

Overview

Editorial	4
Key figures	6
Profile	7

Committed to the future



Peter Wilden, Chairman of the Board of Directors



Raymond de Vré, Chief Executive Officer

It is with pleasure and satisfaction that we present the first half-year report of PolyPeptide Group AG following the successful IPO and listing on SIX Swiss Exchange at the end of April. In a business environment still very much impacted by the global coronavirus pandemic, the whole Group continued to strive for flawless execution and for the delivery of high-quality services to our customers. At the same time, we have opened a new chapter in the history of the Group with our listing alongside other leading life sciences peers.

Successful IPO and CEO transition completed

The successful IPO reflects PolyPeptide's strong position in the peptide CDMO market and its commitment to customer satisfaction, cutting-edge technology and continued innovation. It is also a testimony to the successful leadership of Jane Salik who, during a tenure of more than 15 years as CEO, positioned PolyPeptide as a global leader in the industry. Following a smooth transition of responsibilities to Raymond De Vré, Jane is now fully focusing on her new role as a member of the Board of Directors. We are delighted that we can continue to benefit from her knowledge and expertise.

The decision to become a publicly listed company underscores our ambition to further develop the business. We are convinced that we are well positioned for accelerated growth in an increasingly dynamic and competitive environment. Our business model is well proven as evidenced by our track record and the encouraging feedback from our customers. The IPO gives us the possibility to invest in our infrastructure to expand capacity and to integrate new capabilities. In addition, new therapies and treatments allow us to explore adjacent fields to expand our offering and fuel further growth.

Strong half-year results confirming momentum

During the first half of the year, we were able to respond to increasing demand from new and existing customers. Order levels and expanding R&D pipelines continued to underpin the increasing relevance of peptides as therapeutics with broadening indications, innovative development approaches and new

formulations. In addition, our generic segment also experienced increased demand alongside the growing attention of customers to oligonucleotides. During the reporting period we kept responding to these emerging needs.

In the first half of 2021, we achieved revenue growth of 53.9% to EUR 135.1 million compared to the same period in 2020, with a particular strong performance within our custom projects pipeline, where segment revenue more than doubled. This was driven by the progress of several late-stage projects and by a substantial contribution from Novavax, which PolyPeptide is proud to support with the large-scale GMP production of two key intermediates for the novel coronavirus vaccine NVX-CoV2373.

Adjusted EBITDA for the first half of 2021 reached EUR 43.2 million with a margin of 32.0%, notably up by 10.9 percentage points, reflecting strong operating performance.

Increased guidance for 2021

The result of the reporting period in comparison to last years' numbers, however, also mirrors the effect of a rather slow first half of 2020, with an uneven phasing of a few large orders as well as customers reprioritizing their activities at the onset of the coronavirus pandemic.

Given the momentum in the first half of 2021 and our expectation of a continued favorable market environment for the remainder of the year, we are increasing our guidance for the full year of 2021. We now expect revenue growth of around 25%, an adjusted EBITDA margin of around 32% and capital expenditures as percent of revenue of slightly above 20%.

Embracing the needs of stakeholders

As part of our growth and capacity expansion, we remain committed to green technologies and sustainable business conduct. As a publicly listed company, we have decided to formalize our approach to environmental, social and governance matters by establishing an ESG roadmap that we plan to report on in our Annual Report for 2021 onwards. We thank our new shareholders, as well as all other stakeholders, for being part of our journey and for their trust in PolyPeptide.

Last but not least, on behalf of the Board of Directors and the Executive Committee, we would like to thank all our staff for their continued dedication and commitment during the first half of 2021. In an environment of strong growth, they have also been able to successfully deal with the operational challenges related to the coronavirus pandemic, while at the same time delivering on the IPO.

Zug, 16 August 2021

Sincerely,

Peter Wilden
Chairman of the Board of Directors

Raymond De Vré
Chief Executive Officer

Key figures*

kEUR	H1 2021	H1 2020	Change
Revenue	135,136	87,808	53.9%
Custom Projects	76,207	33,504	127.5%
Contract Manufacturing	45,765	42,901	6.7%
Generics & Cosmetics	13,164	11,403	15.4%
EBITDA	39,889	18,519	115.4%
Adjusted ¹ EBITDA	43,240	18,519	133.5%
Adjusted ¹ EBITDA in % of revenue	32.0%	21.1%	10.9 ppts
Operating result (EBIT)	30,803	10,160	203.2%
Operating result (EBIT) in % of revenue	22.8%	11.6%	11.2 ppts
Result for the period	24,623	7,831	214.4%
Result for the period in % of revenue	18.2%	8.9%	9.3 ppts
Earnings per share (EUR), basic	0.79	0.26	203.6%
Return on net operating assets (RONOA)	25.6%	12.2%	13.4 ppts
Cash and cash equivalents (end of period)	187,362	8,727	–
Net cash flow from operating activities	41,038	13,949	194.2%
Capital expenditures	24,989	9,465	164.0%
Capital expenditures in % of revenue	18.5%	10.8%	7.7 ppts
Total assets (end of period)	571,950	313,888	82.2%
Equity ratio (end of period)	67.4%	50.0%	17.4 ppts
Employees (# of FTEs, average)	1,026	896	14.5%

* This table and report include references to operational indicators, such as customer projects 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 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.

¹ Adjusted EBITDA excludes one-off IPO costs of EUR 5.7 million, partly offset by US government loans of EUR 2.4 million waived in context of the coronavirus pandemic.

Revenue structure and project pipeline

Helping patients across multiple diseases

revenue split by therapeutic areas

■ Metabolic ■ Gastrologic ■ Oncologic ■ Cardio- and neurologic ■ Other



Servicing a diversified customer base

revenue split by customer type

■ Large pharma ■ Biotech ■ Other pharma & academia



Providing solutions along the value chain

revenue split by business segments

■ Custom Projects ■ Contract Manufacturing ■ Generics & Cosmetics



Focusing on innovation

number of custom projects by stage of development

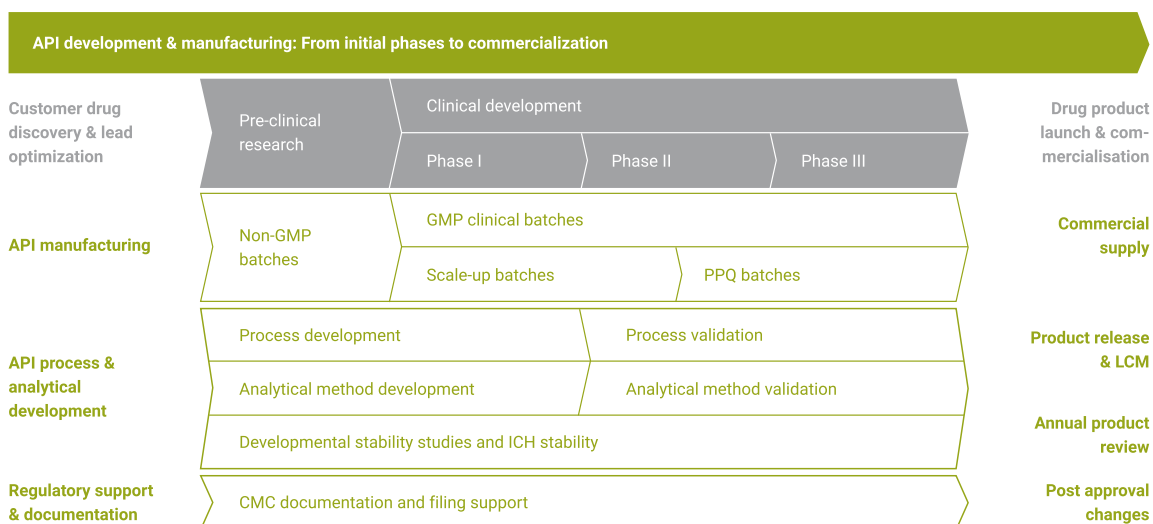
■ Pre-clinical ■ Phase I ■ Phase II ■ Phase III

Approximate splits as per 30 June 2021

Business model and values

Start here – stay here

Providing expert knowledge for Active Pharmaceutical Ingredients (API) along the peptide drug value chain of customers



API – Active Pharmaceutical Ingredient; CMC – Chemistry, Manufacturing & Controls; GMP – Good Manufacturing Practice; ICH – International Council for Harmonization; LCM – Life Cycle Management; NDA – New Drug Application; PPQ – Process Performance Qualification.

Innovation – Excellence – Trust

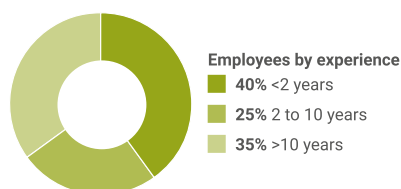
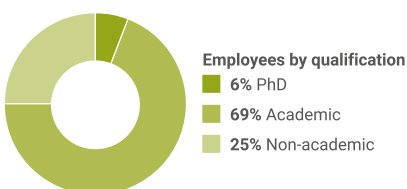
Developing the project pipeline to support customers over the life cycle of their products



Footprint and financial trend

Being close to the customer

Global footprint with an experienced team and a GMP-certified manufacturing network



Full-time equivalents as per 30 June 2021

Striving for profitable growth

Revenue (EUR m)

EBITDA margin (%)

