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OCTAVIAN SEMINAR

Date | January 13, 2023
Location | Flims
Name | Thomas Meier, Alain Schaffter

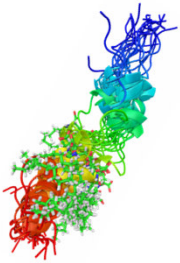
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BACHEM – WHO WE ARE & WHAT WE DO

- Majority shareholder family long-term committed to sustainable growth (early investment into anticipated market trends).
- Stock-listed since 1998: transparent financials.
- Focused and specialized contract development and manufacturing organization (CDMO) for chemical synthesis of TIDES (PepTIDES and OligonucleoTIDES) – not a conglomerate.
- Stable financing of expansion backed by equity and strong cash flow.
- Strong manufacturing base in life-science hub Northwestern Switzerland/Basel region (geopolitical stability & quality) and committed to US operational presence.
- Long-term partnerships with pharmaceutical and biotech companies.

OUR FOCUS - PEPTIDES & OLIGONUCLEOTIDES



Peptides

- More specific, efficacious and safer than small molecules.
- Lower cost and immunogenicity than biologics.
- Complex production processes favor specialists with ability to scale.



Oligonucleotide therapeutics




- siRNA & ASO deliver gene-silencing i.e. «undruggable» targets.
- Similar advantage profile to peptides (specificity, efficacy, safety, immunogenicity, cost).
- Products (siRNA & ASOs) approved for rare diseases and high cholesterol.

Complexity makes
TIDES a
domain for specialists.

Requiring specific
knowledge, equipment &
infrastructure.

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STRENGTHS ACROSS TIDES MANUFACTURING

CMO	CDMO	«Trailblazing» CDMO
		
Cost-effective manufacturing, e.g. for sponsors with existing processes.	“Best of both worlds”: Sponsor and Bachem develop and execute a tailored process to manufacture (complex) TIDES molecules.	First-mover advantage & access for sponsors to new manufacturing technology with superior quality and cost structure.

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CHEMICALLY SYNTHESIZED TIDES

Customer landscape shifting from recombinant to chemical synthesis

New generation of metabolic disease medicines

(diabetes, obesity)

only accessible synthetically

Synthetic manufacturing of peptide generics

15-20 peptide-based drugs with recent or imminent patent loss in the next decade*

TIDES expansion into new therapeutic indications

Peptides

e.g. peptidic complement inhibitors (PNH, GA and others)

Oligonucleotides

beyond rare diseases, estimated 13 new oligo approvals in industry over next five years**

Bachem addresses shared challenge across TIDES:

Ramp-up of manufactured volumes for larger patient populations/indications.

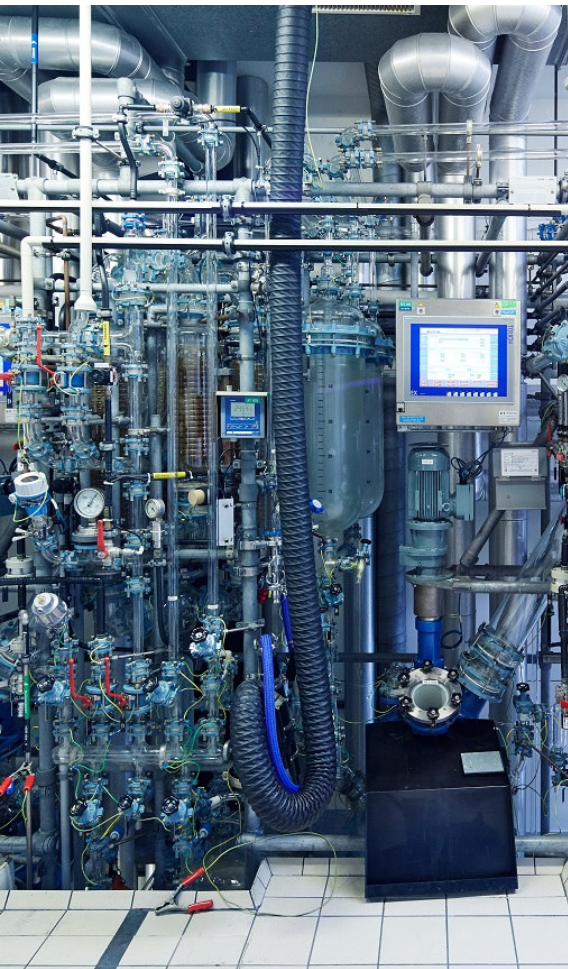
Bachem with strong track record in increasing yields at high quality from kgs to tons.

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WHERE ARE WE TODAY?

Today's top four peptide molecules are manufactured recombinantly.

Top Selling Peptide Drugs in USD billion				
Drug name	Company	First Approval	Indications	2021 Sales (USD)
Insulin/Insulin analogues	Novo Nordisk, Eli Lilly, Sanofi	1982	Diabetes	19 bn
Trulicity	Eli Lilly	2014	Type 2 Diabetes (GLP-1)	6.5 bn
Ozempic, Wegovy, Rybelsus (oral) (semaglutide)	Novo Nordisk	2017, 2019	Type 2 Diabetes (GLP-1)	6.3 bn.
Victoza, Saxenda (liraglutide)	Novo Nordisk	2010	Type 2 Diabetes, obesity (GLP-1)	3.5 bn
Lupron, Eligard (leuprolide)	AbbVie, Astellas, Takeda	1985	Prostate, Ovarian Cancer	1.9 bn.
Somatuline (lancreotide)	Ipsen	2007	Acromegaly, neuroendocrine tumors	1.5 bn
Sandostatin (Ocreotide)	Novartis	1988	Acromegaly	1.4 bn.
Restatis (cycloporine)	AbbVie	1983	Dry Eye	1.3 bn.
Copaxone	Teva	1996	Multiple Sclerosis	1.1 bn.
Kyprolis (carfilzomib)	Amgen	2012	Multiple Myeloma	1.1 bn.
Linzess, constella (Linaclotide)	Abbvie, Astellas	2012	Bowel Syndrome	1.1 bn.
Nplate, Romipate (romiplostin)	Amgen, Kyowa Kirin	2008	Immune Thrombocytopenia	1.1 bn.
Zoladex (goserelin)	AstraZeneca	1989	Cancer	0.9. bn.
Forteo (teriparatide)	Eli Lilly	2002	Osteoporosis	0.8 bn.
Acthar (ACTH)	Mallinckrodt	1950	Multiple Sclerosis	0.6 bn.
Parsabiv (etelcalcetide)	Amgen, Ono Pharma	2017	Hyperparathyroidism	0.4 bn.
Byeta, Bydureon (exanatide)	AstraZeneca	2005	Diabetes	0.4 bn.



BACHEM RESPONSE TO GROWING TIDES DEMAND

- **Anticipated strong TIDES demand** due to strong customer ties and company expertise.
- Company focused increasingly on **complex synthetic peptides** and oligonucleotides since more than 20 years.
- **Raised CHF 571 million in capital** in 2021 to accelerate expansion
- **Long-term partnerships** with biopharma partners focused on TIDES products.
- **Expanding oligonucleotide products & services** and strong synergies with peptide manufacturing.
- **Hiring and buildup of the team** has top priority.
- **Land purchase to secure space for additional manufacturing** expansion from end of decade onward.

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LONG-TERM STRATEGIC COLLABORATION & LARGE VOLUME CONTRACTS

Large-volume Peptide orders

- Three contracts signed with total communicated order volumes of min. CHF 1.2 bn. 2023-29.
- Demonstrates shift to larger peptide volumes of multiple tons.
- Manufacturing primarily in “Tides FABrication Plant” (Building K), Bubendorf.
- Largest order in Bachem history.
- Companies agree to maintain customer confidentiality.

Strategic Collaboration with Lilly in Oligonucleotides

- Annual order volume with of c. CHF 100 million within the coming seven years.
- Best-practice example for strategic collaboration between CDMO & pharma company.
- Long-term planning strengthened through order placement and milestone-payment system.
- Underscores Bachem’s reputation as partner for oligonucleotides.

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THE WORLD'S TIDES CENTER OF EXCELLENCE IN BUBENDORF



“Tides FABrication Plant” (Building K)

- TIDES fabrication plant: 15'700 m² (170'000 ft²).
- Groundbreaking: July 2021.
- Construction on track for launch of manufacturing in 2024.
- Capabilities for both peptides and oligonucleotides.
- Strong focus on green chemistry and automation
- Modular expansion after 2024 for overall doubling of Bubendorf capacity.

Ongoing further investments across the site:

- Expansion of existing production building G (SPPS/LPPS)
- Dispensation, shipping & cold storage rooms.
- Office, administration and parking expansion.

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FURTHER LARGE-SCALE CAPACITY EXPANSION



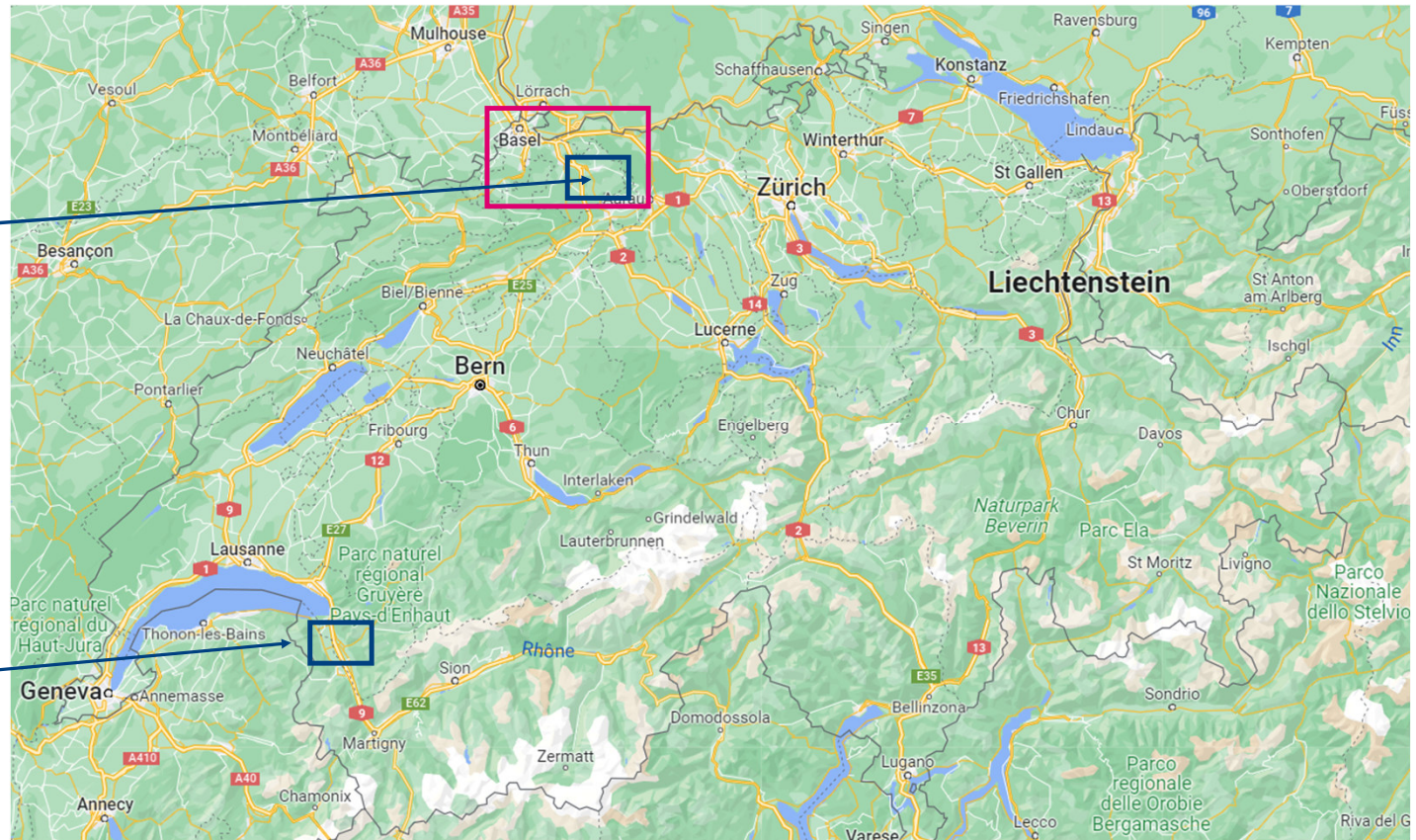
- Planned manufacturing site in Switzerland (Sisslerfeld / Eiken - canton of Aargau).
- Purchase of land announced in Oct.2022
- Area of 155'000 m², or ~2x larger than the Bubendorf campus
- Site development in stages (modular)
- First manufacturing facility including support buildings and access to railroad by end of decade.
- Initial investment sum of CHF 750 Mio
- Creation of ~500 new jobs initially
- Planning phase starting in 2023

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PHARMA CLUSTER - NORTHEAST OF SWITZERLAND

Bubendorf
Headquarters facility,
peptide and
oligonucleotide APIs

Vionnaz
Small molecules (APIs)
and amino acid derivatives

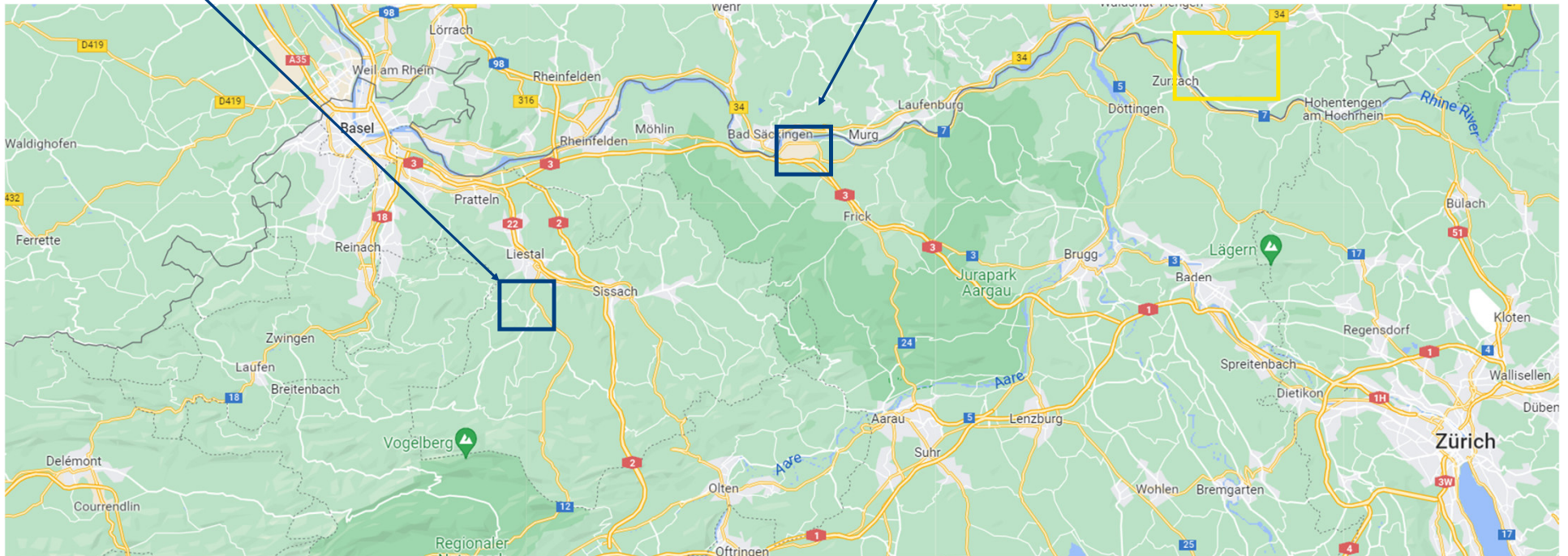


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BUBENDORF AND EIKEN/SISSLERFELD SITES

Bubendorf
Headquarters facility

**New Manufacturing Site
at Eiken/Sisslerfeld**
Large-scale TIDES manufacturing



SECURING LONG-TERM GROWTH

Financing

- Overall, CHF 1 CAPEX equals minimum of CHF 1 in annual sales.
- Key sources: Proceeds from 2021 equity increase and operating cash flow.
- Preference for independent financing.
- Negotiate opportunity to accelerate capacity with customer participation like pre-payment on future supplies.

CAPEX Top Priorities

- **“Tides FABrication Plant” (Building K)**
2021-2024: CHF 220 million
2024-2026: CHF 150 million
- **New Manufacturing Site Switzerland**
Currently plan to begin production by end of decade.

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OUTLOOK 2022-2026



Growth

- Expected average sales of 15% per year 2022-2026 (CAGR).



Profitability

- EBITDA ahead of 30%.



Capacity

- Deliver capacity for a rapidly growing demand.
- Investments across global manufacturing network.



Portfolio

- Oligonucleotides and peptides that make a difference.
- Build a strong second business pillar with Oligonucleotides.
- Strengthen and leverage vertical integration.

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Q&A

All

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- 2 legislative and regulatory developments and economic conditions;
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- 5 uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of clinical trials or research projects, unexpected side-effects of pipeline or marketed products;
- 6 interruptions in production;
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- 8 litigation;
- 9 loss of key executives or other employees; and
- 10 adverse publicity and news coverage.

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