptions about discount rates, future salary increases, and life expectancy. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions (see Note 16).

Deferred income tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management's judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies (see Note 5).

2 Segment information

PolyPeptide generates revenue that is presented in Note 3. Effective as of the start of the current reporting period, for a more concise discussion of business drivers, the Company now has two primary business areas “Commercial revenue” and “Development revenue”.

This revised presentation reflects the distinction between revenue from ongoing commercial supply activities and revenue from early-stage development collaborations.

The chief operating decision maker (i.e., the Executive Committee) reviews revenue generated within each business area but does not review results at this disaggregated level. As a result, the two business areas are not considered two separate operating segments since only revenue information for each area is reviewed by the chief operating decision maker. The Group continues to have one operating segment in accordance with IFRS 8 – *Operating segments*.

The segment disclosures are thus provided in accordance with the requirements applicable for entities that have a single reportable segment.

Revenue from major customers (10% or more of total revenue)

In 2025, revenues of approximately kEUR 56,890 and kEUR 47,980, respectively, were derived from two customers. In 2024, revenues of approximately kEUR 43,900 and kEUR 41,200, respectively, were derived from two customers.

Geographical areas

Shown below are the carrying amounts of non-current assets other than deferred income tax assets and other financial assets, broken down by location of the assets. Related additions to intangible assets and property, plant and equipment (PP&E) during the year and revenues generated from the location of the assets are shown as well.

2025 kEUR	USA	Europe & India	Total
Revenue	98,083	291,244	389,327
Additions to intangible assets and PP&E	4,888	105,090	109,978
Non-current assets, carrying amount	78,553	394,149	472,702
2024 kEUR	USA	Europe & India	Total
Revenue	94,419	242,373	336,792
Additions to intangible assets and PP&E	3,698	84,141	87,839
Non-current assets, carrying amount	96,692	307,315	404,007

3 Revenue and expenses

PolyPeptide generates revenue that can be divided into the two business areas described below:

Revenue by business area

kEUR	2025	2024
Development revenue	153,431	118,148
Commercial revenue	235,896	218,644
Total revenue	389,327	336,792

Development revenue (formerly Custom Projects) business area specializes in the manufacturing of custom research-grade peptides, in milligram, gram or pilot scale quantities, at predefined purity levels for use in pre-clinical and clinical development as well as for regulatory and scientific studies. Development also provides cGMP manufacturing services during the later phases of development. Revenue is allocated to Development for sales of products in the pre-clinical through clinical stage development (i.e., prior to commercial launch) as generally set out in master service agreements and/or the accompanying work / purchase orders.

Commercial revenue (formerly Contract Manufacturing/Generics and Cosmetics) business area manufactures peptides for commercial stage peptide therapeutics, at scale, in commercial batches and in accordance with cGMP requirements. The Group's Commercial services also include consultation for continuous improvement and process stabilization / optimization to support scale-up, process changes to support cost of goods sold enhancement, lifecycle management and extension as well as regulatory support. Revenue is allocated to Commercial where production is related to the commercial supply, as generally set out in master supply agreements and/or the accompanying work / purchase orders. In addition, Commercial also includes manufacturing of peptide-based generics for the human and veterinary market. The business area also includes revenue generated from the sale of peptides used in cosmetics.

Revenue by geographical area

Revenue is attributed to the individual geographical area based on the invoice address of the respective customer.

kEUR	2025	2024
Americas	99,623	89,727
Europe	258,503	208,828
Asia Pacific	30,359	35,612
Others	842	2,625
Total revenue	389,327	336,792

Revenue from contracts with customers

2025 kEUR	API	Related services	Total
Timing of transfer of goods and services			
Point in time	360,118		360,118
Over time		29,209	29,209
Total revenue	360,118	29,209	389,327
2024			
kEUR	API	Related services	Total
Timing of transfer of goods and services			
Point in time	307,752		307,752
Over time		29,040	29,040
Total revenue	307,752	29,040	336,792

Revenues from Active Pharmaceutical Ingredients (API) fully relate to the sale of goods and revenues from related services relate to the rendering of services. All revenues from contracts with customers classify as business-to-business.

Contract assets and contract liabilities

Contract assets

kEUR	2025	2024
Balance as at 1 January	3,761	2,103
Transfer in the period from contract assets to trade receivables	-4,563	-1,986
Transfer of services to customers during the year where the right to payment as at 31 December is conditioned on something other than the passage of time	4,212	3,655
Currency exchange differences	31	-11
Balance as at 31 December	3,441	3,761

Contract liabilities

kEUR	2025	2024
Balance as at 1 January	160,114	66,129
Amounts included in contract liabilities that were recognized as revenue during the period	-62,514	-20,506
Cash received in advance of performance and not recognized as revenue during the period	92,101	110,403
Interest expense from financing components	6,871	4,905
Currency exchange differences	5,451	-817
Balance as at 31 December	202,023	160,114

Contract costs

kEUR	2025	2024
Balance as at 1 January	1,563	-
Asset recognized from costs incurred to fulfil a contract during the period	-	1,563
Balance as at 31 December	1,563	1,563

In 2025, the Group incurred costs of nil in relation to setup activities required in order to satisfy future performance obligations (2024: 1,563). The costs in 2024 (i) directly relate to two contracts with customers, (ii) have generated resources that will be used in satisfying the performance obligations in the contracts, and (iii) are expected to be recovered. Since the nature of the costs incurred is not within the scope of another IFRS standard, the costs incurred have been capitalized as an asset from costs to fulfil a contract in accordance with IFRS 15 – Revenue from Contracts with Customers.

The asset will be amortized in a way that reflects the expected progress towards complete satisfaction of the performance obligations. It is not expected that this will be on a straight-line basis over the terms of the contracts.

Other operating income

kEUR	2025	2024
Research refund	1,218	1,457
Invoiced freight and insurance	270	307
Investment grants	78	75
Sale of intellectual property	1,439	-
Other	-383	139
Total other operating income	2,622	1,978

The research refund relates to a deduction on tax paid due to qualified research in chemistry. The investment grants relate to improving air emission handling, etc. Sale of intellectual property mainly reflects proceeds from the disposal of internally generated know-how that had not previously been capitalized.

Marketing and sales expenses

kEUR	2025	2024
Salaries and employee benefits	-3,029	-2,683
Marketing and promotion costs	-668	-657
Other	-776	-526
Total marketing and sales expenses	-4,473	-3,866

Research expenses

kEUR	2025	2024
Salaries and employee benefits	-1,901	-814
Other	-381	-281
Total research expenses	-2,282	-1,095

General and administrative expenses

kEUR	2025	2024
Salaries and employee benefits	-20,301	-16,538
Other staff expenses	-3,016	-2,341
Depreciation, amortization and impairment loss	-1,390	-2,725
Professional services	-10,257	-7,045
Insurance cost	-2,732	-2,409
IT services	-3,975	-2,519
License fees and royalties	-3,951	-3,607
Other	-5,547	-4,567
Total general and administrative expenses	-51,169	-41,751

Financial income

kEUR	2025	2024
Interest income due from third parties	1,823	586
Other financial income	20	34
Foreign currency exchange gains	-	6,182
Total financial income	1,843	6,802

Financial expenses

kEUR	2025	2024
Interest expenses due to third parties	-10,330	-8,943
Foreign currency exchange losses	-12,273	-
Financing expenses on financing components	-6,871	-4,905
Other financial expenses	-1,115	-3,735
Total financial expenses	-30,589	-17,583

Staff costs

kEUR	2025		2024	
	Indirect	Direct	Indirect	Direct
Salaries and wages	-20,557	-88,230	-15,817	-79,927
Social charges	-4,106	-18,690	-3,341	-16,809
Pension costs	-573	-6,817	-877	-5,805
Total staff cost	-25,236	-113,737	-20,035	-102,541

An amount of kEUR 113,737 (2024: kEUR 102,541) relating to salaries and employee benefits has been included in cost of sales.

The average number of FTEs of the principal departments is as follows:

Average number of employees

	2025	2024
Production	786	722
Marketing and sales	20	18
Research and development	167	168
General and administration	114	103
Quality control	178	161
Quality assurance	130	119
Total	1,395	1,291

Depreciation and amortization included in the income statement

Included in Cost of sales:

kEUR	2025	2024
Depreciation	-33,182	-27,460
Amortization	-2,197	-2,413
Impairment	-1,297	-116
Total	-36,676	-29,989

Included in General and administrative expenses:

kEUR	2025	2024
Depreciation	-1,304	-1,271
Amortization	-85	-85
Impairment	-1	-1,369
Total	-1,390	-2,725

4 Share-based payment

The following equity-settled share-based payment arrangements are recognized in the consolidated financial statements:

Board of Directors

Members of the Board of Directors receive at least half of their fixed fees in shares, with the option to elect 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 are granted at a discount of 20% to market price. The proportion between shares (in excess of 50%) and cash is selected by each Board member upon election at the general meeting and is fixed until the next general meeting. The Board of Directors is compensated on a pro-rata basis for the period of service, even in the case of early termination or removal.

In 2025, the fair value at grant date amounted to kEUR 795 (2024: kEUR 785), reflecting a measurement based on a total number of shares of 51,895 (2024: 25,796) considering a 20% discount for any portion of the fee exceeding 50% of the total board compensation paid in shares. All shares will be fully vested at the general meeting in April 2026. In 2025, a total amount of kEUR 798 (2024: kEUR 802) was recognized as "General and administrative expenses" in the income statement according to the principles of graded vesting in IFRS 2.

Executive Committee and selected key employees

The Board of Directors has adopted a Long-Term Incentive Plan ("LTIP") for Executive Committee members and selected key employees of the Group. Under this share-based incentive program, eligible participants are awarded the contingent right to receive a certain number of shares in the future ("PSU(s)") in the Company, subject to, inter alia, continued employment and achievement of market as well as non-market performance targets. The actual number of PSUs that will eventually vest and be settled in shares depends on revenue, EBITDA, and Total Shareholder Return ("TSR") performance of the Group over a three-year performance period.

- In H1 2024, 30 employees of the Group, including members of the Executive Committee, were granted PSUs in the Company. The total fair value at grant date amounted to kEUR 3,408. The fair value at grant date for the PSUs conditioned on revenue and EBITDA performance (i.e., non-market vesting conditions) amounted to kEUR 2,629, reflecting a measurement based on 81,640 number of PSUs potentially vesting and the share price of PolyPeptide Group AG as of the grant date of EUR 32, adjusted for a value cap of 500% at vesting. The impact of the value cap has been determined based on a Monte-Carlo simulation. The fair value at grant date for the PSUs conditioned on TSR performance amounted to kEUR 779, reflecting a measurement based on 17,499 number of PSUs and a fair value per PSU of EUR 45. The fair value per PSU is determined based on a Monte-Carlo simulation that also incorporates a value cap of 500% at vesting.
- In H2 2024, three employees of the Group were granted PSUs in the Company. The total fair value at grant date amounted to kEUR 38. The fair value at grant date for the PSUs conditioned on revenue and EBITDA performance (i.e., non-market vesting conditions) amounted to kEUR 30, reflecting a measurement based on 1,056 number of PSUs potentially vesting and the share price of PolyPeptide Group AG as of the grant date of EUR 28, adjusted for a value cap of 500% at vesting. The impact of the value cap has been determined based on a Monte-Carlo simulation. The fair value at grant date for the PSUs conditioned on TSR performance amounted to kEUR 8, reflecting a measurement based on 226 number of PSUs and a fair value per PSU of EUR 38. The fair value per PSU is determined based on a Monte-Carlo simulation that also incorporates a value cap of 500% at vesting.

- In H1 2025, 41 employees of the Group, including members of the Executive Committee, were granted PSUs in the Company. The total fair value at grant date amounted to kEUR 3,557. The fair value at grant date for the PSUs conditioned on revenue and EBITDA performance (i.e., non-market vesting conditions) amounted to kEUR 3,203, reflecting a measurement based on 154,364 number of PSUs potentially vesting and the share price of PolyPeptide Group AG as of the grant date of EUR 21, adjusted for a value cap of 500% at vesting. The impact of the value cap has been determined based on a Monte-Carlo simulation. The fair value at grant date for the PSUs conditioned on TSR performance amounted to kEUR 354, reflecting a measurement based on 33,076 number of PSUs and a fair value per PSU of EUR 11. The fair value per PSU is determined based on a Monte-Carlo simulation that also incorporates a value cap of 500% at vesting.
- In H2 2025, one employee of the Group joined the Long-Term Incentive Plan and was granted PSUs in the Company. The total fair value at grant date amounted to kEUR 101. The fair value at grant date for the PSUs conditioned on revenue and EBITDA performance (i.e., non-market vesting conditions) amounted to kEUR 85, reflecting a measurement based on 3,602 PSUs potentially vesting and the share price of PolyPeptide Group AG as of the grant date of EUR 24, adjusted for a value cap of 500% at vesting. The impact of the value cap has been determined based on a Monte-Carlo simulation. The fair value at grant date for the PSUs conditioned on TSR performance amounted to kEUR 16, reflecting a measurement based on 772 PSUs and a fair value per PSU of EUR 20. The fair value per PSU is determined based on a Monte-Carlo simulation that also incorporates a value cap of 500% at vesting. During H2 2025, 1,235 PSUs granted to two participants were forfeited due to termination of employment prior to vesting. In accordance with IFRS 2, the related share-based payment expense recognized in prior periods was reversed, and no further expense is recognized in respect of these forfeited awards.

The participants are compensated for missed dividend payments during the vesting period if the PSUs vest. As a result, expected dividends during the vesting period have not impacted the fair value measurements of the grant.

An expense of kEUR 1,223 (2024: kEUR 512) has been recognized in 2025 as "General and administrative expenses" in the income statement relating to these grants.

Chief Executive Officer

The CEO of the Group, Juan Jose Gonzalez, is participating in the share-based incentive program described above. In addition to these, he was also granted PSUs on 6 September 2023 ("2023 CEO Grant"). The vesting of the PSUs for the 2023 CEO Grant depends on RONOA and EPS performance of the Group over a three-year performance period.

In accordance with IFRS 2, the maximum number of shares potentially vesting was used for the determination of the fair value of the grant. As a result, the fair value at grant date amounted to kEUR 1,135, reflecting a measurement based on 51,060 number of PSUs and the share price of PolyPeptide Group AG as of the grant date of EUR 23. The vesting period ends 10 trading days after the shareholders approve the 2025 audited consolidated financial statements.

The participant is compensated for missed dividend payments during the vesting period if the PSUs vest. As a result, expected dividends during the vesting period have not impacted the fair value measurement of the grant.

In 2025, no expense has been recognized in the income statement since it is expected that no PSUs from the 2023 CEO Grant will eventually vest. In H1 2024, an amount of kEUR 146 was recognized as "General and administrative expenses" in the income statement. This amount has been reversed in H2 2024.

5 Taxation

Taxation includes local and foreign taxation. Major components of the tax expense were:

kEUR	2025	2024
Consolidated income statement		
Current income tax charge	-3,640	-1,139
Deferred income tax charge	2,528	-280
Total income tax charge	-1,112	-1,419
Consolidated statement of comprehensive income		
Income tax directly charged to comprehensive income	-927	1,392
Total income tax charge (credit)	-927	1,392

Amounts recorded in the consolidated statement of comprehensive income related to deferred income taxes on actuarial gains and losses on defined benefit plans as a result of IAS 19.

A reconciliation of the income tax charge applicable to profit from operating activities before income tax at the Swiss statutory income tax rate to income tax expense at the Company's effective income tax rate for the years ended 31 December was as follows:

kEUR	2025	2024
Result before income taxes	-20,057	-18,145
At Swiss statutory income tax rate of 11.8 %	2,368	2,142
Different income tax rates of other countries	450	2,904
Non-deductible expenses and non-taxable income	844	-737
Non-capitalized tax losses	-9,077	-7,986
R&D tax credits	3,733	3,640
Effect of change in tax rates	80	-239
Adjustments in respect of current income tax of previous year	490	-1,143
At an effective income tax rate of -5.5% (2024: -7.8%)	-1,112	-1,419

The effective tax rate for 2025 is -5.5% (2024: -7.8%). The Group has recorded a limited tax expense, despite the loss before tax. This low tax expense is mainly due to non-capitalized tax assets, partly offset by R&D tax credits incurred in the US group entities in 2025.

Non-capitalized tax losses are also related to further build-up of tax losses in Polypeptide Group AG, due to the current year loss making position. A deferred tax asset has not been recognized for the tax losses due to uncertainty on whether the tax losses will be utilized before expiry (tax losses in Switzerland expire after seven years).

Income from R&D tax credits is related to US R&D tax credits. This income is subsequently reversed through the impairment of the US deferred tax assets.

The deferred tax assets include an amount of kEUR 2,682 (2024: kEUR 2,757) relating to US R&D tax credits that have been claimed, but for which uncertainty exists on whether these will be sustained by the US tax authorities.

kEUR	2025	2024
Differences in carrying amount and fiscal valuation of assets and liabilities	7,169	5,872
Capitalized tax losses carried forward	12,137	11,748
Total deferred income tax assets	19,306	17,620

The deferred tax assets for losses carried forward relate to tax losses of PolyPeptide Laboratories Holding (PPL) AB (Sweden) and PolyPeptide Laboratories France S.A.S. (France) and PolyPeptide A/S (Denmark). The tax losses are expected to be offset against future taxable profits which are expected to be realized within the foreseeable future.

The valuation of deferred tax assets for losses carried forward are based on management approved medium-term budgets. Tax losses are expected to be utilized within five years.

The net deferred tax asset compose of temporary differences, mainly related to intangible assets, inventory, pension liabilities, deferred tax deduction of book expenses as well as unutilized R&D tax credits in PolyPeptide Laboratories Inc. (USA), including accounting for uncertainty on whether this can be sustained by US tax authorities.

The Group has unrecognized tax loss carry forwards available for losses incurred in various countries approximating mEUR 36.6 (2024: mEUR 1,155), of which mEUR 19.1 (2024: mEUR 10.2) has no expiration date and mEUR 17.5 will expire between 2028 and 2032. No deferred income tax asset has been recognized due to uncertainty with respect to available taxable profits in the future for these tax jurisdictions and the limitations imposed in tax legislation in order to utilize the tax losses.

The significant decrease in unrecognized deferred tax losses is caused by PolyPeptide Group AG's reassessment of the valuation approach for its investment in PolyPeptide Laboratories Holding (PPL) AB in accordance with the Swiss Code of Obligations. Management determined that the quoted market price of PolyPeptide Group AG no longer provided the most appropriate basis for estimating the recoverable amount of the investment. The recoverable amount is now determined with reference to the consolidated IFRS net-equity value of PolyPeptide Laboratories Holding (PPL) AB and its subsidiaries, which is considered a more reliable indicator under the current circumstances. The change in the valuation approach and the associated tax treatment has been confirmed by the respective tax authority. Consequently, the tax losses incurred because of the impairment of the investment no longer exist, but have been replaced by a temporary difference related to the tax value of the investment.

No deferred tax asset has been recognized for the temporary difference of mEUR 1,894, as PolyPeptide Group AG does not yet meet the probability threshold for having sufficiently reliable evidence that future taxable profits will be available to utilize the temporary difference.

The effect of this accumulated tax deduction and corresponding valuation allowance on the deferred tax asset has been reported through equity. As no net deferred tax asset is recognized for the tax loss generated by this tax deduction, there is no net tax effect reported in equity.

Deferred income tax liabilities as at 31 December relate to the following:

kEUR	2025	2024
Differences in carrying amount and fiscal valuation of assets and liabilities	3,894	3,205
Total deferred income tax liabilities	3,894	3,205

Differences in the carrying amount and tax values of assets and liabilities mainly relate to differences in valuation of Land & Buildings and Machinery & Equipment.

The deferred income tax charge relates to the following:

kEUR	2025	2024
Movement in deferred tax assets	1,686	931
Movement in deferred tax liability	-689	439
Translation differences	604	-258
Total deferred income tax charge	1,601	1,112

kEUR	2025	2024
Deferred tax charge in income statement	2,528	-280
Deferred tax (credit) / charge in statement of comprehensive income	-927	1,392
Total deferred income tax charge	1,601	1,112

Translation differences mainly relate to Swedish Krona and United States Dollar.

6 Shareholders' equity

Share capital

There have been no changes to the share capital of the parent company of the Group, PolyPeptide Group AG, during 2025. As a result, the share capital of PolyPeptide Group AG comprised 33,125,001 registered shares with a nominal value of CHF 0.01 each as at 31 December 2025.

All shares are fully paid-up.

Treasury shares

	Number of shares	Average purchase/ transfer price (EUR)	% of number of shares in share capital
Own shares as at 1 January 2025	128,505		0.4%
Purchase	25,455	19	0.1%
Transfer	-35,524	68	-0.1%
Own shares as at 31 December 2025	118,436		0.4%
Own shares as at 1 January 2024	155,494		0.5%
Purchase	–	–	–
Transfer	-26,989	74	-0.1%
Own shares as at 31 December 2024	128,505		0.4%

Cash distribution

No cash distribution was made in 2025 (2024: no cash distribution).

7 Earnings per share

KEUR	2025	2024
Result for the year attributable to shareholders of PolyPeptide Group AG	-21,169	-19,564
Weighted average number of shares ('000)	33,125	33,125
Weighted average number of own shares ('000)	130	145
Weighted average number of outstanding shares ('000)	32,995	32,980
Dilution effect of share-based payment ('000)	34	20
Weighted average number of diluted shares ('000)	33,029	33,000
Earnings per share (EPS), basic	-0.64	-0.59
Earnings per share (EPS), diluted	-0.64	-0.59

Basic earnings per share has been calculated by dividing the result for the year attributable to the owners of PolyPeptide Group AG by the weighted average number of shares outstanding during the year. Treasury shares are not considered as outstanding shares.

Diluted earnings per share is calculated by dividing the result for the year attributable to the owners of PolyPeptide Group AG by the weighted average number of shares outstanding adjusted for all potentially dilutive shares. Dilutive shares arise from the share-based payment described in Note 4.

8 Intangible assets

The Group's intangible assets only consist of software.

kEUR	Software
Acquisition value	
Balance as at 1 January 2025	30,980
Additions	1,172
Disposals	-269
Currency exchange differences	-69
Balance as at 31 December 2025	31,814
Accumulated amortization and impairment losses	
Balance as at 1 January 2025	-15,962
Amortization	-2,282
Disposals	269
Currency exchange differences	69
Balance as at 31 December 2025	-17,906
Carrying value as at 31 December 2025	13,908

kEUR	Software
Acquisition value	
Balance as at 1 January 2024	29,884
Additions	1,062
Disposals	-
Currency exchange differences	34
Balance as at 31 December 2024	30,980
Accumulated amortization and impairment losses	
Balance as at 1 January 2024	-13,430
Amortization	-2,498
Disposals	-
Currency exchange differences	-34
Balance as at 31 December 2024	-15,962
Carrying value as at 31 December 2024	15,018

As at 31 December 2025, the carrying amount of software includes an amount of EUR 7.8 million (2024: EUR 7.1 million) that is still under construction. This software will be taken into use in subsequent periods and hence no amortization has been recognized for this software yet.

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. If any indicators of impairment have been identified, the Group calculates the amount of impairment as the difference between the recoverable amount of the asset and its carrying value and recognizes the impairment loss in the income statement. The Group has not identified any indicators of impairment during the year.

9 Property, plant and equipment

kEUR	Land & Buildings	Machinery & Equipment	Assets under construction	Total
Acquisition value				
Balance as at 1 January 2025	147,365	319,814	88,425	555,604
Additions	231	878	107,697	108,806
Disposals	-99	-4,503	-	-4,602
Transfers	3,865	51,923	-55,788	-
Currency exchange differences	-9,037	-5,025	1,048	-13,014
Balance as at 31 December 2025	142,325	363,087	141,382	646,794
Accumulated depreciation and impairment losses				
Balance as at 1 January 2025	-59,144	-131,919	-	-191,063
Depreciation	-6,748	-22,879	-	-29,627
Impairment losses	-	-1,298	-	-1,298
Disposals	89	3,926	-	4,015
Currency exchange differences	3,814	4,614	-	8,428
Balance as at 31 December 2025	-61,989	-147,556	-	-209,545
Carrying value as at 31 December 2025	80,336	215,531	141,382	437,249

kEUR	Land & Buildings	Machinery & Equipment	Assets under construction	Total
Acquisition value				
Balance as at 1 January 2024	129,943	243,991	91,168	465,102
Additions	30	1,444	85,303	86,777
Disposals	-	-1,165	-1,485	-2,650
Transfers	13,088	73,541	-86,565	64
Currency exchange differences	4,304	2,003	4	6,311
Balance as at 31 December 2024	147,365	319,814	88,425	555,604
Accumulated depreciation and impairment losses				
Balance as at 1 January 2024	-50,877	-113,643	-	-164,520
Depreciation	-6,642	-17,588	-	-24,230
Impairment losses	-	-	-1,485	-1,485
Disposals	-	1,163	1,485	2,648
Transfers	-	-15	-	-15
Currency exchange differences	-1,625	-1,836	-	-3,461
Balance as at 31 December 2024	-59,144	-131,919	-	-191,063
Carrying value as at 31 December 2024	88,221	187,895	88,425	364,541

In 2024, the Group decided to exercise a purchase option of a right-of-use asset. As a result, the asset was reclassified from right-of-use assets to property, plant and equipment. This is reflected in the table above by the net transfer of kEUR 64 (acquisition value) and kEUR 15 (accumulated depreciation), respectively.

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. If any indicators of impairment have been identified, the Group calculates the amount of impairment as the difference between the recoverable amount of the asset and its carrying value and recognizes the impairment loss in the income statement.

During 2025, the Group determined that certain machinery within the production facility was no longer in use and has no expected future economic benefit. As a result, the carrying amount of these assets was reviewed and written down to their recoverable amount. An impairment loss of kEUR 1,298 was recognized in the year.

During 2024, the Group decided to discontinue the development of certain assets under construction. As a result, an impairment loss of kEUR 1,486 was recognized, reflecting a recoverable amount of nil after the impairment.

The amount of borrowing costs capitalized during the year was kEUR 2,199 (2024: nil).

As at 31 December 2025, the carrying amount of Land & Buildings includes an amount of approximately kEUR 6,000 (2024: kEUR 6,300) for which the legal ownership is no longer with the Group due to the transaction with Monedula AB, as further disclosed in Note 18.

10 Leases

Set out below are the carrying amounts of right-of-use assets recognized in the statement of financial position and the movements during the year:

kEUR	Buildings	Cars	Other equipment	Total
Cost of right-of-use assets				
Balance as at 1 January 2025	25,397	5,034	8,421	38,852
Additions	2,010	1,246	30	3,286
Remeasurements	74	-75	160	159
Disposals	-	-691	-479	-1,170
Transfer to tangible assets (see Note 9)	-	-	-	-
Currency exchange differences	-2,145	17	-149	-2,277
Balance as at 31 December 2025	25,336	5,531	7,983	38,850
Accumulated depreciation				
Balance as at 1 January 2025	-9,031	-2,198	-3,175	-14,404
Depreciation	-2,617	-1,279	-963	-4,859
Disposals	-	669	469	1,138
Transfer to tangible assets (see Note 9)	-	-	-	-
Currency exchange differences	781	-7	46	820
Balance as at 31 December 2025	-10,867	-2,815	-3,623	-17,305
Carrying value as at 31 December 2025	14,469	2,716	4,360	21,545

kEUR	Buildings	Cars	Other equipment	Total
Cost of right-of-use assets				
Balance as at 1 January 2024	21,600	4,235	8,357	34,192
Additions	1,822	1,478	466	3,766
Remeasurements	1,000	-1	13	1,012
Disposals	-156	-667	-409	-1,232
Transfer to tangible assets (see Note 9)	-	-	-64	-64
Currency exchange differences	1,131	-11	58	1,178
Balance as at 31 December 2024	25,397	5,034	8,421	38,852
Accumulated depreciation				
Balance as at 1 January 2024	-6,520	-1,673	-2,476	-10,669
Depreciation	-2,294	-1,158	-1,049	-4,501
Disposals	142	629	346	1,117
Transfer to tangible assets (see Note 9)	-	-	15	15
Currency exchange differences	-359	4	-11	-366
Balance as at 31 December 2024	-9,031	-2,198	-3,175	-14,404
Carrying value as at 31 December 2024	16,366	2,836	5,246	24,448

Set out below are the carrying amounts of the lease liabilities recognized in the statement of financial position and the movements during the year:

kEUR	Buildings	Cars	Other equipment	Total
Lease liabilities				
Balance as at 1 January 2025	16,914	2,887	4,254	24,055
Additions	2,010	1,181	30	3,221
Interest expenses	441	78	83	602
Remeasurements	73	2	83	158
Lease payments	-2,852	-1,379	-1,322	-5,553
Currency exchange differences	-1,424	13	-85	-1,496
Balance as at 31 December 2025	15,162	2,782	3,043	20,987
Lease liabilities				
Balance as at 1 January 2024	15,542	2,593	5,187	23,322
Additions	1,674	1,460	402	3,536
Interest expenses	470	78	127	675
Remeasurements	985	-15	13	983
Lease payments	-2,560	-1,222	-1,518	-5,300
Currency exchange differences	803	-7	43	839
Carrying value as at 31 December 2024	16,914	2,887	4,254	24,055

The maturity of the total undiscounted lease liability as at 31 December is disclosed in Note 23.

The following amounts are recognized in the income statement:

kEUR	2025	2024
Depreciation expense of right-of-use assets	4,859	4,501
Interest expense on lease liabilities	602	675
Variable lease payments not included in the lease liabilities	–	49
Short-term leases (included in G&A expenses)	590	1,153
Leases of low-value assets (included in G&A expenses)	3,264	367
Total amount recognized in the income statement	9,315	6,745

The Group had total cash outflows for leases of kEUR 9,407 in 2025 (2024: kEUR 6,869).

The total lease liability of the Group mainly relates to leases of buildings in Torrance, California, USA. The remaining lease liability largely consists of machinery and company cars in various Group companies, primarily having fixed monthly lease payments.

11 Investments in subsidiaries

The consolidated financial statements include the financial statements of the Company and the subsidiaries listed below. Details of investments in subsidiaries as at 31 December are as follows:

Name	Location	Percentage of ownership	
		2025	2024
Polypeptide Laboratories Holding (PPL) AB	Limhamn, Sweden	100%	100%
Polypeptide Laboratories (Sweden) AB	Limhamn, Sweden	100%	100%
PolyPeptide SA	Braine-l'Alleud, Belgium	100%	100%
PolyPeptide Laboratories France S.A.S.	Strasbourg, France	100%	100%
PolyPeptide Laboratories Inc.	Torrance, CA, USA	100%	100%
PolyPeptide Laboratories San Diego, LLC ¹	San Diego, CA, USA	100%	100%
PolyPeptide Laboratories Pvt. Ltd.	Ambarnath (East), India	100%	100%
PolyPeptide Laboratories A/S ²	Hillerød, Denmark	100%	100%

¹ PolyPeptide Laboratories San Diego, LLC is a wholly owned subsidiary of PolyPeptide Laboratories Inc.

² PolyPeptide Laboratories A/S is a dormant company.

Percentage of voting shares is equal to percentage of ownership.

12 Inventories

kEUR	2025	2024
Raw materials and supplies	73,426	80,143
Work in progress	69,174	45,215
Finished goods	11,646	20,993
Balance as at 31 December	154,246	146,351

Raw materials that are expired or that are no longer used in production, and finished goods for which no future sales are expected, are fully written down at the balance sheet date. Finished goods that are expected to be sold after retesting are written down for the expected loss during this retesting. The estimated loss is approximately 10% of the original weight of the batch.

Costs of inventories recognized in cost of sales in the income statement during the financial year amounted to kEUR 141,615 (2024: kEUR 132,771).

Provisions for obsolete stock amounted to kEUR 55,030 as at 31 December 2025 (2024: kEUR 51,282). Inventory write downs recognized in cost of sales in the income statement during the financial year 2025 amounts to kEUR 23,069, mainly due to inventory write-downs in Belgium and USA (2024: kEUR 13,636, mainly due to inventory write-downs in Belgium).

13 Trade receivables

kEUR	2025	2024
Trade receivables	60,864	82,499
Balance as at 31 December	60,864	82,499

Trade receivables are non-interest bearing and are generally on 30–90 day terms.

The Group has entered into a non-recourse factoring agreement with a bank for a few selected customers. The arrangement is non-recourse between the Group and the bank where all risks and rewards of ownership of receivables are fully transferred to the bank, and where the Group does not provide any guarantee about the receivables' performance. As a result, PolyPeptide has no continuing involvement in the transferred receivables.

When the receivable is derecognized, the difference between the carrying amount of the receivable and the consideration received from the bank is recognized as a financial expense in the income statement.

In 2025, consideration received from the bank as part of the non-recourse factoring agreement amounted to kEUR 95,212 (2024: kEUR 50,551) which resulted in a related financial expense of kEUR 579 (2024: kEUR 388).

The aging analysis of trade receivables is as follows:

kEUR	Total	< 30 days	30-60 days	60-90 days	90-120 days	> 120 days
31 December 2025	60,864	55,574	3,575	1,308	10	397
31 December 2024	82,499	70,004	11,183	786	66	460

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

A significant part of the outstanding accounts receivable balance relates to large reputable pharmaceutical companies with no known history of write-offs. The expected credit loss for these large pharmaceutical companies is estimated at

nil. For smaller outstanding debtors, the expected loss rates are based on the Group's historical credit losses experienced over a three-year period prior to the end of the reporting period. These historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers.

Movements in the bad debt allowance for trade receivables are as follows:

kEUR	2025	2024
Balance as at 1 January	622	279
Increase in bad debt allowance	131	572
Receivable written-off during the year as uncollectible	-387	-197
Unused amounts reversed	-	-37
Currency exchange difference	-39	5
Balance as at 31 December	327	622

14 Other current assets

kEUR	2025	2024
Prepaid expenses	5,761	5,994
VAT receivable	12,717	13,173
Withholding tax receivable	1,074	-
Other	2,246	144
Balance as at 31 December	21,798	19,311

"Other" mainly comprises advance payments to suppliers.

15 Cash and cash equivalents

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents comprise the following as at 31 December of each year:

kEUR	2025	2024
Cash and cash equivalents	74,589	68,277
Balance as at 31 December	74,589	68,277

Changes in liabilities arising from financing activities for the years were as follows:

kEUR	Non-current interest- bearing loans and borrowings	Current interest- bearing loans and borrowings	Non-current other financial liabilities	Lease liabilities	Current other financial liabilities
Balance as at 1 January 2025	39,420	30,642	9,508	24,055	1,266
Cash flows	46,442	-11,568	–	-5,553	-1,266
Non-cash flows					
New lease liabilities	–	–	–	3,221	–
Remeasurements	–	–	170	158	–
Accrued interest	4,095	1,322	588	602	–
Transfer from current to non-current	20,000	-20,000	-1,361	–	1,361
Currency exchange differences	-923	148	530	-1,496	–
Balance as at 31 December 2025	109,034	544	9,435	20,987	1,361

kEUR	Non-current interest bearing loans and borrowings	Current interest- bearing loans and borrowings	Non-current other financial liabilities	Lease liabilities	Current other financial liabilities
Balance as at 1 January 2024	49,087	41,253	9,893	23,322	1,227
Cash flows	-13,154	-13,551	–	-5,300	-1,227
Non-cash flows					
New lease liabilities	–	–	–	3,536	–
Remeasurements	–	–	714	983	–
Accrued interest	3,487	2,940	604	675	–
Transfer from non-current to current	–	–	-1,266	–	1,266
Currency exchange differences	–	–	-437	839	–
Balance as at 31 December 2024	39,420	30,642	9,508	24,055	1,266

16 Pensions

The Group participates in local pension plans in the countries in which it operates. The pension plans are either structured as defined contribution plans or defined benefit plans:

- Defined contribution plans, where the Group is only obliged to pay a pension premium to a fund or insurance company on behalf of the employee. Contributions to defined contribution pension schemes are recognized as incurred in the consolidated income statement.
- Defined benefit plans, where the Group is obliged to provide pension benefits related to services rendered based on final salary levels. The obligation arising from the defined benefit plans is recognized as a net defined benefit obligation in the statement of financial position. This plan is used in Sweden, France, Belgium, India and Switzerland.

The majority of the total net defined benefit obligation recognized in the consolidated financial statements relates to the entities in Sweden and Belgium. For each of the defined benefit plans, no trust is established, and the full liability is recorded in the statement of financial position with compulsory insurance coverage.

The Swedish net defined benefit obligation is calculated by a third-party institution, the Pension Registration Institute (PRI). PRI also administrates the pension payments to employees, which are subsequently charged to the company.

The Belgian fund is outsourced to an insurance company called AXA Insurance. All funds requested to cover the year are called by and paid to the insurance company. The net defined benefit obligation is calculated by a third-party institution, Willis Towers Watson.

The movement in the net defined benefit obligation is shown on the following pages.

kEUR	Present value of obligation	Fair value of plan assets	Net defined benefit obligation
Balance as at 1 January 2025	55,366	-23,233	32,133
Amounts recognized in the income statement			
Current service cost	3,038	–	3,038
Past service cost	–	–	–
Interest expense (+) / income (-)	1,773	-757	1,016
Total amount recognized in the income statement	4,811	-757	4,054
Remeasurements recognized in other comprehensive income			
Return on plan assets, excluding amounts included in interest (income)	–	155	155
Actuarial gain (-) or loss (+) from changes in demographic assumptions	-319	–	-319
Actuarial gain (-) or loss (+) from changes in financial assumptions	-1,191	–	-1,191
Actuarial gain (-) or loss (+) from changes in experience	-2,890	–	-2,890
Change in asset ceiling, excluding amounts included in interest expense	–	–	–
Total amount recognized in other comprehensive income	-4,400	155	-4,245
Exchange differences	1,047	55	1,102
Contributions:			
By employer	-323	-2,300	-2,623
By plan participants	318	-890	-572
Payments from plan:			
Benefit payments	67	-67	–
Settlements	–	–	–
Balance as at 31 December 2025	56,886	-27,037	29,849

There was no impact of minimum funding requirements or asset ceiling on the net defined benefit obligation in 2025.

kEUR	Present value of obligation	Fair value of plan assets	Net defined benefit obligation
Balance as at 1 January 2024	44,123	-19,012	25,111
Amounts recognized in the income statement			
Current service cost	2,510	–	2,510
Past service cost	–	–	–
Interest expense (+) / income (-)	1,748	-806	942
Total amount recognized in the income statement	4,258	-806	3,452
Remeasurements recognized in other comprehensive income			
Return on plan assets, excluding amounts included in interest (income)	–	-6	-6
Actuarial gain (-) or loss (+) from changes in financial assumptions	5,687	–	5,687
Actuarial gain (-) or loss (+) from changes in experience	809	–	809
Change in asset ceiling, excluding amounts included in interest expense	–	–	–
Total amount recognized in other comprehensive income	6,496	-6	6,490
Exchange differences	-518	9	-509
Contributions:			
By employer	-277	-2,134	-2,411
By plan participants	230	-230	–
Payments from plan:			
Benefit payments	1,054	-1,054	–
Settlements	–	–	–
Balance as at 31 December 2024	55,366	-23,233	32,133

There was no impact of minimum funding requirements or asset ceiling on the net defined benefit obligation in 2024.

Pension expenses reflected in the income statement

kEUR	2025	2024
Current service costs	3,038	2,510
Net interest costs	1,016	942
Defined benefit costs	4,054	3,452
Defined contribution costs	3,336	3,230
Total pension expenses	7,390	6,682

Weighted average principal assumptions used in determining the present value of the defined benefit obligation

kEUR	2025	2024
Discount rate (%)	3.60%	3.15%
Future salary increases (%)	3.08%	3.34%
Remaining life expectancy at the time of retirement (years):		
Male	22.4	22.1
Female	25.3	25.1

Sensitivity to changes in assumptions

Changes in the assumptions will impact the defined benefit pension obligation as at 31 December as follows:

kEUR	2025		2024	
	Increase	Decrease	Increase	Decrease
Discount rate (+/- 0.5%)	-3,679	4,447	-4,043	4,652
Future salary increases (+/- 0.5%)	2,395	-2,104	2,318	-2,066
Life expectancy (+/- 1 year)	915	-936	796	-1,149

Expected contributions to the plan for next annual reporting period

The Group expects to pay kEUR 3,889 in contributions to defined benefit plans in 2026 (2025: kEUR 3,605).

Weighted average duration

The weighted average duration of the defined benefit obligation is 14.51 years (2024: 15.5 years).

17 Provisions

kEUR	2025	2024
Provision for restoration costs	2,360	1,746
Provision for litigation	–	147
Other provisions	425	49
Balance as at 31 December	2,785	1,942

The provision for restoration costs relates to the requirement to return leased properties of the Torrance facility into the conditions required by the terms and conditions of the lease agreements and depollution activities for other sites.

In 2024, the provision for litigation relates to labor law claims from former employees.

Movement of the provision for the years was as follows:

kEUR	2025	2024
Balance as at 1 January	1,942	1,649
Utilization	-147	-27
Additions through profit or loss	1,178	248
Reversals through profit or loss	–	-26
Currency exchange differences	-188	98
Balance as at 31 December	2,785	1,942

18 Other financial liabilities

kEUR	2025	2024
Financial liability to Monedula AB	10,796	10,774
Total other financial liabilities as at 31 December	10,796	10,774
Non-current other financial liabilities	9,435	9,508
Current other financial liabilities	1,361	1,266
Total other financial liabilities as at 31 December	10,796	10,774

Financial liability to Monedula AB

In December 2019, PolyPeptide Laboratories (Sweden) AB sold all its shares in PolyPeptide Fastighets AB to related party Draupnir Holding B.V. PolyPeptide Fastighets AB was subsequently renamed into Monedula AB.

Monedula AB is the owner of the premises that are leased by PolyPeptide Laboratories (Sweden) AB. At transaction date, PolyPeptide Laboratories (Sweden) AB and Monedula AB extended the existing lease agreement to 31 December 2035.

Although the legal ownership of the premises was transferred to the buyer, management concluded that the transfer of the premises did not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset. Therefore, the carrying value of the premises as at the transaction date remained in the consolidated statement of financial position of the Group.

The consideration received for the premises in the amount of SEK 124.8 million (kEUR 11,997) was recognized as a financial liability and accounted for in accordance with IFRS 9 as prescribed in IFRS 16.103(a).

The financial liability is currently measured at amortized cost using an effective interest rate of 5.57% (2024: 5.57%). The financial liability matures on 31 December 2035 and will be settled with future lease terms payable to Monedula AB. The total carrying value of the liability as at 31 December 2025 amounts to SEK 116.8 million (kEUR 10,796), of which SEK 14.7 million (kEUR 1,361) is presented as a current financial liability. The total carrying value of the liability as at 31 December 2024 amounted to SEK 123.5 million (kEUR 10,774), of which SEK 14.5 million (kEUR 1,266) was presented as a current financial liability.

The lease payments change each year based on changes in a consumer price index. When the adjustment to the lease payments takes effect, the financial liability is remeasured to reflect the new net present value of the future lease payments.

19 Interest-bearing loans and borrowings

As at the reporting date, the Company had in place a revolving credit facility agreement provided by UBS Switzerland AG, Zürcher Kantonalbank and Danske Bank (the "RCF"). During 2025, the Company amended and restated the RCF, increasing the capital commitments from EUR 111 million to EUR 151 million and extending the term to March 2028.

The RCF agreement includes a financial covenant. For each period of twelve months ending on 30 June or 31 December in any year, the Group must comply with a predetermined financial ratio that is based on debt and earnings.

One of the lenders participating in the RCF has issued a bank guarantee in the amount of EUR 10 million in favor of one of the Group's customers in relation to amounts received for (i) manufacturing capacity reservations and (ii) raw material prepayments. The amount of the bank guarantee has reduced the available drawings under the RCF accordingly.

The interest rate on the RCF amounted to EURIBOR plus an average margin of 2.95% in 2025 per annum. In H1 2025, the margin was 2.60% per annum and in H2 2025, the margin was 3.15% per annum (H1 2024: 3.40% per annum and H2 2024: 2.45%). As at 31 December 2025, an amount of kEUR 90,000 was drawn from the RCF (31 December 2024: kEUR 40,000).

As at the reporting date, the Company also had in place a subordinated credit facility with its main shareholder, Draupnir Holding B.V., in the amount of EUR 20 million, which was fully drawn as at 31 December 2025 (31 December 2024: kEUR 30,000) (the "Draupnir Facility"). During 2025, the Company amended and restated the Draupnir Facility extending the term to May 2027. The interest rate on the Draupnir Facility amounts to three-month EURIBOR plus a margin between 3.25% and 3.95% (2024: 3.25% and 4.20%) per annum on the amounts drawn.

As at 31 December 2025, an amount of kEUR 1,200 was granted by ING Bank (31 December 2024: kEUR 1,200), of which nil was drawn (31 December 2024: nil). In 2025 and 2024, the interest rate on the ING Bank credit facility amounted to 1-month EURIBOR plus a margin of 1.2% on the amounts drawn, and a facility fee of 0.30% on the total facility amount.

20 Trade payables and other current liabilities

kEUR	2025	2024
Trade payables	74,308	73,256
Total trade payables	74,308	73,256
Taxes and social securities	12,056	7,694
Accrued expenses	16,168	14,848
Other	1,337	893
Total other current liabilities	29,561	23,435

Trade payables and other current liabilities are non-interest-bearing.

21 Contingent liabilities and guarantees

Limited partnership investment

In November 2021, the Group entered into a limited partnership agreement with a commitment to invest a maximum amount of kUSD 30,000. Two capital calls were made during 2025, where the Group invested a total of kUSD 3,600 in addition to investments made in prior years. The investments are recognized as "Other financial assets" in the consolidated statement of financial position and measured at fair value through profit or loss.

As at 31 December 2025, the Group thus has remaining a contingent liability of kUSD 17,400 (kEUR 14,809) (2024: kUSD 21,000 and kEUR 20,215).

If the general partner of the limited partnership makes an additional capital call, the Group would be obliged to pay the amount within ten business days.

Guarantee pension fund

All members of the PRI Pensionsgaranti, the issuer of the defined benefit plan in Sweden, are subject to a mutual liability. This liability would only be invoked in the event that PRI Pensionsgaranti has consumed all its assets. The mutual liability of the Group is limited to a maximum of 2% of the Group's individual pension liability with PRI Pensionsgaranti. As such, the Group has a contingent liability of kEUR 325 as at 31 December 2025 (2024: kEUR 288), for which it has issued a guarantee to PRI Pensionsgaranti.

Belgian labor authorities– settlement concluded

The Belgian labor authorities (Service Public Fédéral – Emploi, Travail et Concertation Sociale) conducted a partial audit of the PolyPeptide site in Braine-l'Alleud in July 2023. In 2024, the Group disclosed that the audit report identified several potential findings and that the outcome was uncertain. At that time, in accordance with IAS 37.25–26, no provision was recognized because a reliable estimate of the potential outflow could not be made due to the wide range of possible outcomes.

During 2025, settlement agreements with the affected employees were signed. The related court case initiated by the Belgian labor authorities was formally closed in February 2026, following PolyPeptide's acceptance of a settlement proposal amounting to kEUR 19. All legal and administrative procedures have been completed and the matter is now considered closed.

22 Related parties

The following transactions have been entered into with related parties:

2025 kEUR	Income from related parties	Purchases from related parties	Amounts due from related parties	Amounts due to related parties
Thalamus AB	–	-155	–	-605
Ferring Group	36,618	–	586	-327
Monedula AB	34	-1,362	35	-10,796
Nordic Pharma Inc	4	–	–	–
SVAR Life Science AB	62	–	–	–
Nordic Pharma Ltd.	–	–	–	–
Limhamn Kajan 37 AB	–	-17	–	-882

2024 kEUR	Income from related parties	Purchases from related parties	Amounts due from related parties	Amounts due to related parties
Thalamus AB	–	-149	–	-694
Ferring Group	43,939	-466	5,354	–
Monedula AB	114	-1,302	–	-10,774
Nordic Pharma Inc (formerly Amring Pharmaceuticals Inc)	3	–	–	–
SVAR Life Science AB	193	-3	–	–
Nordic Pharma Ltd.	–	-2	–	–
Limhamn Kajan 37 AB	–	-48	–	-586

In addition to the information shown in the table above, PolyPeptide Group AG secured in 2023 a short-term credit facility from its main shareholder, Draupnir Holding B.V. As a result, interest expenses at the amount of kEUR 1,322 have been incurred during the year (2024: kEUR 2,941). As at 31 December 2025, an amount of kEUR 20,000 was drawn from the credit facility (2024: kEUR 30,000) and is accordingly recognized in the consolidated statement of financial position as a non-current liability (see Note 19).

All disclosed related parties are either related through the Esperante Investments S.à r.l. ownership structure or through managerial control. Esperante Investments S.à r.l. is a higher parent company of the majority shareholder Draupnir Holding B.V.

Purchases from and amounts due to Thalamus AB relate to rental of premises.

Income from and amounts due from the Ferring Group relate to sale of goods.

Purchases from Monedula AB relate to the lease of premises. Income from Monedula relate to property management fees and recharged improvements to the premises. Amounts due to Monedula AB relate to the financial liability recognized for the lease of premises as disclosed in Note 18.

Income from SVAR Life Science AB relates to sale of goods.

Purchases from and amounts due to Limhamn Kajan 37 AB relate to rental of premises.

During 2025, no provisions for doubtful debt and no write-offs on receivables from related parties were recognized (2024: nil). No guarantees were given or received in 2025 for any outstanding related party balances (2024: nil).

Transactions with key management personnel

Compensation of key management personnel of the Group:

kEUR	2025	2024
Salaries and short-term benefits	3,808	3,557
Post-employment benefits	287	286
Share-based payment expense	1,654	1,082
Total transactions with key management	5,749	4,925

Reference is made to Note 4 for further details on the share-based payment expense.

Key management personnel are considered all members of the Executive Committee and the Board of Directors.

23 Financial risk management objectives and policies

The Group's principal financial instruments comprise trade receivables, cash and cash equivalents, trade payables, lease liabilities, other financial liabilities and interest-bearing loans and borrowings. The market risk, credit risk and liquidity risk relating to the Group's financial instruments are described below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, interest rate risk and other price risk. Currency risk and interest rate risk are considered most relevant for the Group and are thus described below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is primarily exposed to interest rate risk due to the interest-bearing loans and borrowings described in Note 19 which is used as the basis for the sensitivity analysis below.

The Group does not enter into derivatives to hedge interest rate risks.

The table below shows the effect on the Group's profit before tax if a reasonably possible change in the market interest rate had been applied to the risk exposure in existence at the end of the reporting period. No impact on equity is disclosed because the interest rates on the credit facilities are variable.

	2025	2024
	kEUR	kEUR
Change in interest rates		
Increase :		
+100 basis points	-1,100	-700
Decrease :		
-100 basis points	1,100	700

Since the amounts drawn from the revolving credit facility and the credit facility from Draupnir Holding B.V. (see further details in Note 19) have fluctuated significantly during 2025 and 2024, the Group does not believe that the year-end exposures reflect the exposures during the years. As a result, the sensitivity analysis above is considered unrepresentative for both years.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured.

The Group's exposure to currency risk is primarily related to two significant inter-company balances, an inter-company loan between PolyPeptide Laboratories Holding (PPL) AB (functional currency EUR) and PolyPeptide Laboratories Inc. (functional currency USD) and an inter-company receivable between the parent company, PolyPeptide Group AG (functional currency CHF), and PolyPeptide Laboratories Holding (PPL) AB denominated in Euro (EUR).

As of 1 October 2025, the inter-company loan between PolyPeptide Laboratories Holding (PPL) AB and PolyPeptide Laboratories Inc. was reclassified as part of the parent company's net investment in the subsidiary, as settlement is neither planned nor likely to occur in the foreseeable future. Accordingly, exchange differences arising from the translation of the loan are recognized in other comprehensive income and remain in equity, without subsequent reclassification to profit or loss, unless the net investment is disposed of.

As of 1 December 2024, the inter-company receivable between PolyPeptide Group AG, and PolyPeptide Laboratories Holding (PPL) AB was reclassified as part of the parent company's net investment in the subsidiary, as settlement of the receivable is neither planned nor likely to occur in the foreseeable future. As a result, the monetary item became, in substance, a part of the parent company's net investment in the subsidiary. As of 1 December 2024, exchange differences arising from the translation of the receivable into the functional currency of the parent company are thus initially recognized in other comprehensive income in the consolidated financial statements and reclassified to profit or loss on disposal of the net investment.

At the end of 2025, a reasonably possible change in the foreign exchange rate between CHF and EUR would thus have no impact on the Group's profit or loss and equity.

The Group is also exposed to currency risk from sales and purchases in currencies other than the functional currency of the operating sites. During 2025, the volume of such transactions increased to a level where management considers the exposure to be material in the context of the consolidated financial statements. In response, the Group has initiated an assessment of potential measures to mitigate this risk, including natural hedging strategies and the possible use of derivative instruments. The outcome of this assessment will guide future risk management practices.

In 2025 and 2024, the Group did not enter into derivatives to hedge currency risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counter-parties whose aggregate credit exposure is significant in relation to the Group's total credit exposure.

The Group has no significant credit risks, other than those that have already been allowed for, nor any concentrations of credit with a single customer or in an industry or geographical region that carries an unusually high credit risk.

Credit risks relating to the trade receivables and cash balances are monitored regularly. Clients are assessed according to Group criteria prior to entering into agreements. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets recognized in the consolidated statement of financial position.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk by using a cash flow forecast model. This model considers the timing of expected cash inflows from payments from customers as well as expected cash outflows for inventories, investments, salaries, financial expenses, VAT, taxes, and other operating expenses. The Group uses the cash flow forecast model for reducing the amounts drawn from the credit facilities while still monitoring its liquidity risk.

The table below summarizes the maturity profile of the Group's financial liabilities as at 31 December based on contractual undiscounted payments.

KEUR	Less than 1 year	1-5 years	More than 5 years	Total
Year ended 2025				
Interest-bearing loans and borrowings	-544	-110,000	-	-110,544
Other financial liabilities	-1,395	-5,582	-6,977	-13,954
Lease liabilities	-5,081	-12,519	-4,988	-22,588
Trade payables	-66,808	-7,500	-	-74,308
Other current liabilities	-1,387	-	-	-1,387
Balance as at 31 December 2025	-75,215	-135,601	-11,965	-222,781

KEUR	Less than 1 year	1-5 years	More than 5 years	Total
Year ended 2024				
Interest-bearing loans and borrowings	-30,642	-40,000	-	-70,642
Other financial liabilities	-1,297	-5,190	-8,974	-15,461
Lease liabilities	-5,179	-13,454	-7,519	-26,152
Trade payables	-64,504	-11,250	-	-75,754
Other current liabilities	-2,850	-	-	-2,850
Balance as at 31 December 2024	-104,472	-69,894	-16,493	-190,859

Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern while maintaining sound capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and adjusts it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using shareholder equity ratio, which is the total shareholder equity divided by total equity and liabilities, based on the consolidated financial statements. The Group has no formally approved ratio range but considers a ratio above 25% as being sound.

The table stated below shows the development of the shareholder equity ratio for the years 2025 and 2024.

KEUR	2025	2024
Total shareholder equity	340,598	357,244
Total equity and liabilities	825,959	756,576
Equity ratio as at 31 December	41.2%	47.2%

24 Financial instruments

Fair values

In view of their short-term nature, the fair values of financial instruments of cash, trade receivables and payables, and short-term liabilities approximate their carrying amounts. All financial assets and liabilities are measured at amortized cost except for the investment in a limited partnership (see Note 21), which is measured at fair value through profit or loss.

Set out below is a comparison by category of carrying amounts and fair values of all the Group's non-current financial instruments that are recognized in the consolidated statement of financial position.

kEUR	Carrying value		Fair value	
	2025	2024	2025	2024
Non-current financial assets				
Other financial assets	7,512	5,164	7,512	5,164
Non-current financial liabilities				
Interest-bearing loans and borrowings	109,034	39,420	110,000	40,000
Other financial liabilities	9,435	9,508	9,435	9,508

Fair value hierarchy

Quantitative disclosures of the Group's financial instruments in the fair value measurement hierarchy (see Note 1) are as follows:

kEUR	Level 1	Level 2	Level 3
As at 31 December 2025			
Other financial assets	–	–	7,512
Interest-bearing loans and borrowings	–	110,000	–
Other financial liabilities	–	9,435	–
As at 31 December 2024			
Other financial assets	–	–	5,164
Interest-bearing loans and borrowings	–	40,000	–
Other financial liabilities	–	9,508	–

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Level 1 inputs include the publicly listed share price of PolyPeptide Group AG. Level 2 inputs include the discounted cash flow method using a discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. Level 3 inputs include unobservable inputs that reflect the assumptions that market participants would use when pricing the asset, including assumptions about risk.

25 Subsequent events

There have been no significant events subsequent to the balance sheet date that would require additional disclosure in the consolidated financial statements.

The consolidated financial statements for 2025 were approved for issue by the Board of Directors on 10 March 2026 and are subject to approval by the general meeting on 8 April 2026.



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STATUTORY AUDITOR'S REPORT

To the General Meeting of PolyPeptide Group AG, Baar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of PolyPeptide Group AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion the consolidated financial statements (pages 169 to 216) give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Responsibilities of the Auditor for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (*including International Independence Standards*) (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How the Key Audit Matter was addressed in the audit
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<p>Revenue recognition</p> <p>The Group has recognised revenue of kEUR 389,327 (2024: kEUR 336,792). The Group earns the majority of its revenues from the sale of goods (Active Pharmaceutical Ingredients), which are recognised at a point in time and a portion of its revenues in connection with pharmaceutical services with revenue recognised typically on an over time basis.</p> <p>Due to the significant expected growth of revenues from Active Pharmaceutical Ingredients (API), the fact that sales contracts include many different terms, there is a risk of incorrect timing of revenue recognition due to fraud or error, the significant level of judgement and estimate involved by management in assessing revenue recognition over time related to pharmaceutical services, where contracts run longer than a year and the linkage of certain management incentive compensation to revenue targets, we consider revenue to be a key audit matter.</p> <p>We refer to Note 1 Summary of material accounting policy information and Note 3 Revenue and expenses.</p>	<p>We obtained an understanding of the control environment and performed a walkthrough of the revenue and receipts cycle as part of the risk assessment process.</p> <p>We performed tests of transactions for revenues, specific procedures on sales orders opened during the financial year 2025 but not closed as of 31 December 2025, credit memo testing, cut-off procedures by reviewing the shipping logs shortly before and after year-end and testing samples before and after the year-end.</p> <p>We have obtained the invoice journal and verified it to the general ledger. We have reconciled the sales prices and quantities to contracts and delivery notes on a sample basis. We have verified credit entries posted within trade receivables and related to bank receipts only. We have verified that all goods that have been shipped from the site are also invoiced at the balance sheet date or recorded as accrued income.</p> <p>We tested appropriate timing of revenue recognition by comparing individual sales transactions to delivery documents and effective execution of performance obligations. We analyzed revenue transactions using computer aided audit and data analysis techniques. We reviewed the calculation of percentage of completion and the related revenue and margin recognised for a selection of projects. We requested confirmation of revenues from significant customers through a confirmation directly from the third party.</p> <p>Furthermore, we have assessed the adequacy of the disclosures relating to revenue recognition in the notes.</p>
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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 the consolidated financial statements, the financial statements, the compensation report and our auditor's reports thereon.

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

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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, 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.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The board of directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Auditor for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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, ISAs 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 these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

We recommend that the consolidated financial statements submitted to you be approved.

Zurich, 10 March 2026

BDO Ltd

René Füglistner
Licensed Audit Expert
Auditor in Charge

Jan Trautwein
Licensed Audit Expert

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Financial Report

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Income statement of PolyPeptide Group AG

1 January–31 December

kCHF	Note	2025	2024
Financial income	7	9,790	16,720
Service income		-395	9,603
Total income		9,395	26,323
Personnel expenses		-9,204	-5,767
Other operating expenses		-3,182	-2,284
Interest expenses third parties		-3,468	-3,003
Interest expenses related parties		-1,240	-2,804
Other financial expenses	8	-3,033	-2,689
Depreciation on tangible assets		-96	-404
Impairment loss/reversal on investments	9	-695,962	326,400
Operating result before taxes (EBT)		-706,790	335,772
Taxes		-	-
Net loss/profit for the year		-706,790	335,772

Statement of financial position of PolyPeptide Group AG

As at 31 December

Assets, kCHF	Note	2025	2024
Current assets			
Cash and cash equivalents	1	400	224
Loan to group companies		90,972	65,459
Other receivables from third parties		330	–
Other receivables from group companies		41,396	40,479
Accrued income and prepaid expenses		724	691
Total current assets		133,822	106,853
Non-current assets			
Loan to group companies		125,254	126,575
Financial assets	3	7,525	5,221
Investments	2	155,738	851,700
Tangible assets		490	586
Total non-current assets		289,007	984,082
Total assets		422,829	1,090,935

Statement of financial position of PolyPeptide Group AG (continued)

As at 31 December

Liabilities, kCHF	Note	2025	2024
Current liabilities			
Other liabilities due to third parties		967	1,354
Interest-bearing liabilities due to shareholder		293	28,730
Accrued expenses and deferred income		2,465	36
Total short-term liabilities		3,725	30,120
Non-current liabilities			
Interest-bearing liabilities due to third parties		83,822	37,647
Interest-bearing liabilities due to shareholder		18,627	–
Total long-term liabilities		102,449	37,647
Shareholders' equity			
Share capital	4	331	331
Statutory capital reserves			
Reserves from capital contribution	5	2,104,803	2,104,803
Other capital reserves		4,949	4,949
Treasury shares	6	-7,232	-9,043
Net loss brought forward		-1,077,872	-1,412,542
Net loss on sale of treasury shares		-1,534	-1,102
Net loss/profit for the year		-706,790	335,772
Total shareholders' equity		316,655	1,023,168
Total liabilities and shareholders' equity		422,829	1,090,935

Notes to the financial statements of PolyPeptide Group AG

General information

Accounting policies

These financial statements were prepared in accordance with the provisions of the Swiss Law on Accounting and Finance Reporting (32nd title of the Swiss Code of Obligations). Significant valuation principles that have been applied in the preparation of these financial statements that are not prescribed by law are described below.

Presentation of cash flow statement and additional disclosures in the notes dispensed with

As PolyPeptide Group AG, Baar (the "Company") has prepared consolidated financial statements under a recognized accounting standard (IFRS), it has decided, in accordance with the law, to dispense with the presentation of information on interest-bearing liabilities and audit fees in the notes, a cash flow statement, and an annual review.

Financial year

The financial year runs from 1 January to 31 December.

Valuation principles

Assets are valued at no more than cost. Liabilities are carried at nominal value.

All assets and liabilities in foreign currencies are translated by applying the exchange rate prevailing on the balance sheet date. Exchange differences are recognized in the income statement.

Earnings and expenses originated in foreign currencies are translated with the monthly exchange rate.

Investments

Investments are shown at individual historical acquisition costs less impairment, if any.

Own shares

Own shares are recognized in equity as a negative item at cost as per the date of acquisition. In the event of a subsequent sale, a gain is recognized in other capital reserves and a loss is recognized in the accumulated deficit.

Share-based payments

Part of the variable compensation paid to members of the Executive Committee, selected key employees and part of the compensation paid to members of the Board of Directors is in the form of Company shares. The acquisition cost of the shares is recorded under personnel expenses.

Declaration of the number of full-time equivalents (FTEs)

The average number of full-time positions during the reporting was below 50.

1 Cash and cash equivalents

kCHF	2025	2024
Cash	400	224
Balance as at 31 December	400	224

2 Investments

There were no changes to the investments held by the Company during 2025. As a result, the table below shows the direct and significant indirect investments held by the Company as at 31 December 2025 and as at 31 December 2024:

Group companies	Location	Capital and voting shares	
		Direct	Indirect
Polypeptide Laboratories Holding (PPL) AB	Limhamn, Sweden	100%	
Polypeptide Laboratories (Sweden) AB	Limhamn, Sweden		100%
PolyPeptide SA	Braine-l'Alleud, Belgium		100%
PolyPeptide Laboratories France S.A.S.	Strasbourg, France		100%
PolyPeptide Laboratories Inc.	Torrance, CA, USA		100%
PolyPeptide Laboratories San Diego, LLC ¹	San Diego, CA, USA		100%
PolyPeptide Laboratories Pvt. Ltd.	Ambarnath (East), India		100%
PolyPeptide Laboratories A/S ²	Hillerød, Denmark		100%

¹ PolyPeptide Laboratories San Diego, LLC is a wholly owned subsidiary of PolyPeptide Laboratories Inc.

² PolyPeptide Laboratories A/S is a dormant company.

Percentage of voting shares is equal to percentage of ownership.

3 Contingent liabilities and guarantees

Limited Partnership Investments

	2025		2024	
	kUSD	kCHF	kUSD	kCHF
Uncalled capital commitment as at 31 December	17,400	13,793	21,000	19,025

Limited partnership investments

In November 2021, the Company entered into a limited partnership agreement. The Company committed to invest a maximum amount of kUSD 30,000.

A capital call was made during 2025, where the Company invested kUSD 3,600 in addition to investments made in prior years. As a result, an uncalled capital commitment of kUSD 17,400 as at 31 December 2025 is disclosed in the table above.

If the general partner of the limited partnership makes an additional capital call, the Group would be obliged to pay the amount within ten business days.

Guarantee pension fund

All members of the PRI Pensionsgaranti, the issuer of the defined benefit plan in Sweden, are subject to a mutual liability. This liability would only be invoked in the event that PRI Pensionsgaranti has consumed all its assets. The mutual liability of the Group is limited to a maximum of 2% of the Group's individual pension liability with PRI Pensionsgaranti. As such, the Group has a contingent liability of kEUR 325 as at 31 December 2025 (2024: kEUR 288), for which it has issued a guarantee to PRI Pensionsgaranti.

Parent guarantee

The Company has provided three guarantees in favor of two of the Company's fully directly and indirectly owned subsidiaries. As of 31 December 2025, the guaranteed amount was mEUR 144 (2024: mEUR 102).

4 Share capital

There have been no changes to the share capital of PolyPeptide Group AG during 2025. As a result, the share capital of PolyPeptide Group AG comprised 33,125,001 registered shares with a nominal value of CHF 0.01 each as at 31 December 2025.

5 Reserves from capital contributions

CHF	2025	2024
Reserves from capital contributions (foreign)	1,909,783,753	1,909,783,753
Reserves from capital contributions (domestic)	195,019,440	195,019,440
Total reserves from capital contribution as at 31 December	2,104,803,193	2,104,803,193

The reported reserves from capital contributions as capital contributions within the meaning of Art. 5 para. 1 bis (for the part of the "domestic KER") or Art. 5 para. 1 quater lit. a of the Withholding Tax Act (for the part of the "foreign KER") have been confirmed by the Swiss Federal Tax Administration as at 30 January 2024.

6 Treasury shares

2025	No. of shares	Average prices in CHF
Own shares as at 1 January 2025	128,505	70.38
Purchase	25,455	18.14
Transfer to Board members / executive committee (incl. group companies)	-35,524	64.00
Own shares as at 31 December 2025	118,436	61.06

2024	No. of shares	Average prices in CHF
Own shares as at 1 January 2024	155,494	70.38
Purchase	–	–
Transfer to Board members / executive committee (incl. group companies)	-26,989	70.38
Own shares as at 31 December 2024	128,505	70.38

From April to May 2025, PolyPeptide Group AG purchased 25,455 own shares at the average price of CHF 18.14 to be held as treasury shares (2024: nil). During 2025, 35,524 shares were transferred to Board members as part of their share-based remuneration (2024: 26,989 shares transferred to Board members as part of their share-based remuneration).

7 Financial income

kCHF	2025	2024
Interest income from group companies	9,790	14,113
Foreign exchange result	–	2,607
Total financial income	9,790	16,720

8 Other financial expenses

kCHF	2025	2024
Foreign exchange result	-2,333	–
Other financial expenses	-699	-2,689
Total other financial expenses	-3,033	-2,689

9 Impairment loss/reversal on investments

In 2025, PolyPeptide Group AG reassessed the valuation approach for its investment in PolyPeptide Laboratories Holding (PPL) AB in accordance with the Swiss Code of Obligations. Management determined that the quoted market price of PolyPeptide Group AG no longer provided the most appropriate basis for estimating the recoverable amount of the investment.

The recoverable amount is now determined with reference to the consolidated IFRS net-equity value of PolyPeptide Laboratories Holding (PPL) AB and its subsidiaries, which is considered a more reliable indicator under the current circumstances. Based on this updated methodology, the impairment test resulted in an impairment loss of kCHF 695,962 reducing the carrying amount to its recoverable value at year-end.

In prior years, the valuation had been based on the market price of PolyPeptide Group AG shares, which had resulted in a cumulative impairment loss of kCHF 1,068,000 in the years 2021 to 2024.

10 Share ownership of the Board of Directors and the Executive Committee

As at 31 December 2025:

	Function	Number of shares	which are blocked	allocated in the reporting period
Klaus Peter Wilden	Chair	42,179	33,777	11,489
Patrick Aebischer	Vice-Chair, Lead Independent Director	27,666	22,348	7,660
Jane Anne Salik	Independent Member	29,184	9,631	3,302
Erik Schropp	Member	3,193	–	–
Philippe Weber	Independent Member	30,556	24,721	8,485
Jo LeCouilliard ¹⁾	Independent Member	2,933	2,933	2,933
Beat In-Albon ²⁾	Independent Member	n/a	n/a	1,655
Total Board of Directors		135,711	93,410	35,524

	Function	Number of shares	which are blocked	allocated in the reporting period
Juan Jose Gonzalez	CEO	227,842	–	–
Marc Augustin	CFO	2,500	–	–
Christina Del Vecchio	Chief Legal Officer	–	–	–
Raoul Bernhardt ³⁾	Chief Manufacturing and Supply Chain Officer	–	–	–
Jens Fricke ⁴⁾	Director Global Operations	n/a	–	–
Total Executive Committee		230,342	–	–

Total		366,053	93,410	35,524
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¹ Member of the Board as of 9 April 2025

² Member of the Board until 9 April 2025

³ Member of the Executive Committee since 11 August 2025

⁴ Member of the Executive Committee until 10 August 2025

As at 31 December 2024:

	Function	Number of shares	which are blocked	allocated in the reporting period
Klaus Peter Wilden	Chair	30,690	29,032	8,254
Patrick Aebischer	Vice-Chair	20,006	18,901	5,503
Beat In-Albon	Member	17,196	16,201	4,142
Jane Anne Salik	Member	25,882	8,145	2,371
Erik Schropp	Member	3,193	–	–
Philippe Weber	Member	22,071	20,846	6,095
Dorothee Deuring ¹⁾	Member	3,624	3,624	624
Total Board of Directors		122,662	96,749	26,989

	Function	Number of shares	which are blocked	allocated in the reporting period
Juan Jose Gonzalez	CEO	227,842	–	–
Marc Augustin ²⁾	CFO	2,500	–	–
Christina Del Vecchio	General Counsel	–	–	–
Neil James Thompson ³⁾	Director Global Sales and Marketing	1,122	–	–
Jens Fricke	Director Global Operations	1,380	–	–
Total Executive Committee		232,844	–	–
Total		355,506	96,749	26,989

¹⁾ Member of the Board until 10 April 2024.

²⁾ Member of the Executive Committee as of 1 January 2024.

³⁾ Stepped down as Director Global Sales and Marketing and member of the Executive Committee as of 26 April 2024.

11 Residual amount of leasing obligations

The maturity of leasing obligations which have a residual term of more than twelve months or which cannot be canceled within the next twelve months is as follows:

kCHF	31 December 2025	31 December 2024
0-1 years	118	118
1-5 years	470	472
More than 5 years	147	265
Total	735	855

12 Subsequent events

There have been no significant events subsequent to the balance sheet date that would require additional disclosure in the financial statements.

The financial statements for 2025 were approved for issue by the Board of Directors on 10 March 2026 and are subject to approval by the general meeting on 8 April 2026.

Proposal for the appropriation of accumulated deficit

The Board of Directors proposes that the general meeting approves that the accumulated deficit of CHF 1,786,196,497 be carried forward to the new account.

Appropriation of accumulated deficit

CHF	2025
Net loss brought forward	-1,077,871,571
Net loss on sale of treasury shares	-1,534,319
Net loss for the year	-706,790,607
Accumulated deficit to be carried forward	-1,786,196,497



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STATUTORY AUDITOR'S REPORT

To the General Meeting of PolyPeptide Group AG, Baar

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PolyPeptide Group AG (the Company) - which comprise the balance sheet as at 31 December 2025, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 221 to 231) comply with Swiss law and the 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 "Responsibilities of the Auditor for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, applicable to financial audits of public interest entities. We have also 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How the Key Audit Matter was addressed in the audit
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<p>Investments</p> <p>As of 31 December 2025, the book value of investments amounted to kCHF 155,738 (31 December 2024: kCHF 851,700) in PolyPeptide Laboratories Holding (PPL) AB, Sweden. Investments are carried at historical acquisition costs less impairment charges.</p> <p>We consider the valuation of investments in PolyPeptide Laboratories Holding (PPL) AB, Sweden to be a key audit matter owing to the magnitude of the balance in relation to the financial statements and the reassessment of the recoverable amount.</p> <p>There is a significant risk that carrying investments are not recoverable. We refer to Note General Information - Investments, Note 2 Investments and Note 9 Impairment loss/reversal on investments.</p>	<p>We performed the following audit procedures:</p> <p>We obtained and reviewed management's memorandum addressing the impairment loss as well as the reassessment of the recoverable amount in PolyPeptide Laboratories Holding (PPL) AB, Sweden.</p> <p>We reviewed presentation and disclosure of the impairment loss in PolyPeptide Laboratories Holding (PPL) AB, Sweden and recalculated the impairment loss recognised.</p> <p>We reconciled the carrying amount of the investment to the consolidated IFRS net-equity value of PolyPeptide Laboratories Holding (PPL) AB and its subsidiaries.</p> <p>Moreover, we have assessed the adequacy of the disclosures relating to the impairment loss and the reassessment of the recoverable amount in the notes.</p>
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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 the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, 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.

Responsibilities of the Board of Directors for the Financial Statements

The board of directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the article of incorporation, and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Responsibilities of the Auditor for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the board of directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the board of directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Zurich, 10 March 2026

BDO Ltd

René Füglistner
Licensed Audit Expert
Auditor in Charge

Jan Trautwein
Licensed Audit Expert

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Three-year financial history¹

kEUR	2025	2024	2023
Income and expenses			
Revenue	389,327	336,792	320,372
Total income	391,949	338,770	324,853
Cost of sales	-325,336	-299,422	-315,730
Total operating expenses	-57,924	-46,712	-45,591
o/w Depreciation, amortization and impairment	-38,066	-32,714	-30,469
Financial income	1,843	6,802	103
Financial expenses	-30,589	-17,583	-21,878
Income tax	-1,112	-1,419	6,803
Result for the year	-21,169	-19,564	-51,440
Performance			
Gross profit	66,613	39,348	9,123
Gross margin in % of revenue	17.1%	11.7%	2.8%
EBITDA	46,755	25,350	-5,999
EBITDA in % of revenue	12.0%	7.5%	-1.9%
Operating result (EBIT)	8,689	-7,364	-36,468
Operating result (EBIT) in % of revenue	2.2%	-2.2%	-11.4%
Earnings per share (EUR), basic	-0.64	-0.59	-1.56
Return on net operating assets (RONOA)	1.6%	-1.6%	-8.5%
Financial position			
Total assets	825,959	756,576	689,088
Non-current assets	501,083	428,354	362,486
Current assets	324,876	328,222	326,602
Total equity and liabilities	825,959	756,576	689,088
Equity	340,598	357,244	381,225
Non-current liabilities	298,828	204,829	131,413
Current liabilities	186,533	194,503	176,450
Cash flows			
Net cash flows from operating activities	77,510	89,399	36,485
Net cash flows from investing activities	-111,710	-91,018	-59,512
Net cash flows from financing activities	33,792	-25,323	84,547
Cash and cash equivalents at the end of the year	74,589	68,277	95,706
Employees			
Employees (# of FTEs, average)	1,395	1,291	1,202

¹ This table includes references to alternative financial performance measures (APM) that are not defined or specified by IFRS. These APM should be regarded as complementary information to and not as substitutes of the Group's consolidated financial results based on IFRS. For the definitions of the main operational indicators and APM used, including related abbreviations, as well as for selected reconciliations to IFRS, please refer to the section "Definitions and reconciliations" of this report.

Definitions and Reconciliations

Selected information provided in this report includes operational indicators or Alternative Financial Performance Measures (APM) that are not accounting measures defined by IFRS. The Group believes that investor understanding of PolyPeptide's performance is enhanced by disclosing such indicators and measures, since they provide additional insights into the underlying business, strategic progress and/or financial performance. Operational indicators and APMs should not be considered as substitutes to the Group's consolidated financial results based on IFRS. They may not be comparable to similarly titled measures by other companies. This section includes the definitions of the main operational indicators and APMs provided as well as a reconciliation of selected APMs to the most directly reconcilable IFRS line item.

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Abbreviations

API – Active Pharmaceutical Ingredient	ICH – International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use
APM – Alternative Financial Performance Measure	ILO – International Labor Organization
CAGR – Compound Annual Growth Rate	ISO – International Organization for Standardization
CDMO – Contract Development and Manufacturing Organization	IPO – Initial Public Offering
CDP – Carbon Disclosure Project	LCM – Life Cycle Management
cGMP – current Good Manufacturing Practice	LTI – Lost Time Injuries
CO – Code of Obligation	NDA – New Drug Application
CMC – Chemistry, Manufacturing & Controls	OECD – Organization for Economic Cooperation and Development
CO ₂ (e) – Carbon dioxide (equivalent)	PPQ – Process Performance Qualification
CSRD – Corporate Sustainability Reporting Directive	R&D – Research & Development
DDTrO – Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor	SBTi – Science Based Targets initiative
DMF – Dimethylformamide	SDG – Sustainable Development Goals
DP – Drug Product	SIX – SIX Swiss Exchange
DS – Drug Substance	SOC – Substance of concern
EHS – Employee Health & Safety	SVHC – Substance of very high concern
ESG – Environmental, Social and Governance	SPPS – Solid Phase Peptide Synthesis
ESRS – European Sustainability Reporting Standards	TCFD – Task Force on Climate-related Financial Disclosure
FTE – Full-time equivalent	UN – United Nations
GHG – Greenhouse Gas Protocol	UNICEF – United Nations Children’s Fund
GRI – Global Reporting Initiative	

Operational indicators

As part of our financial disclosure, we report revenue from our custom development projects business area, and we occasionally make implicit or explicit reference to the underlying project pipeline as an indicator to measure operational performance. This includes the number of projects in clinical development in total or in categories. Our project count for a given period has been measured based on the initiation of a project, e.g. formal signatures or acceptance of a purchase order. Projects with parallel activities at more than one site, or which are transferred from one site to another, or which included multiple peptides are counted as one project. The synthesis or one-time manufacturing of small quantities of peptides, mostly for research or academic use, is not considered as a project.

Our reference to

- **pre-clinical projects** includes non-GMP manufacturing for the lead candidate selection, and subsequent non-GMP manufacture of the selected API for pre-clinical and toxicological studies;
- **phase I, phase II and phase III projects** includes GMP manufacturing of the API for phase I, phase II and phase III clinical trials, including analytical method validation, stability studies, process and analytical development as well as regulatory documentation.

Active custom projects include (i) projects with ongoing manufacturing activities; (ii) projects with ongoing non-manufacturing activities (development, analytical services, regulatory, stability studies); (iii) projects with open orders in the Group's accounting system pending to be delivered; and (iv) projects that are active on the customer's end, but not necessarily active at PolyPeptide (i.e., when the customer is conducting pre-clinical or clinical studies, formulation studies, etc.).

Reference to "peptides" is to a chemical entity (CE) with a unique amino acid sequence regardless of production site or manufacturing process. A "pipeline peptide" is a new chemical entity (NCE) in pre-clinical or clinical phase of development and a "commercial peptide" is a NCE commercially approved on the market.

A "commercial project" relates to the manufacturing of commercial peptide. This includes therapeutic API or intermediates with regulatory approval, both for the innovator or for a generic drug manufacturer. A commercial project may also include material for diagnostic, cosmetic or veterinary purposes.

References to "Development revenue" and "Commercial revenue" are based on the business area definitions set out in [note 3 "Revenue and expenses" of the consolidated financial statements in the Financial Report 2025](#).

Alternative Financial Performance Measures (APM)

Revenue at constant currency rate: Revenue translated into the presentation currency, EUR, using the weighted average EUR currency exchange rate from the prior period. This measure provides additional transparency on revenue trends by excluding the impact of fluctuations in exchange rates.

Gross Margin: Gross profit as a percentage of revenue.

EBITDA: Operating result (EBIT) plus depreciation, amortization and impairment charges (if any).

EBITDA Margin: EBITDA as a percentage of revenue.

Operating result (EBIT): Earnings before total financial result and income tax charge.

Capital expenditures (Capex): Investments in property, plant and equipment assets and intangible assets capitalized during a reporting period.

Net operating assets: The sum of Non-current assets plus Current assets less Cash and cash equivalents less Current liabilities.

Return on net operating assets (RONOA): Last twelve months Operating result in percentage of average Net operating assets.

Equity ratio: Equity at the end of the period divided by Total assets at the end of the period.

Free Cash Flow (FCF): Net cash flows from operating activities less cash paid for acquisition of intangible assets less cash paid for acquisition of property, plant and equipment assets.

Net Cash: Cash and cash equivalents less lease liabilities less other financial liabilities.

Headcount: Number of people employed by PolyPeptide at the time indicated (i.e., excluding contractors).

Reconciliations

Revenue at constant currencies¹

kEUR	2025	2024
Revenue at constant currency rates ¹	390,628	336,653
Impact from changes in exchange rates compared to prior period	-1,301	139
Revenue reported (IFRS)	389,327	336,792

¹ Revenue translated into the presentation currency, EUR, using the weighted average EUR currency exchange rate from the prior period.

Change in revenue

	2025 vs 2024	2024 vs 2023
Change in revenue reported (IFRS) (%)	15.6%	5.1%
Change in revenue at constant currency rates (%) ¹	16.0%	5.1%

¹ The change is calculated as: (Current period's revenue at constant currencies) / (Prior period's revenue reported (IFRS)) - 1.

Revenue by business area, excl. coronavirus pandemic (2025 vs 2024 and 2021)

kEUR	2025	2024	2021
Commercial revenue	235,896	218,644	115,120
Development revenue, excl. revenue associated with the coronavirus pandemic	153,431	118,148	103,812
Revenue associated with the coronavirus pandemic	–	–	63,194
Revenue reported (IFRS)	389,327	336,792	282,126

Revenue by therapeutic area, excl. coronavirus pandemic (2025 vs 2024 and 2021)

kEUR	2025	2024	2021
Metabolic	220,573	133,363	62,219
Oncologic	39,359	56,245	40,189
Other, excl. revenue associated with the coronavirus pandemic	129,395	147,184	116,524
Revenue associated with the coronavirus pandemic	–	–	63,194
Revenue reported (IFRS)	389,327	336,792	282,126

Revenue by customer type, excl. coronavirus pandemic (2025 vs 2024 and 2021)

kEUR	2025	2024	2021
Large pharma	243,768	205,504	119,429
Biotech, excl. revenue associated with the coronavirus pandemic	87,498	91,968	66,710
Other	58,061	39,320	32,793
Revenue associated with the coronavirus pandemic	–	–	63,194
Revenue reported (IFRS)	389,327	336,792	282,126

Operating result to EBITDA

kEUR	2025	2024
Operating result (EBIT)	8,689	-7,364
Depreciation, amortization and impairment charges (if any)	38,066	32,714
EBITDA	46,755	25,350

Return on net operating assets (RONOA)¹

kEUR	2025	2024
Operating result (EBIT)	8,689	-7,364
Average ¹ Net operating assets:		
Total non-current assets (average)	464,719	395,420
Total current assets (average)	326,549	327,412
Cash and cash equivalents (average)	-71,433	-81,992
Total current liabilities (average)	-190,518	-185,477
Average ¹ Net operating assets	529,317	455,363
Return on net operating assets (RONOA)	1.6%	-1.6%

¹ The average amounts are calculated as: (Current period's figures + prior period's figures) / 2.

Free Cash Flow

kEUR	2025	2024
Net cash flows from operating activities	77,510	89,399
Acquisition of intangible assets	-1,152	-1,217
Acquisition of property, plant and equipment	-107,753	-85,751
Free Cash Flow	-31,395	2,431

Net Cash

kEUR	2025	2024
Cash and cash equivalents	74,589	68,277
Interest-bearing liabilities (Total financial debt):		
Interest-bearing loans and borrowings (Non-current)	-109,034	-39,420
Lease liabilities (Non-current)	-15,979	-18,982
Other financial liabilities (Non-current)	-9,435	-9,508
Interest-bearing loans and borrowings (Current)	-544	-30,642
Lease liabilities (Current)	-5,008	-5,073
Other financial liabilities (Current)	-1,361	-1,266
Interest-bearing liabilities (Total financial debt)	-141,361	-104,891
Net Cash / (debt)	-66,772	-36,614

Capital expenditures (Capex)

kEUR	2025	2024
Property, plant and equipment assets capitalized	108,806	86,777
Intangible assets capitalized	1,172	1,062
Capital expenditures (Capex)	109,978	87,839

Legal Note

Cautionary statement on forward-looking information: This report has been prepared by PolyPeptide Group AG and includes forward-looking information and statements concerning the outlook for the Group's business. These statements are based on current expectations, estimates and projections about the factors that may affect the Group's future performance. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates", "targets", "plans", "projects", "outlook" or similar expressions.

There are numerous risks, uncertainties and other factors, many of which are beyond PolyPeptide Group AG's control, that could cause the Group's actual results to differ materially from the forward-looking information and statements made in this Annual Report and that could affect the Group's ability to achieve its stated targets. The important factors that could cause such differences include, among others: timing and strength of its customer's product offerings, relationships with employees, customers and other business partners; strategies and initiatives of competitors; manufacturing capacity and utilization; quality issues; supply chain matters; the ability to continue to obtain sufficient financing to meet growth initiatives and liquidity needs; legal, tax or regulatory disputes; and changes in the political, social and regulatory framework in which the Group operates, or in economic or technological trends or conditions, including currency fluctuations, inflation and consumer confidence, on a global, regional or national basis. Although PolyPeptide Group AG believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

In particular, the statements in the sections on mid-term outlook and guidance for 2026 constitute forward-looking statements and are not guarantees of future financial performance. PolyPeptide Group AG's actual results of operations could deviate materially from those set forth in these sections as a result of the factors described above or other factors. As such, investors should not place undue reliance on the statements in the sections on mid-term outlook and guidance for 2026.

Except as otherwise required by law, PolyPeptide Group AG disclaims any intention or obligation to update any forward-looking statements as a result of developments.

Alternative Financial Performance Measures (APM): This report contains references to operational indicators, such as active custom projects and commercial projects, and APM that are not defined or specified by IFRS, including revenue at constant currency rates, EBITDA, EBITDA margin, net operating assets, return on net operating assets (RONOA), capital expenditures (Capex), free cash flow, net cash, and headcount. These APM should be regarded as complementary information to and not as substitutes for the Group's consolidated financial results based on IFRS. These APM may not be comparable to similarly titled measures disclosed by other companies. For the definitions of the main operational indicators and APM used, including related abbreviations, as well as for selected reconciliations to IFRS, refer to the section "Definitions and reconciliations" in this report.

For the purposes of this report, unless the context otherwise requires, the term "the Company" means PolyPeptide Group AG, and the terms "PolyPeptide", "the Group", "we", "us" and "our" mean PolyPeptide Group AG and its consolidated subsidiaries. In various tables, the use of "-" indicates not meaningful or not applicable. Some non-financial figures in the Sustainability Report 2025 have been rounded. Percentages may have been calculated using rounded numbers.

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