

# BACHEM

HALF-YEAR REPORT

20

22

# EXPERIENCE FOR THE FUTURE

Bachem is a leading, innovation-driven company specializing in the development and manufacture of peptides and oligonucleotides. The company, which has 50 years of experience and expertise, provides products for research, clinical development, and commercial application to pharmaceutical and biotechnology companies worldwide and offers a comprehensive range of services. Bachem operates internationally with headquarters in Switzerland and locations in Europe, the US and Asia. The company is listed on the SIX Swiss Exchange. For further information, see [www.bachem.com](http://www.bachem.com).

**CHF 234.9  
MILLION**  
SALES IN FIRST HALF  
OF THE YEAR

Slight decline to prior half-year. Large number of development projects.

**STRONG  
GROWTH**  
EXPECTED FOR THE SECOND  
HALF OF THE YEAR

High demand for peptides and oligonucleotides.

**RECOGNITION  
FOR SUSTAINABILITY**

EcoVadis Gold Medal for the entire Bachem Group.

**STRATEGIC  
COLLABORATION  
IN OLIGONUCLEOTIDES**

Important milestone in expanding the second business pillar.

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# 1<sup>ST</sup> HALF-YEAR 2022 IN BRIEF

EBITDA  
in CHF million

67.3

EBIT MARGIN  
in percent

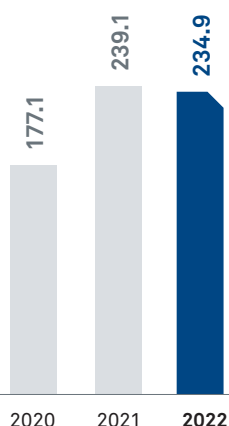
22.0

EARNINGS PER SHARE  
in CHF

0.50

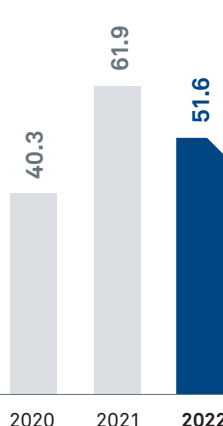
## SALES

in CHF million



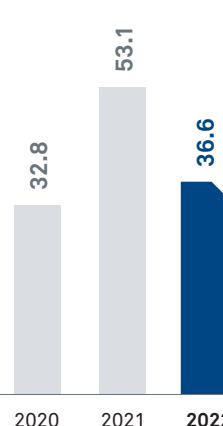
## EBIT

in CHF million



## NET INCOME

in CHF million



	2022	2021	Changes in	
			CHF	LC
Sales (in CHF million)	234.9	239.1	-1.8%	-3.0%
EBITDA (in CHF million)	67.3	75.5	-10.8%	-12.7%
EBITDA margin	28.7%	31.6%		
EBIT (in CHF million)	51.6	61.9	-16.8%	-18.9%
EBIT margin	22.0%	25.9%		
Net income (in CHF million)	36.6	53.1	-31.1%	
Net income margin	15.6%	22.2%		
Earnings per share (in CHF)	0.50	0.76	-34.6%	
Cash flow from operating activities (in CHF million)	50.7	59.8	-15.2%	
Number of employees (in full-time equivalents)	1 663	1 639 <sup>1</sup>		

<sup>1</sup> Value as per December 31, 2021

# COMMENT AND OUTLOOK

**The first half of 2022 was characterized by a large number of complex development projects and lower order volumes in the commercial product portfolio. The order situation for the second half is very positive and nonetheless, the demand trend for peptides and oligonucleotides remains high. A significant improvement of sales and profit is expected for 2022 as a whole.**

## Sales

The Bachem Group (SIX: BANB) achieved sales of CHF 234.9 million in Swiss francs in the first half of 2022 (–1.8% compared to the prior year period). In local currencies, sales declined by 3.0%. Sales for the first half of 2022 were shaped by a large number of complex development projects. Meanwhile, order volumes in the commercial product portfolio were lower due to factors such as delayed market launches of customer products. Given a positive order situation and ongoing high demand for peptides and oligonucleotides, however, Bachem expects significantly stronger sales in the second half.

## Profit

Operating income before depreciation and amortization (EBITDA) came to CHF 67.3 million (–10.8% compared to prior year period) in the first half of 2022 while operating income (EBIT) amounted to CHF 51.6 million (–16.8% compared to prior year period). This represents an EBITDA margin of 28.7% (first half-year 2021: 31.6%) and an EBIT margin of 22.0% (first half-year 2021: 25.9%). Net income was CHF 36.6 million (–31.1% compared to prior year period) with a margin of 15.6% (first half-year 2021: 22.2%). A major factor in the lower operating income figures compared to the prior year period was a product mix with a large number of elaborate development projects. High capacity utilization is expected in the second half of the year.

## Cost structure

Due to a more elaborate product mix, the Bachem Group was unable to benefit from economies of scale during the period under review. With sales slightly lower and operating expenses higher, gross profit was below the corresponding figure for the previous year. Marketing and sales costs in the first half of the year were CHF 9.0 million (first half-year 2021: CHF 8.5 million), due largely to the resumption of travel after the COVID-19 pandemic, amounting to 3.8% of sales as compared to 3.6% the previous year. As previously stated, the Group undertook increased investments into proprietary process improvements and manufacturing technology. Consequently, research and development costs rose to CHF 2.1 million (first half-year 2021: CHF 1.9 million), equivalent to 0.9% of sales (first half-year 2021: 0.8%). General administrative costs of CHF 8.6 million (first half-year 2021: CHF 8.1 million) were equal to 3.7% of sales (prior year period: 3.4%). These expenses were impacted by a moderate expansion of functions serving a larger organization as well as additional capital tax expense from the capital increase in the second half of 2021.

The financial result for the first half of the year was a net expense of CHF 11.2 million (first half-year 2021: net income of CHF 0.7 million). Foreign exchange effects had a positive impact on the result. Among other factors, the the valuation at the balance sheet date of USD loans granted to subsidiaries by the holding company was significant. The result was a net foreign exchange gain of CHF 1.2 million (first half-year 2021: CHF 1.0 million). Dividends and interest earned from securities amounted to CHF 1.5 million (first half-year 2021: CHF 0.0 million). However, the current stock market climate also resulted in book losses in the amount of CHF 13.5 million (first half-year 2021: CHF 0.0 million). Since the Group has repaid all bank loans as of the balance sheet date, interest expense is no longer relevant for the financial result. Income taxes came to CHF 3.7 million, resulting in a consolidated tax rate of 9.3% (first half-year 2021: CHF 9.5 million, i.e. 15.2%). In the reporting period, the tax authorities made the final assessment of the tax treatment of new tax instruments related to the Swiss tax reform, which were claimed for the years 2020 and 2021. This led to a reduction in tax liabilities of CHF 1.9 million, which was recorded affecting net income.

In the future, expenses will evolve in line with the needs of long-term corporate growth. In particular, there will be disproportionate investment in research and development to further expand Bachem's technology lead.

### Macroeconomic environment

Ensuring smooth business operations requires significant attention given the current macroeconomic environment. Significant risk factors include inflation, supply chain and energy security. In the first half of 2022 risk management efforts were successful at Bachem. A number of customer contracts were updated to reflect higher energy and raw material prices. Capacity expansion projects, by contrast, benefit from long-term supply contracts with stable prices. Shortages in the global supply chain are being compensated through active project management, but remain a risk factor with view to specialized plant material and solvents. Subject to an acute shortage situation in Switzerland, the supply of electricity, gas and oil for production remains secure. An internal task force has been established to prepare for a possible electricity shortage in Switzerland.

### Sales by product category

The Commercial API category recorded sales of CHF 131.0 million (first half-year 2021: CHF 148.2 million, -11.7%) due to lower order quantities, especially of launch-stage customer products. In the CMC Development category, sales came to CHF 79.3 million (first half-year 2021: CHF 68.3 million, +16.2%). The growth in this category reflects an expanded global pipeline of clinical development projects with peptide- and oligonucleotide-based ingredients. The Research & Specialties business amounted to CHF 24.6 million (first half-year 2021: CHF 22.6 million, +8.9%).

### Sales by region

In the regional sales breakdown, the Europe/Asia region contributed CHF 142.3 million (first half-year 2021: CHF 116.9 million, +21.7%). The North America region accounted for CHF 92.6 million of sales (first half-year 2021: CHF 122.2 million, -24.2%). The decline in commercial orders most heavily impacted the North America sales region.

### Capacity expansion

Capital investments of CHF 38.7 million across all sites were undertaken in the first half of 2022. Investments are on track, with the major portion of capital expenditures scheduled to occur in the second half of 2022. Bachem began construction of the world's most advanced peptide and oligonucleotide production plant in 2021. The facility is scheduled to open in 2024. A total of CHF 220 million from the start of the project is budgeted for the first phase. Bachem AG acquired Ingro Immobilien AG with Breiten Immobilien AG effective April 25, 2022, and is now the owner of the respective land and formerly leased office buildings in Bubendorf. The search for a third location in Switzerland for long-term capacity expansion is at an advanced stage.

### Peptides update

Bachem sees sustained high demand for services and products for peptides as active pharmaceutical ingredients. Positive study data on the use of peptides to treat diabetes, obesity, and eye complaints are indicators of this industry trend.

### Oligonucleotides update

The expansion of the oligonucleotide business is proceeding according to plan. The goal of CHF 100 million in sales in the oligonucleotide business is expected to be reached in 2023. In the period under review, a strategic collaboration was announced with the pharmaceutical concern Lilly for the development and production of medical ingredients based on oligonucleotides, with long-term sales potential of some CHF 100 million annually within seven years.

### Sustainability

Bachem was awarded an EcoVadis Gold Medal for sustainability in the first half of 2022. The EcoVadis Gold rating applies to the entire Bachem Group, including the four GMP locations producing active pharmaceutical ingredients according to Good Manufacturing Practice. The rating places Bachem among the top 5% of all companies evaluated by EcoVadis and among the top 2% of companies in the industry. In addition, Bachem has set long-term sustainability goals for the entire Group in the areas of workplace safety and health, diversity and equal opportunity, as well as in terms of energy consumption and greenhouse gas emissions.

### Cash flow

Cash flow from operating activities in the first half of 2022 came to CHF 50.7 million (first half-year 2021: CHF 59.8 million). Net working capital increased by CHF 16.7 million (first half-year 2021: increase of CHF 8.9 million). This change was primarily the result of a reduction in trade receivables in the amount of CHF 11.8 million, offset by a growth-related increase in inventories of CHF 34.6 million to ensure future production and timely deliveries to customers. Cash in the amount of CHF 70.6 million (first half-year 2021: CHF 54.5 million) was expended in the course of capacity expansion and for ongoing investments. The acquisition of Ingro Immobilien AG with its attendant land and the formerly leased office buildings in Bubendorf resulted in a net cash outflow of CHF 21.9 million.

A gross total of CHF 51.6 million was distributed as dividends. Cash and cash equivalents declined by CHF 54.7 million during the period under review (first half-year 2021: CHF 3.5 million), resulting in a balance of CHF 34.5 million as of June 30, 2022 (December 31, 2021: CHF 89.2 million).

### Equity and liabilities

All non-listed shares of the type "Bachem A" were converted into listed shares of the type "Bachem B" on May 5, 2022, followed by a split of the nominal value at a ratio of 1:5 for all Bachem shares. The new nominal value of each share is CHF 0.01 (formerly CHF 0.05).

The equity ratio on June 30, 2022, was 88.2% (December 31, 2021: 86.3%). As of June 30, 2022, there are no outstanding loan liabilities (December 31, 2021: 20.0 million CHF).

### Outlook

For the full year 2022, Bachem expects mid-to-high single-digit growth in Group sales with EBITDA and EBIT margins at levels comparable to the previous year. For the five-year period 2022–2026 Bachem continues to expect average annual sales growth of 15%. Bachem expects an EBITDA margin during this period ahead of 30%. The target of CHF 100 million in sales from the oligonucleotides business is expected to be reached in 2023. Bachem is pursuing an investment program across all sites to expand capacity. The launch of operations for the world's most modern and largest building for peptide and oligonucleotide production in Bubendorf is planned for 2024. A third site in Switzerland is to strengthen the production network by the end of the decade.

# CONSOLIDATED INCOME STATEMENT

(Unaudited)

in CHF 1 000	Notes	First half-year 2022	First half-year 2021
Sales	5	234 883	239 141
Cost of goods sold		- 164 102	- 159 071
<b>Gross profit</b>		<b>70 781</b>	<b>80 070</b>
Other income		506	448
Marketing and sales costs		- 8 998	- 8 547
Research and development costs		- 2 138	- 1 879
General administrative costs		- 8 587	- 8 143
<b>Operating income (EBIT)</b>	5	<b>51 564</b>	<b>61 949</b>
Financial income	6	2 715	957
Financial expenses	7	- 13 924	- 247
<b>Ordinary income before taxes</b>		<b>40 355</b>	<b>62 659</b>
Income taxes	9	- 3 741	- 9 537
<b>Net income<sup>1</sup></b>		<b>36 614</b>	<b>53 122</b>
<b>Earnings per share (CHF)<sup>2</sup></b>	10	<b>0.50</b>	<b>0.76</b>

<sup>1</sup> The net income is completely attributable to the equity holders of the parent.

<sup>2</sup> There are no options or similar that have a dilutive effect.

The notes on pages 9 to 12 are an integral part of the consolidated interim financial statements.

# CONSOLIDATED BALANCE SHEET

(Unaudited)

in CHF 1000	Notes	June 30, 2022	Dec. 31, 2021
<b>Assets</b>			
Cash and cash equivalents		34 504	89 191
Securities	11	267 715	353 165
Trade receivables		95 587	106 492
Other current receivables		6 156	3 994
Prepaid expenses and accrued income		7 059	4 144
Current income tax assets		3 182	4 335
Inventories		309 056	272 350
<b>Total current assets</b>		<b>723 259</b>	<b>833 671</b>
Property, plant and equipment		516 608	445 718
Intangible assets		13 787	13 403
Assets from employer contribution reserve		320	320
Deferred tax assets		6 198	5 384
<b>Total non-current assets</b>		<b>536 913</b>	<b>464 825</b>
<b>Total assets</b>		<b>1 260 172</b>	<b>1 298 496</b>
<b>Liabilities and equity</b>			
Trade payables		24 788	25 030
Other current liabilities		33 667	52 332
Accrued expenses and deferred income		39 747	34 624
Current income tax liabilities		3 431	2 210
Current financial liabilities	8	347	20 364
<b>Total current liabilities</b>		<b>101 980</b>	<b>134 560</b>
Non-current financial liabilities	8	349	499
Deferred tax liabilities		46 856	42 439
<b>Total non-current liabilities</b>		<b>47 205</b>	<b>42 938</b>
<b>Total liabilities</b>		<b>149 185</b>	<b>177 498</b>
Share capital	10	738	738
Retained earnings		562 887	552 135
Share premium		583 415	609 597
Own shares		- 517	- 1 169
Cumulative translation differences		- 35 536	- 40 303
<b>Total capital and reserves attributable to the equity holders of the company</b>		<b>1 110 987</b>	<b>1 120 998</b>
<b>Total liabilities and equity</b>		<b>1 260 172</b>	<b>1 298 496</b>

The notes on pages 9 to 12 are an integral part of the consolidated interim financial statements.



# CONSOLIDATED CASH FLOW STATEMENT

(Unaudited)

in CHF 1 000	Notes	First half-year 2022	First half-year 2021
<b>Cash flow from operating activities</b>			
Net income		36 614	53 122
Adjustments for:			
Income taxes	9	3 741	9 537
Depreciation and amortization		15 749	13 526
Financial income	6	- 2 715	- 957
Financial expenses	7	13 924	247
Share based payments		280	502
Loss on sale/scrapping of property, plant and equipment		8	3
Income taxes paid		- 227	- 7 287
<b>Cash flow from operating activities before changes in net working capital</b>		<b>67 374</b>	<b>68 693</b>
Change in trade receivables		11 829	2 280
Change in other current receivables, prepaid expenses and accrued income		- 3 172	- 474
Change in inventories		- 34 616	- 16 736
Change in trade payables		- 314	- 3 654
Change in other current liabilities, accrued expenses and deferred income		9 587	9 686
<b>Cash flow from operating activities</b>		<b>50 688</b>	<b>59 795</b>
<b>Cash flow from investing activities</b>			
Investments in property, plant and equipment		- 67 760	- 53 508
Investments in intangible assets		- 2 842	- 1 020
Acquisitions	12	- 21 866	0
Sales of securities	11	72 000	0
Other financial payments and proceeds		289	- 68
<b>Cash flow from investing activities</b>		<b>- 20 179</b>	<b>- 54 596</b>
<b>Cash flow from financing activities</b>			
Dividends paid	4	- 51 620	- 20 490
Increase in financial liabilities		0	35 000
Repayment of financial liabilities	8	- 33 683	- 22 419
Additions of own shares		0	- 898
Interest paid		- 58	- 222
<b>Cash from financing activities</b>		<b>- 85 361</b>	<b>- 9 029</b>
Net effect of currency translation on cash and cash equivalents		165	294
<b>Net change in cash and cash equivalents</b>		<b>- 54 687</b>	<b>- 3 536</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>89 191</b>	<b>23 496</b>
<b>Cash and cash equivalents at the end of the half-year</b>		<b>34 504</b>	<b>19 960</b>
<b>Net change in cash and cash equivalents</b>		<b>- 54 687</b>	<b>- 3 536</b>

The notes on pages 9 to 12 are an integral part of the consolidated interim financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited)

2022 in CHF 1 000	Notes	Share capital	Retained earnings	Share premium	Own shares	Cumulative translation differences	Total
<b>Balance at January 1</b>		<b>738</b>	<b>552 135</b>	<b>609 597</b>	<b>- 1 169</b>	<b>- 40 303</b>	<b>1 120 998</b>
Net income according to income statement			36 614				36 614
Dividends	4		- 25 810	- 25 810			- 51 620
Offset goodwill	12		- 52				- 52
Transactions with own shares (net of tax)				210	- 210		0
Share based payments				- 582	862		280
Cumulative translation differences						4 767	4 767
<b>Balance at June 30</b>		<b>738</b>	<b>562 887</b>	<b>583 415</b>	<b>- 517</b>	<b>- 35 536</b>	<b>1 110 987</b>

2021 in CHF 1 000	Notes	Share capital	Retained earnings	Share premium	Own shares	Cumulative translation differences	Total
<b>Balance at January 1</b>		<b>700</b>	<b>460 268</b>	<b>59 312</b>	<b>- 1 002</b>	<b>- 43 564</b>	<b>475 714</b>
Net income according to income statement			53 122				53 122
Dividends	4		- 22 815	- 22 675			- 45 490
Transactions with own shares (net of tax)				- 35	- 865		- 900
Share based payments				- 196	698		502
Cumulative translation differences						4 830	4 830
<b>Balance at June 30</b>		<b>700</b>	<b>490 575</b>	<b>36 406</b>	<b>- 1 169</b>	<b>- 38 734</b>	<b>487 778</b>

As per January 1, goodwill in the amount of CHF 1 352 thousand is offset in retained earnings.

The notes on pages 9 to 12 are an integral part of the consolidated interim financial statements.

# SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1 Accounting policies

### *Principles of consolidation*

These consolidated interim financial statements comprise the unaudited consolidated financial statements of Bachem Holding AG, a company registered in Switzerland, and its subsidiaries for the six-month period ended June 30, 2022.

The consolidated interim financial statements were prepared in accordance with Swiss GAAP FER 31 “Complementary recommendation for listed public companies.” These consolidated interim financial statements do not include all the information and disclosures contained in the annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2021, which were prepared in accordance with the Swiss Accounting and Reporting Recommendations (Swiss GAAP FER).

### *Changes in accounting policies*

For the reporting year 2022, no changes in accounting policies became effective. The accounting policies used are consistent with those used in the annual consolidated financial statements 2021.

### *Approval of the interim financial statements*

The consolidated interim financial statements were approved for issue by the Board of Directors of Bachem Holding AG on August 18, 2022.

## 2 Foreign exchange rates

in CHF	Income statement average rates		Balance sheet period-end rates	
	First half-year 2022	First half-year 2021	June 30, 2022	Dec. 31, 2021
USD	0.94	0.91	0.96	0.91
EUR	1.03	1.09	1.00	1.04
GBP	1.23	1.26	1.16	1.23
JPY (100)	0.77	0.84	0.70	0.79

## 3 Seasonality

The operating income is subject to fluctuations having no seasonal origin.

## 4 Dividend distribution

On May 3, 2022, a dividend of CHF 51.6 million, respectively CHF 0.70 per share was distributed for the year 2021 (previous year: CHF 45.5 million, respectively CHF 0.65 per share). Dividend values per share are based on the number of shares after the share split in the ratio of 1:5 (see note 10).

## 5 Segment information

The presented values are based on the same valuation principles according to Swiss GAAP FER as used for the whole interim financial statements.

in CHF 1 000	Europe/ Asia	North America	Total segments	Corporate and eliminations	Consolidated values
<b>Sales information first half-year 2022</b>					
Sales third parties	142 255	92 628	234 883	0	<b>234 883</b>
Sales intersegment	49 434	3 842	53 276	- 53 276	<b>0</b>
<b>Total sales</b>	<b>191 689</b>	<b>96 470</b>	<b>288 159</b>	<b>- 53 276</b>	<b>234 883</b>
<b>Income information first half-year 2022</b>					
Operating income (EBIT)	44 897	10 147	55 044	- 3 480 <sup>1</sup>	<b>51 564</b>
<b>Other information first half-year 2022</b>					
Additions in property, plant and equipment and intangible assets	36 071	2 592	38 663	0	<b>38 663</b>
Depreciation and amortization	- 12 964	- 2 779	- 15 743	- 6	<b>- 15 749</b>
Total assets	815 406	197 542	1 012 948	247 224 <sup>2</sup>	<b>1 260 172</b>
Total liabilities	544 858	74 420	619 278	- 470 093 <sup>3</sup>	<b>149 185</b>

<sup>1</sup> The amount corresponds to the operating income from corporate activities.

<sup>2</sup> The amount consists of corporate assets as for example cash and cash equivalents and loans to Group companies in the total of CHF 724.9 million and of eliminations in the value of CHF -477.7 million.

<sup>3</sup> The amount consists of corporate liabilities of CHF 4.6 million and of eliminations in the value of CHF -474.7 million.

in CHF 1 000	Europe/ Asia	North America	Total segments	Corporate and eliminations	Consolidated values
<b>Sales information first half-year 2021</b>					
Sales third parties	116 933	122 208	239 141	0	<b>239 141</b>
Sales intersegment	63 445	3 509	66 954	- 66 954	<b>0</b>
<b>Total sales</b>	<b>180 378</b>	<b>125 717</b>	<b>306 095</b>	<b>- 66 954</b>	<b>239 141</b>
<b>Income information first half-year 2021</b>					
Operating income (EBIT)	48 062	16 894	64 956	- 3 007 <sup>1</sup>	<b>61 949</b>
<b>Other information first half-year 2021</b>					
Additions in property, plant and equipment and intangible assets	43 799	7 462	51 261	0	<b>51 261</b>
Depreciation and amortization	- 11 238	- 2 282	- 13 520	- 6	<b>- 13 526</b>
Total assets	609 959	176 720	786 679	- 17 729 <sup>2</sup>	<b>768 950</b>
Total liabilities	361 999	69 975	431 974	- 150 802 <sup>3</sup>	<b>281 172</b>

<sup>1</sup> The amount consists of the operating income from corporate activities of CHF -3.5 million and of eliminations in the value of CHF 0.5 million.

<sup>2</sup> The amount consists of corporate assets as for example cash and cash equivalents and loans to Group companies in the total of CHF 287.4 million and of eliminations in the value of CHF -305.1 million.

<sup>3</sup> The amount consists of corporate liabilities of CHF 151.4 million and of eliminations in the value of CHF -302.2 million.

## 6 Financial income

in CHF 1 000	<b>First half-year 2022</b>	First half-year 2021
Interest income	5	0
Gains on securities	1 536	0
Other financial income	4	4
Foreign exchange result	1 170	953
<b>Total financial income</b>	<b>2 715</b>	<b>957</b>

## 7 Financial expenses

in CHF 1 000	<b>First half-year 2022</b>	First half-year 2021
Interest expenses	-58	-176
Losses on securities	-13 450	0
Other financial expenses	-416	-71
<b>Total financial expenses</b>	<b>-13 924</b>	<b>-247</b>

## 8 Financial liabilities

In the first half of 2022, bank loans brought forward from last year of CHF 20.0 million and loans from the related party Ingro Finanz AG in the amount of CHF 13.5 million, which were taken over in connection with the acquisition of Ingro Immobilien AG (see note 12), were repaid. As of June 30, 2022, the reported financial liabilities therefore consist exclusively of finance lease liabilities.

## 9 Income taxes

In the reporting period, the tax authorities made the final assessment of the tax treatment of new tax instruments related to the Swiss tax reform, which were claimed for the years 2020 and 2021. This led to a reduction in tax liabilities of CHF 1.9 million, which was recorded affecting net income.

## 10 Share split

On May 5, 2022, all non-listed shares of the type "Bachem A" (47.47% of share capital) were converted into listed shares of the type "Bachem B", and subsequently the nominal value of all Bachem shares was split in the ratio of 1:5. The par value per share is now CHF 0.01 (previously CHF 0.05).

Earnings per share are calculated based on the shares outstanding after the split. In order to ensure comparability, the previous year's figure has been adjusted accordingly.

## 11 Securities

in CHF 1 000	June 30, 2022	Dec. 31, 2021
Money market	29 625	101 965
Bonds	192 984	199 618
Shares	45 106	51 582
<b>Total securities</b>	<b>267 715</b>	<b>353 165</b>

The securities consist of direct and indirect investments in marketable, easily realizable securities. They are valued at market values, stock exchange prices, on the balance sheet date.

## 12 Acquisitions

As of April 25, 2022, Bachem AG has taken over all shares of Ingro Immobilien AG in Hergiswil (NW), Switzerland, including the 100% investment in Breiten Immobilien AG in Bubendorf (BL), Switzerland, from the related party Ingro Finanz AG. Neither Ingro Immobilien AG nor Breiten Immobilien AG had any employees. Before the takeover, Bachem AG rented various properties on the site of Breiten Immobilien AG. Both acquired companies were merged into Bachem AG after the takeover was completed.

The purchase price paid was CHF 23.8 million and the fair value of the net assets acquired amounted to CHF 23.7 million. The main balance sheet items at the time of acquisition are: cash of CHF 1.9 million, receivables of CHF 1.1 million, property, plant and equipment including assets under construction of CHF 44.9 million, current liabilities of CHF 8.4 million, loans from the related party Ingro Finanz AG in the amount of CHF 13.5 million and deferred tax liabilities of CHF 2.3 million.

The goodwill from this transaction in the amount of CHF 0.1 million was offset against equity.

The impact of the acquisition on the net income for the reporting period is not material.

The disclosed values are currently provisional and are subject to change.

## 13 Contingent liabilities and other commitments

There are no material contingent liabilities or other commitments at the balance sheet date.

## 14 Events after the balance sheet date

There have been no material events after the balance sheet date.

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## ANNUAL REPORT 2022

March 7, 2023

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## ANNUAL GENERAL MEETING (BUSINESS YEAR 2022)

April 19, 2023

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## HALF-YEAR REPORT 2023

July 27, 2023

This Half-Year Report is published in German and English.

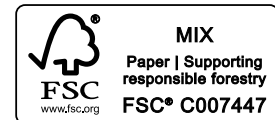
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### Forward-looking statements

Forward-looking statements contained herein are qualified in their entirety and are of only limited validity. Investors are cautioned that all forward-looking statements involve risks and uncertainty. There are certain factors that could cause results to differ materially from those anticipated. This includes as well the timing and strength of new product offerings, pricing strategies of competitors, the Group's ability to continue to receive adequate products from its vendors on acceptable terms, or at all, and to continue to obtain sufficient financing to meet its liquidity needs, 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.

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