

The key to future growth lies in having innovative drug substances approved for new medicines and in opening up new therapy or application areas for existing products. Bachem is committed to driving forward and expanding its development project pipeline. As a partner to its customers, Bachem works together with them on new, successful market authorizations and promotes flexibility and creativity in the project teams.

### **BACHEM PRODUCT LINES**

#### **RESEARCH CHEMICALS**

Bachem's Research Chemicals are mainly used to make peptides and to advance biochemical knowledge. The new online catalog provides enhanced search functionality and a unique shopping experience. The catalog is being continually updated with new and innovative products.

#### **NEW CHEMICAL ENTITIES (NCES)**

There are a large number of peptide drug candidates in clinical development. Furthermore, over 70 peptides have already been approved as a treatment for various diseases. Bachem is pursuing the largest number of peptide projects worldwide.

#### **GENERICS**

After a drug loses its patent protection, generic copies are produced. Peptide-based pharmaceuticals are somewhat different in this regard because a generic peptide will usually not have the same formulation as the innovator product. It must therefore be navigated through a demanding approval pathway, and generic drug makers turn to Bachem for support during this process.

**Catalog**

In the catalog business, aside from rapid availability and competitive prices, the product portfolio plays a decisive role. Every year, Bachem supplements its catalog with new, innovative products emerging from the latest areas of research. Intensive regular exchanges with leading researchers and key opinion leaders at various conferences and symposia ensure that Bachem is able to support cutting-edge research all over the world with the right products.

**Custom synthesis**

In custom synthesis, the customer defines the product or sequence. What sets Bachem apart from its competitors is its flexibility, technical expertise, and exceptional quality awareness. Focusing on demanding customer segments – diagnostic and cosmetic companies, for example – has proved effective in recent years and will continue to offer further potential for growth in future.

**APIs & Services**

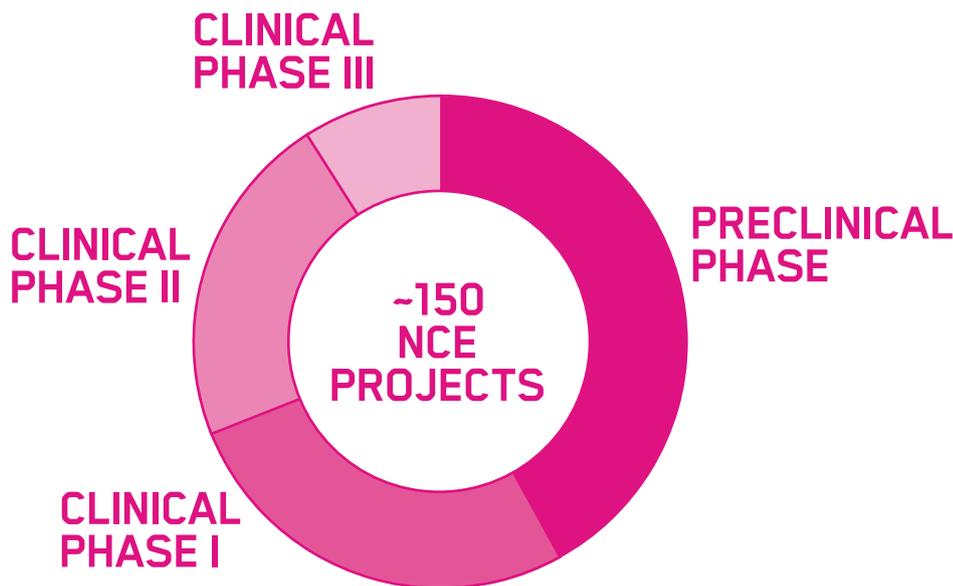
Drug substances or APIs (Active Pharmaceutical Ingredients) are the largest application area for peptides at Bachem. These can be products with market approval or

products that are still in development. The priority for products with market approval is cost-effective and reliable production. Close coordination with customers' needs and careful long-term planning are crucially important. Long-term supply contracts often regulate prices, purchase volumes and other obligations, thus providing security for both parties.

As well as producing approved drug substances, Bachem also supports numerous new chemical entity (NCE) customers in their clinical development with products and services. Customers, particularly pharmaceutical and biotechnology companies, can have widely differing expectations. Whereas smaller companies prefer to rely on the experience and recommendations of Bachem, large pharmaceutical companies, for example, have very precise ideas about drug development and proceed according to their own internal guidelines. A high degree of flexibility and service readiness is essential for the optimal management of a broad portfolio of projects for a wide variety of customers. Thanks to many years of work in the field of NCE development and the breadth of its project pipeline, Bachem has accumulated a wealth of experience with different customers,

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## OUR PIPELINE OF CUSTOMER NCE PROJECTS



development strategies, molecule classes, therapeutic areas, or authorities. Bachem brings this experience to its development projects so that customers, too, can benefit.

Just a few years ago, customers were often only marginally involved in the details of the technical development activities. Today, Bachem cooperates very closely with most of its customers, particularly on development projects. Intensive project management with highly effective and experienced project managers is the key to successful development in Chemistry Manufacturing and Controls (CMC). The teams work together to identify risks and define relevant measures at an early stage. This can typically involve targeted process developments (“work packages”) or the development of analytical tests. Nowadays, joint project meetings and regular phone conferences are the rule. On some projects, customers are also represented by technical experts on site when it comes to important steps. A joint Steering Committee that makes important decisions and supports the resolution of conflicts is also appointed on many projects.

The growth in 2019 resulted from the expanding NCE pipeline and new market approvals. A solid and growing NCE pipeline is contributing directly to the increase in sales. At the same time, it is also the prerequisite for achieving further approvals together with our customers. These approvals are the key to new therapies and the foundation for future growth.

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### Quality Strategy

The quest for the perfect solution. Continuous improvement thanks to creativity and the ability to adapt. Always seeing what has been achieved and the current challenge as a starting point and incentive for the next development.

Doing this requires a specific mindset: namely, that of an entrepreneur who always wants to offer his partners the best possible quality. With 100% reliability, no exceptions. Steadfastly convinced of doing the right thing.

We at Bachem have lived this commitment to quality from the very outset. Embedded as a strategy, established as a Company-wide initiative, it shapes our day-to-day activities over the long term. Our well-established position as market leader in the production of active ingredients is a result of this consistent focus and, of course, the requirements and appreciation of our customers: **Quality Matters.**

