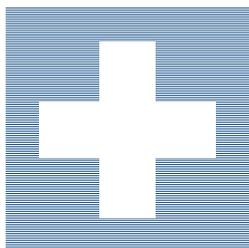


BROADENED PRODUCT PORTFOLIO

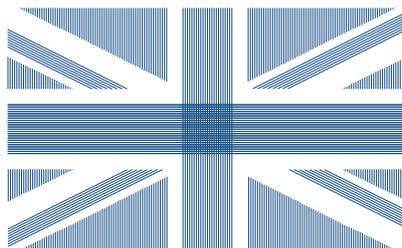
The product portfolio for both the Torrance and Vista sites in California has been broadened by effectively capturing new projects. With a clear focus on GMP compliance and utilization of Bachem's robust Chemistry Manufacturing and Control (CMC) development approach, the sites have successfully delivered these new projects, fulfilling customer expectations in an increasingly demanding and dynamic US market for NCE products. Also to meet the growing expectations of both customers and regulatory authorities, 2019 saw the introduction of a harmonized industrial hygiene program at both manufacturing sites. With growth of the expanding NCE product portfolio, investments have been initiated in Torrance to increase capacity within the existing manufacturing footprint via automation for increased output and efficiency. Operational Excellence improvements and optimized production planning have provided streamlined processes, optimized utilization and lowered manufacturing costs.

PROGRESS REPORTS



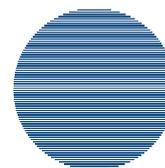
EXCELLENT CAPACITY UTILIZATION AND CAPACITY EXPANSION

The Swiss manufacturing sites in Bubendorf and Vionnaz enjoyed an excellent capacity utilization, especially in the second half of 2019. New Chemical Entities and Generic manufacturing was at a record level. To keep pace with demand, shift work schedules were extended at the Bachem Bubendorf and Vionnaz sites. It was very rewarding to see that both sites were substantially contributing to the excellent results. In Bubendorf, oligonucleotide manufacturing infrastructure was installed and the first oligonucleotides were successfully manufactured. Also, state-of-the-art Laboratory Information Management System (LIMS) was introduced, rollout of the LIMS to other manufacturing sites is in preparation. In November, the ground-breaking ceremony for the extension of the GMP manufacturing building to add state-of-the-art manufacturing space and equipment for operations took place in Bubendorf. And at the Bachem Vionnaz site, additional large scale equipment is added to make optimal use of the existing buildings and infrastructure.



CONTINUED FOCUS ON PEPTIDES FOR IN VITRO DIAGNOSTICS

Successful transition to the current version of ISO 13485 standard continues to benefit all customers, specifically those using Bachem peptides in their in vitro diagnostic kits. Further investment in state-of-the-art manufacturing technology increased capacity and reduced delivery times. The introduction of a new fully automated powder dispensing system enabled accurate and efficient aliquoting of finished products including peptide sets with short lead times and full compliance. Implementation of lean manufacturing principles across the site has resulted in significant efficiencies with benefits that will continue to be realized in future years. Together with previous expansion, the Bachem St. Helens Center of Excellence is ideally positioned to continue to fully support all customers in the research chemicals sector.



GAINING MORE GROUND IN ASIA

Our highly motivated team continued to serve the local Asian markets in 2019 at their second year into Japan. In April 2019, Bachem Japan K.K. moved from Shinagawa to new offices in the well known Nihonbashi area. Nihonbashi is a business district of Chuo, Tokyo, which grew up around the bridge of the same name. Nihonbashi is also the home of major pharmaceutical companies' headquarters so Bachem is well positioned there in direct proximity to customers. Our team will continue to expand our business and keep an excellent network in the industry. For this reason, we also expanded our team in Tokyo by adding an additional Business Development Manager. We strive to keep our number one position in Japan and continue to strengthen our position for the rest of Asian countries such as South Korea, Taiwan, and China.