

Ypsomed @ the Octavian Seminar 2021

Webcast, 14 January 2021



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Ypsomed makes selfcare simpler

Delivery Systems – Preferred partner for systems to administer liquid drugs



Pen systems



Autoinjector systems



Patch injector systems



Smart services

Diabetes Care – Established diabetes specialist with 35 years' experience



Pen needles



Blood glucose monitoring



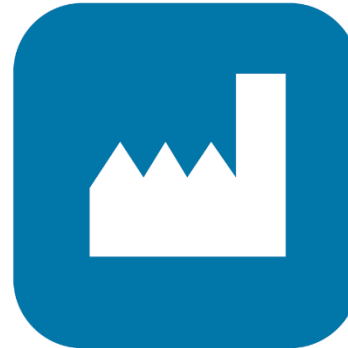
Infusion systems



Therapy management

Strategic initiatives for sustainable objectives

- **Expansion**
Establishment as a global provider
- **Innovation**
Digitisation of the portfolio
- **Operational Excellence**
Extending cost leadership
- **Sustainability**
Responsibility to society,
long-term profitability and
zero carbon emission by 2030



Strategic progress



Expansion

- Injection Systems: Sales growth of +22% year-on-year
- YpsoPump®: Conclusion of an important U.S. partnership



Innovation

- YpsoPump®: mylife™ Loop Program on track
- YpsoDose®: Collaboration with SCHOTT and Lonza



Operational Excellence

- YpsoMate®: Doubling capacities
- YpsoPump®: Assembly line for the infusion set for Schwerin



Sustainability

- YpsoMate® Zero: World first zero carbon emission autoinjector
- Focusing of the portfolio: Sale of YpsoPod® and settlement with Insulet

Therapy meets Medtech for an Insulin Pump System

- **Innovative partnership** between an insulin manufacturer and an insulin pump manufacturer for **sustainable user benefits**
- **Advanced, connected diabetes solution**
 - pre-filled insulin cartridges for Lilly's rapid acting insulins
 - smartphone controlled insulin pump with cloud connectivity
 - strong partnership with the leading CGM provider Dexcom
 - advanced automated insulin delivery functions



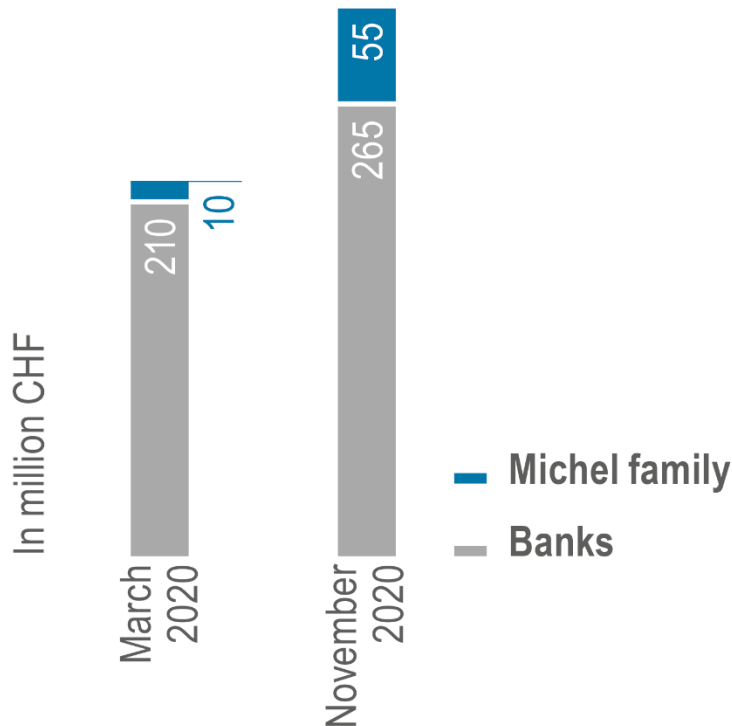
Agreement in legal dispute

- From 2010 to 2018, Ypsomed was the **exclusive distributor** for the **mylife™ OmniPod®** patch pump in Europe.
- We successfully established the therapy with the insulin patch pump in Europe and gained in some markets **over 20 percent market share**.
- This cooperation was terminated on 30 June 2018.
- Insulet compensates Ypsomed for the termination of the cooperation with an **additional** payment of **USD 36.15 million**.
- The total compensation thus amounts to **USD 41.25 million**.
- At the same time, Insulet drops its counterclaim of USD 18.70 million.
- Ypsomed is posting a **one-time**, extraordinary **impairment** of around CHF 9 million at EBIT level.
- We will propose an additional **dividend** contribution in the amount of **CHF 1.00 per share**.

Sale of YpsoPod® increases focus

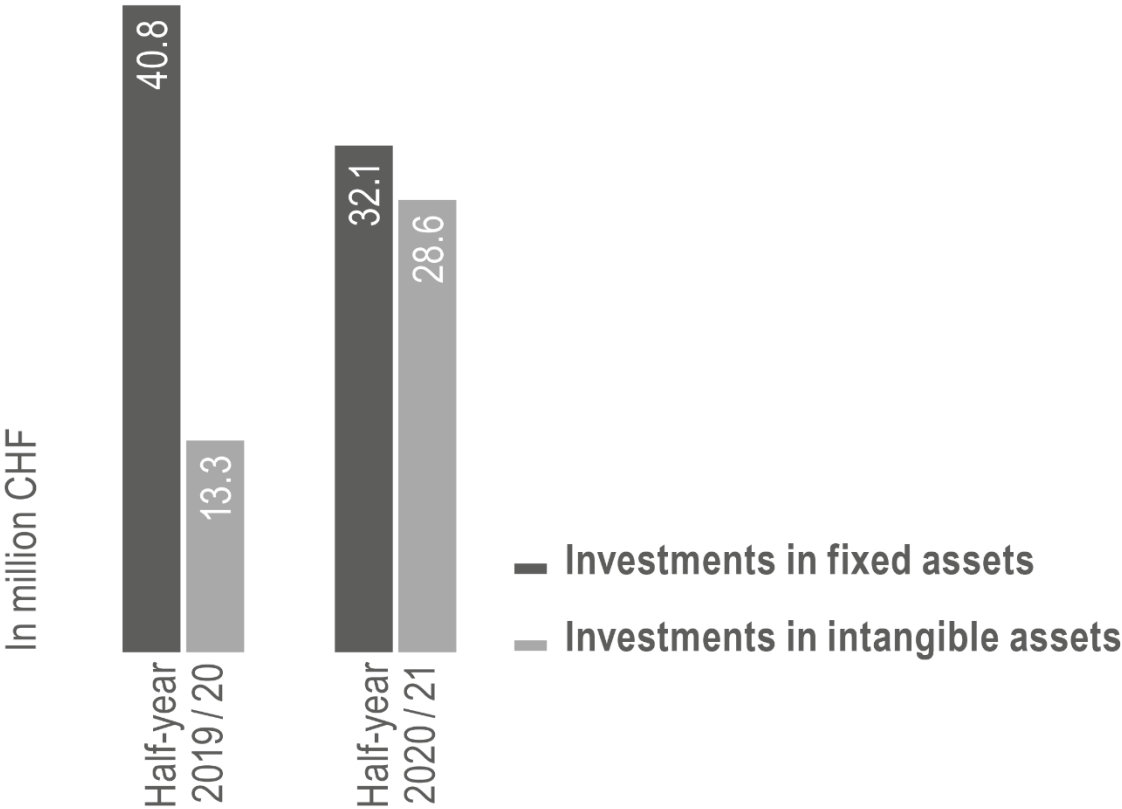
- The development project **YpsoPod®** will be sold to TecMed AG, a company controlled by Willy Michel, for CHF 13 million in Q1 2021.
- **Ypsomed** will achieve a **profit** of around **CHF 4 million** as an one-time effect and will remain the development partner for TecMed AG.
- **TecMed AG** will invest a further **CHF 75 million** in the **YpsoPod®** project in the coming years.
- **Ypsomed** participates in a **later success** or can **buy back** the **market-ready** product.
- Ypsomed thereby increases the financial flexibility for **investments** and also increases resources and management capacity for **activities** that will **improve profitability faster**.

Financing for growth ensured



- To **fund** the significant growth investments, the short-term credit line with banks was increased from CHF 210 million to CHF 265 million.
- The **Michel family shareholder group** is exercising its commitment and contributing an additional CHF 45 million in the form of a long-term loan at market conditions.

Investments for sustainable growth



Outlook for the financial year 2020/21

- Based on our well-diversified business model, we expect for the 2020/21 financial year a **slight increase in sales** and still **further growth in operating profit** from core operating activities compared to previous year, despite the pandemic.
- **Strict cost control** in operations will support this target.
- We still consider our **medium-term EBIT target of CHF 100 million** to be achievable.

Ypsomed Delivery Systems



Pen systems



Autoinjector systems



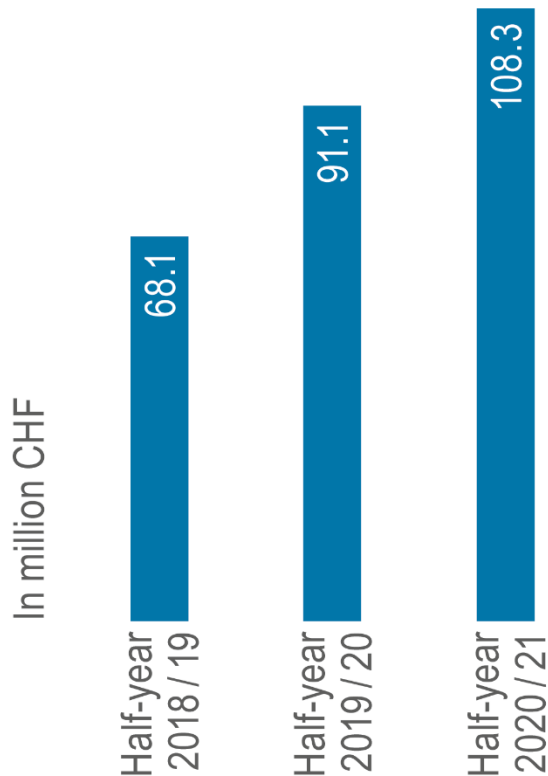
Patch injector systems



Smart services

Development of sales in Ypsomed Delivery Systems

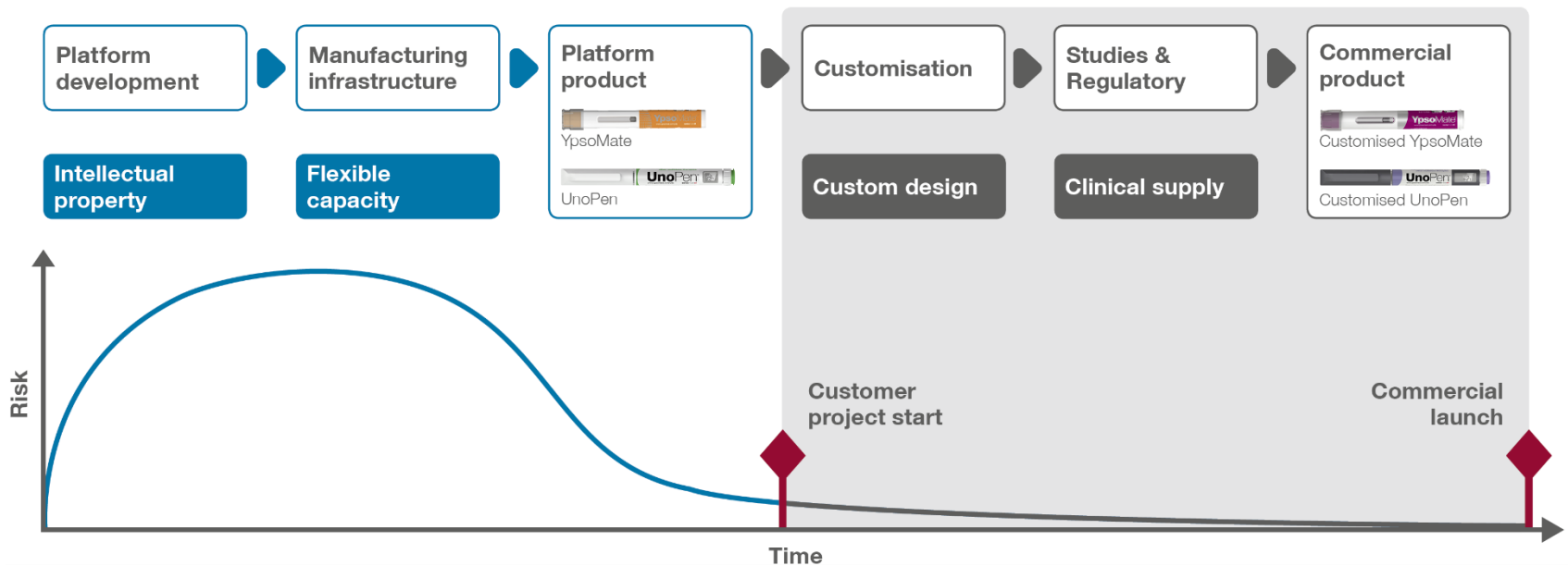
Growth of +59 % in two years



- Sales increase of **+21.7 %** for **Injection Systems** year-on-year.
- Next to **autoinjectors, UnoPen™, FixPen™** and **reusable pens** contribute to the growth.
- **Project revenues** have also increased compared to previous year.
- The sales contribution of **Contract Manufacturing** rose by **+10.3 %** despite negative FX effects.

Ypsomed Delivery Systems – Platform device strategy

- **Reduction of risks** and shortened "time-to-market".
- **Technological leadership** due to consistent ongoing development.
- **Cost leadership** due to scaling effects and highly automated production.



YpsoDose® – Advancing the patch injector platform

- Ypsomed advances its **patch injector YpsoDose® platform** into a **comprehensive solution** through an innovative collaboration with **SCHOTT** and **Lonza**.
- **SCHOTT** develops and supplies 10ml ready-to-use cartriQ® **glass cartridges**.
- **Lonza** implements a **filling** and **final assembly** process.



YpsoMate® Zero – first zero carbon emission autoinjector

- Pioneering development based on the established **YpsoMate® platform**.
- Comprehensive **life-cycle assessment**.
- **Optimisation** along the **entire supply chain** according to the principle of **circular economy**.
- Use of alternative **bio-polymers** for product and packaging.
- **Compensation** of remaining emissions with our **own reforestation program Ahueni** (from 2022).



YpsoMate® Zero – the three areas of impact



YpsoMate®



Carbon emission



Use of alternative materials



Optimisation along the supply chain



Offsetting the remaining carbon emissions

0



YpsoMate® Zero

YpsoMate® – Doubling manufacturing capacities

YpsoMate® 1.0

- Installation of a **third** automated assembly line and additional, complete injection moulding set-ups in Schwerin.
- Increase of the existing injection moulding capacities in Burgdorf.

YpsoMate® 2.25

- Installation of a **second** automated assembly line and additional, complete injection moulding set-ups in Schwerin.
- Further expansion of injection moulding capacities at the Swiss sites.



Ypsomed Diabetes Care



Pen needles



Blood glucose
monitoring

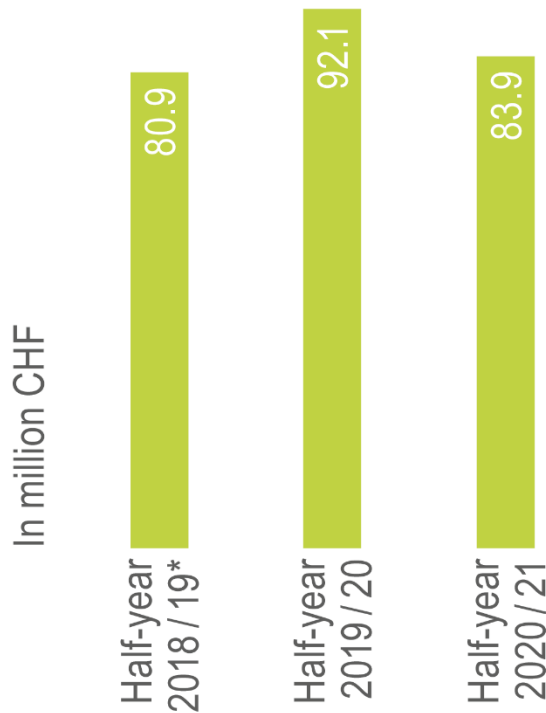


Infusion systems



Therapy
management

Development of sales in Ypsomed Diabetes Care



- Due to COVID-19, the sales contribution of **mylife™ YpsoPump®** decline by **-13.7 %** compared to previous year.
- **Pen needles** sales are down **-12.3 %** due to loss of a mayor customer in the USA and stockpiling in March 2020.
- Revenues of **test strips** fell **-9.1 %**.
- **DiaExpert** sales decreased by **-5.7 %**, mainly due to currency effects.

* In 2018/19 only contributions from continuing operations. For information about discontinued operations, see Annual Report 2019/20, page 59.

Global partnership for a joint insulin pump system

- **Lilly-branded system** consisting of Insulin pump, infusion sets and app.
- Based on the **existing YpsoPump® system**.
- Ypsomed is the **marketing authorization holder**.
- Non-exclusive **global promotion**.
- **Exclusive commercialisation in the U.S.** by Lilly.

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SELFCARE SOLUTIONS

Lilly

Market entry YpsoPump® in the U.S.



- **Lilly** will have **exclusive** rights to commercialize YpsoPump® in the **U.S.** under their **Lilly brand**.
- Ypsomed supplies FCA¹⁾ to Lilly.
- Lilly is responsible for **market access, marketing, training** und **first-level support**.
- Ypsomed supports with **second-level support**.
- Market approval expected second half of 2022.

1) FCA = Free Carrier, Lilly picks up at Ypsomed warehouse in CH/GER

Roadmap Lilly Insulin Pump System for the U.S.

Lilly Pump WL1

Remote bolus

FDA approval



H2 2022

Lilly Pump WL2

Controller-enabled

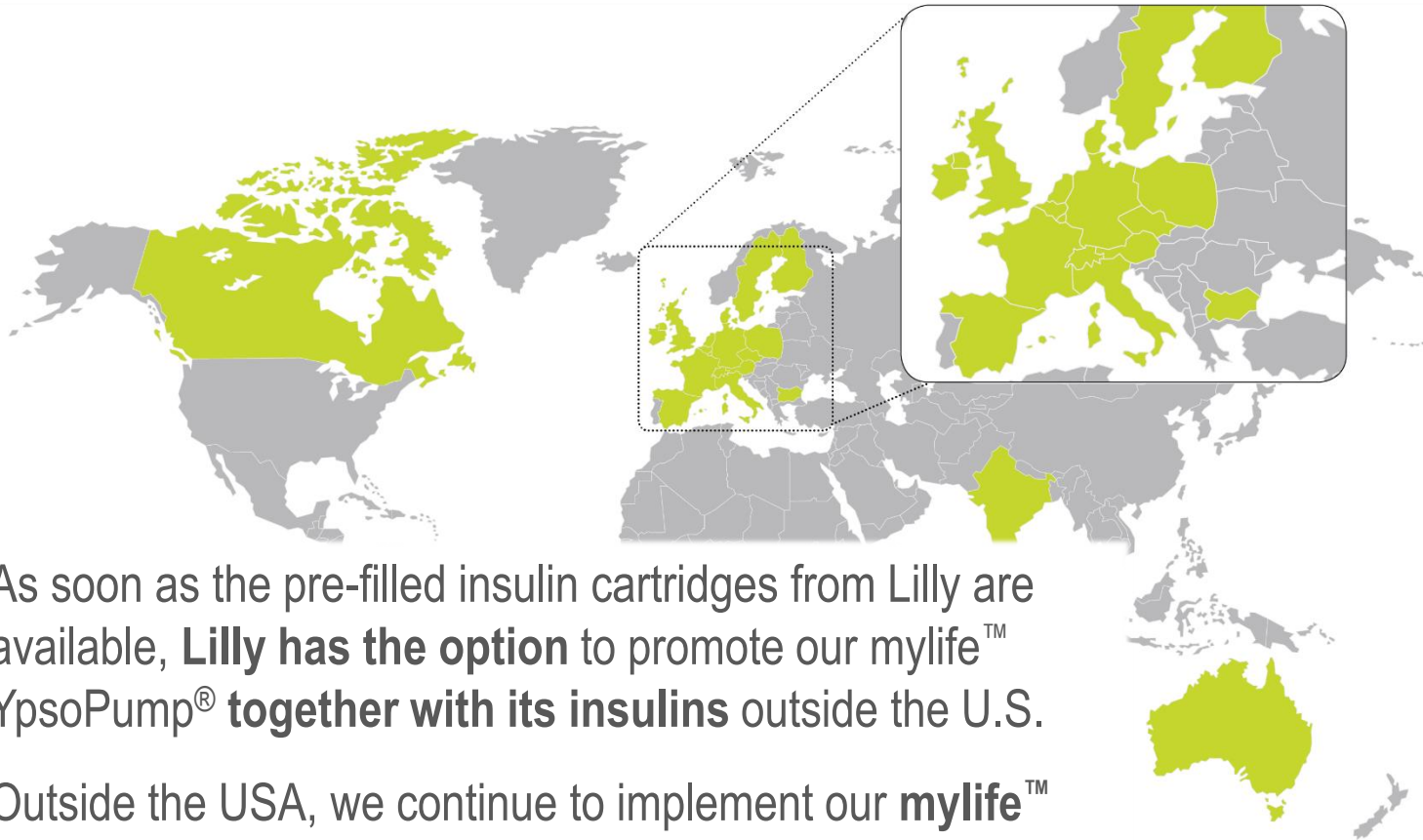
FDA approval



H2 2023

Product Lilly Pump WL1 and Lilly Pump WL2 not approved and not commercially available. Features and performance of any future technologies may vary. Dexcom and Dexcom G6 are registered trademarks of Dexcom, Inc. in the U.S., and may be registered in other countries.

mylife™ YpsoPump® – Partnering Lilly outside the U.S.



- As soon as the pre-filled insulin cartridges from Lilly are available, **Lilly has the option** to promote our mylife™ YpsoPump® **together with its insulins** outside the U.S.
- Outside the USA, we continue to implement our **mylife™ Loop Program**.

mylife™ YpsoPump® – mylife™ Loop Program on track

- **mylife™ Assist**

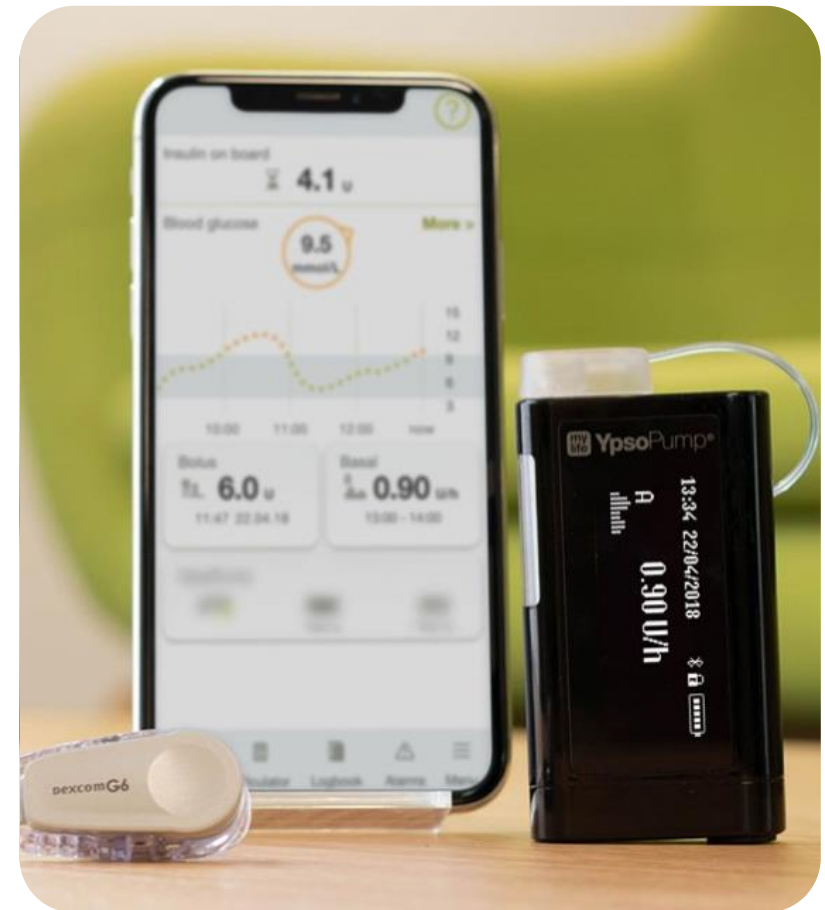
Wireless connectivity: all data, including CGM, at a glance on the smartphone and in the cloud.

- **mylife™ Dose**

Bolus calculation and delivery from your smartphone. Via a secure Bluetooth connection to mylife™ YpsoPump® by the user.

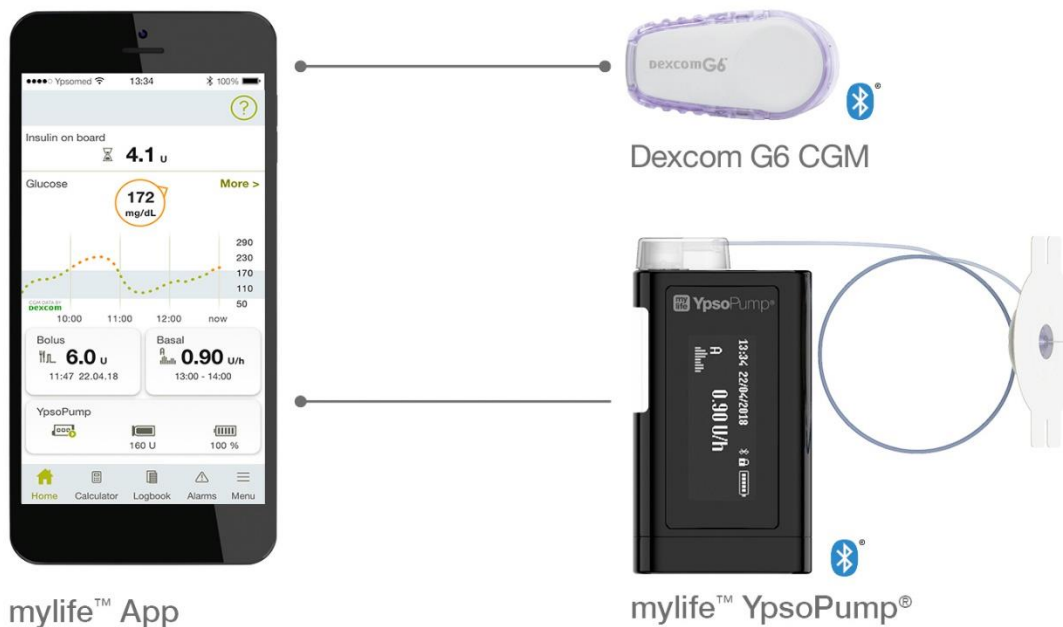
- **mylife™ Loop**

Automated, algorithm-supported insulin delivery via smartphone.



mylife™ YpsoPump® – mylife™ Assist¹⁾ feature

App-based Dexcom G6 CGM integration



1) Product mylife Assist not approved and not commercially available. Features and performance of any future technologies may vary. The Bluetooth® word mark and logos are registered trademarks owned by Bluetooth SIG, Inc., and any use of such marks by Ypsomed is under license. Dexcom and Dexcom G6 are registered trademarks of Dexcom, Inc. in the U.S., and may be registered in other countries.

Roadmap mylife™ Ypsopump® system outside the U.S.

mylife™ Assist
CGM integration

mylife™ Dose
Remote bolus

mylife™ Loop
Controller-enabled



Q1 2021



H2 2021

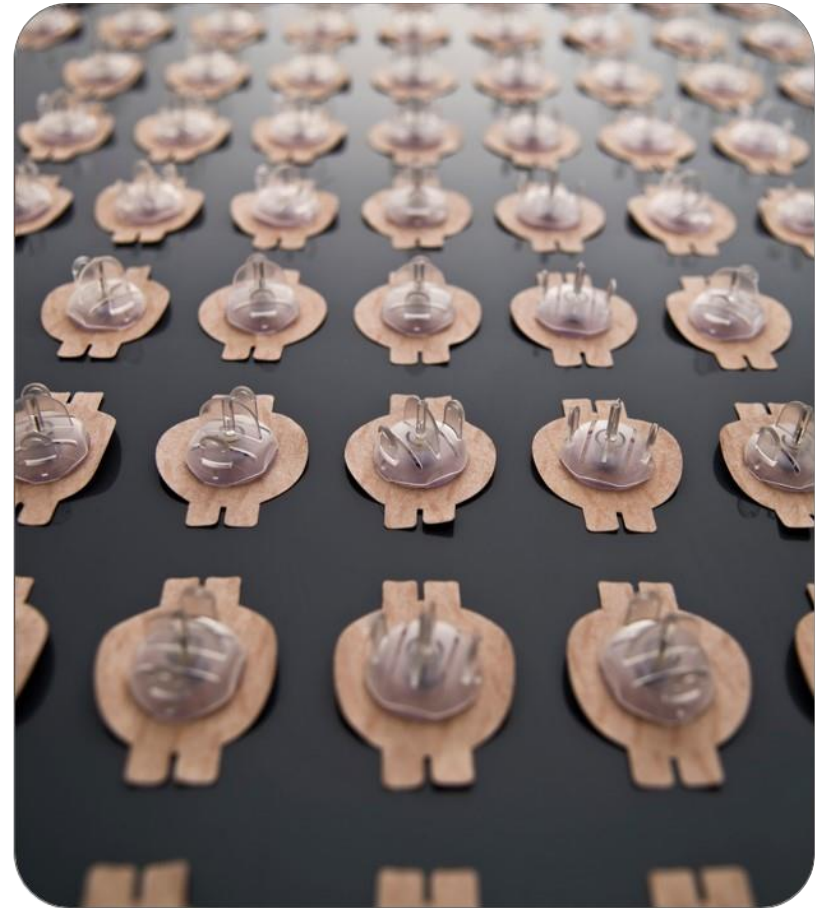


H1 2023

Product mylife Assist, mylife Dose and mylife Loop not approved and not commercially available. Features and performance of any future technologies may vary. Dexcom and Dexcom G6 are registered trademarks of Dexcom, Inc. in the U.S., and may be registered in other countries.

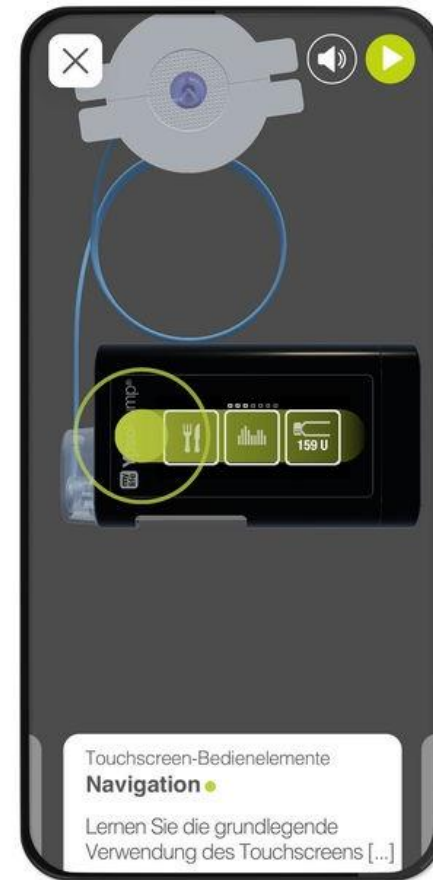
Automated assembly lines for the Orbit[®] infusion set

- Fully automated manufacturing line for the **new generation** of the **Ypsopump[®] Orbit[®] infusion set 2.0**.
- Installation in a **clean room in Schwerin**.
- Full automation **ensures supply for increasing demand** and creates qualified jobs.
- Production is expected to start in the **second half of 2021**.
- Construction of the **second clean room** and **planning of the second line** will start in **early 2021**.



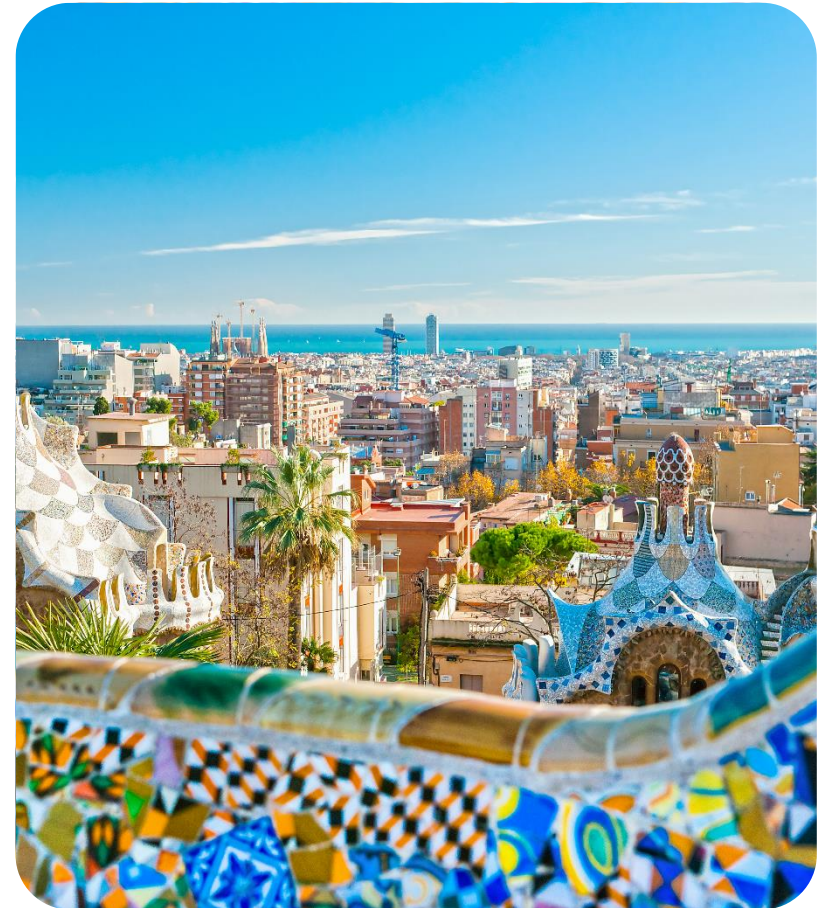
mylife™ YpsoPump® – Explorer App

Introduction of a digital training tool



Establishing a digital hub in Barcelona

- We are significantly expanding our internal resources for the consistent implementation of **digitisation**.
- For this, we are setting up a **digital hub** in Barcelona.
- The set-up is proceeding successfully and we have already been able to recruit close to **20 new employees**.
- Within 24 months, we expect to have around **40 staff members**.



Lasting effects of COVID-19

- **Home Care**

The global relevance of our vision of selfcare is increasing.

- **Digitisation**

We see a significant acceleration of digitisation in the healthcare sector.

- **Affordability**

The demand for affordable medical devices is growing.

- **Supply Chain**

Supply chain reliability and "de-risking" is becoming a priority.

- **Collaboration**

Building pragmatic and innovative partnerships becomes easier.

We welcome your questions.

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