Ypsomed – Making life easier

Zurich, 25 May 2022

YPSOMED
SELFCARE SOLUTIONS

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YPSOMED SELFCARE SOLUTIONS

Making selfcare simpler and easier

Improved therapy outcomes for chronic conditions

Deliverysystems — Preferred partner for systems to administer liquid drugs

- Pen systems
- Autoinjector systems
- Patch injector systems
- Smart services

my life Diabetescare — Established diabetes specialist with over 35 years' experience

- Pen needles
- Blood glucose monitoring systems
- Infusion systems
- Therapy management

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Healthcare's biggest challenge – chronic conditions

Selfcare is key for a better management of chronic conditions

90%
of every US healthcare dollar goes to treating people with chronic conditions[1]

The national per capita total cost of chronic disease in the USA is
11'201 USD[2]

80%
of adults 65+ in the US have at least 1 chronic condition[4]

47%
of the total cost of chronic disease is related to obesity[3]

1 Centers for Disease Control and Prevention. "Health and Economic Costs of Chronic Disease." January 2020, https://www.cdc.gov/chronicdisease/about/costs/index.htm
2, 3 Waters H and Graf M, Milken Institute. "The Costs of Chronic Disease in the U.S." August 2018, https://www.cdc.gov/chronicdisease/resources/infographic/chronic-diseases.htm
4 National Council on Aging, "Chronic conditions for Older Adults", https://www.ncoa.org/article/the-top-10-most-common-chronic-conditions-in-older-adults

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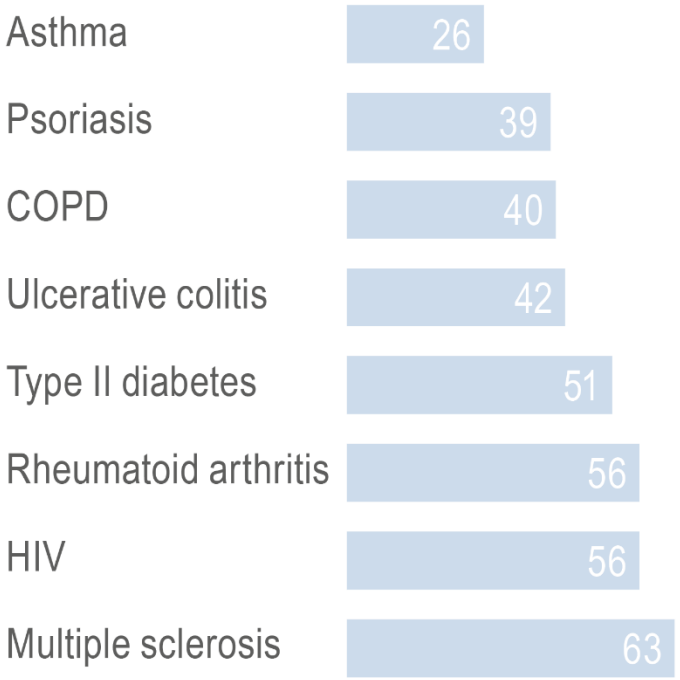
Non-adherence for chronic conditions a major issue

Smart self management improves therapy outcome

- **10 % of all hospitalisations** could be saved through improved adherence
- 125,000 patients die in the USA due to lack of adherence to therapy
- Non-adherence costs **USD 290 billion** annually in the U.S. alone

After 12 months of treatment,
Patients compliant to therapy in %



Source: McKinsey, Non-adherence, 2018

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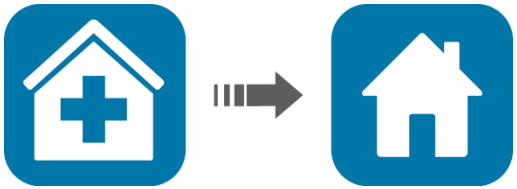
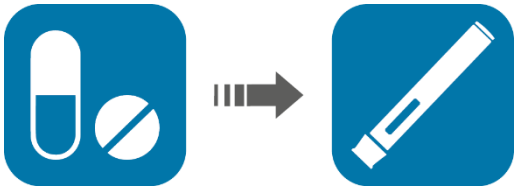
Solutions for healthcare's biggest challenge

Ypsomed's underlying future-oriented growth trends

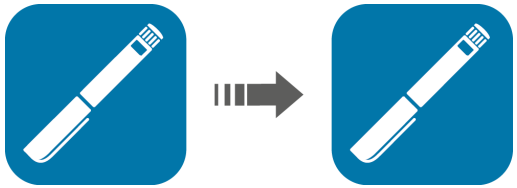
- **Selfcare**
  Improving quality of life, therapy adherence and enabling an affordable healthcare systems



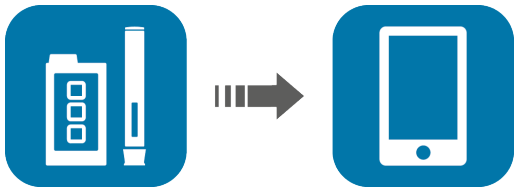
- **Biologics**
  Most new-generation drugs with complex active pharmaceutical ingredients have to be injected



- **Biosimilars**
  Expanding affordable, global access to medical care



- **Digitization**
  Enabling innovative, digital therapy management for optimal therapy outcomes and evidence-based care



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Ypsomed's strategy, growth drivers and purpose

Making life easier

Innovation & Digital Health

Access & Expansion

Responsibility & Engagement

Technology Platforms & Operational Excellence

Digitisation	**Optimal Therapy Outcome**
Biologics & Biosimilars	**Global Access to affordable Care**
Carbon Net Zero	**Climate Change & Integrity**
Selfcare	**Quality of Life**

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Ypsomed's strategy is sustainable

Contributing positively to 13 of the 17 UN SDGs

Innovation & Digital Health

Access & Expansion

Responsibility & Engagement

Technology Platforms & Operational Excellence

UN SDGs = United Nations Sustainable Development Goals

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Figures & Business Development

Financial Year 2021/22

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Highlights

Innovation & Digital Health

- YpsoPump®: Launch of AID with CamDiab and partnership with Abbott
- Strategy in Digital Health with focus on fast access defined

Access & Expansion

- YpsoPump®: Project with Lilly and submission for FDA on track
- Record 36 new project orders with existing and new customers in YDS

Responsibility & Engagement

- CO_2 reduction and compensation principles developed
- Swiss Employer Award 2021 and transforming working models

Technology Platforms & Operational Excellence

- +30 % deliveries in Injection Systems
- Accelerated expansion of manufacturing capacities in Schwerin

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Key Figures

Turnover Group
+15 %

Sales growth
Injection Systems
+31 %

mylife™ YpsoPump®
End of April 2022
~19'500 active users

EBIT CHF 28.6 Mio.
Net result CHF 23.1 Mio.

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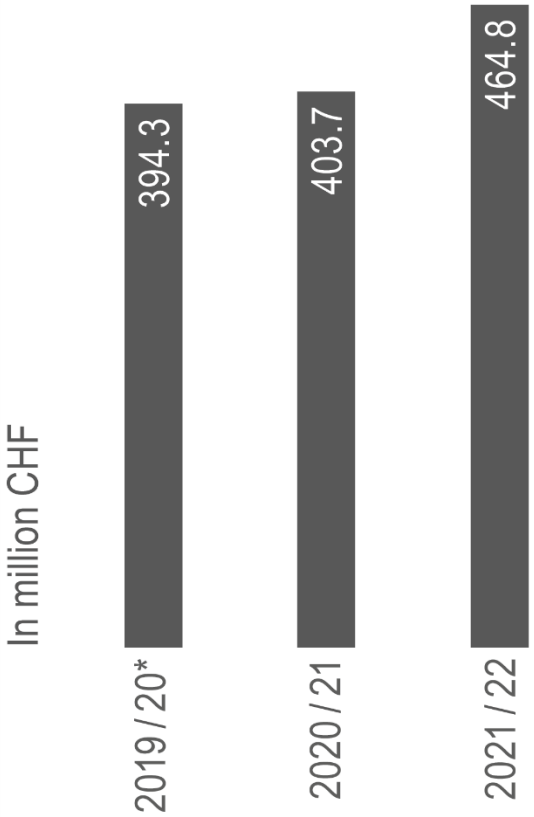
Turnover growth of 15.2 % for Ypsomed Group



* See Annual Report 2020/21, Notes to the consolidated financial statement no 27, Restatement

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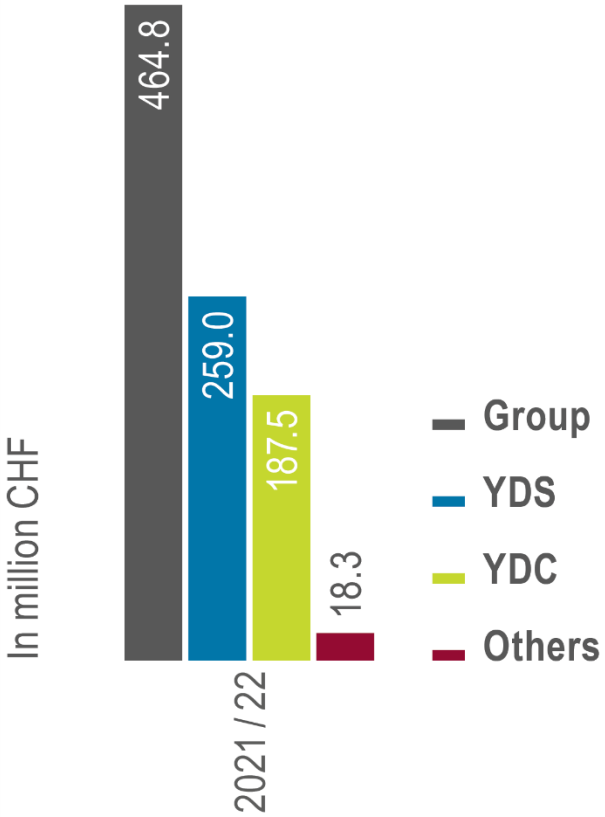
Delivery Systems strong revenue driver



- Sales in **Ypsomed Delivery Systems** (YDS) segment rose by **22.7 %** to **CHF 259.0 million**
- In **Ypsomed Diabetes Care** (YDC) segment, turnover increased slightly by **5.5 %** to **CHF 187.5 million**
- Revenues in the segment **Others** increased strongly by **24.2 %** to **CHF 18.3 million**

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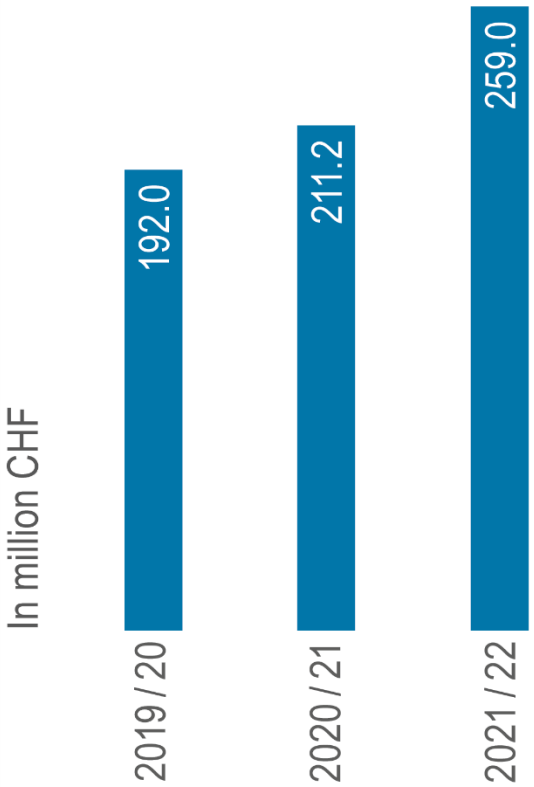
Ypsomed Delivery System

Deliverysystems

- **Recurring business model** resulting in a reliable performance with deliveries for **introduced products**
- **Growth** in **new products** for **pens** and **autoinjectors**
- Strong performance in **project business** based on our large pipeline, fostering our future commercial sales
- Continued successful **acquisition, 36** new projects with existing and new customers
- Our **platform offering** and **scalable manufacturing** fully paying off

YPSOMED SELFCARE SOLUTIONS

Turnover Ypsomed Delivery Systems
Growth of 31 % in Injection Systems



- Sales growth of **30.6 %** for **Injection Systems** in 2021/22
- Main contributors are our platform families **UnoPen™** and **YpsoMate®**
- Followed by our reusable **ServoPen®**
- Increase of **31.4 %** for **project revenues**
- Sales contribution of **Contract Manufacturing** declined by **-6.2 %**

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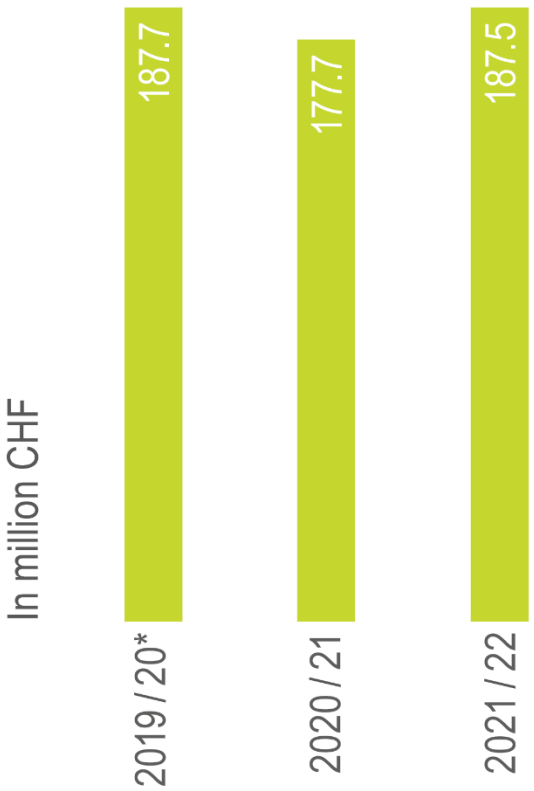
Turnover Ypsomed Diabetes Care
5.5 % growth mainly based on development services



- **Development services** for infusion pump partners as main contributor
- **Commercial sales for YpsoPump®** stagnated
- Revenues of **test strips and DiaExpert** declined slightly
- **Pen needles** sales down **5.0 %** due to developments in the US market

* See Annual Report 2020/21, Notes to the consolidated financial statement no 27, Restatement

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Ypsomed Diabetes Care

my life Diabetescare

- **Recurring business** for consumables such as **infusion sets** robust
- Due to late integration of CGM and missing Loop-features we are **not yet on track** with the adoption of **new YpsoPump® users**
- We focus on:
  - **fast implementation** of the **mylife™ Loop program** with our partner **CamDiab**
  - preparation of the **U.S. market entry**
  - **new leadership** and **management actions** in YDC for restart

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New Senior Vice President Diabetes Care
Sébastien Delarive

- More than 25 years of experience from various positions in international marketing, sales, product lifecycle and general management in the pharmaceutical and medtech sectors
- In his most recent position as of **Head of Europe** he was responsible for the **General Medicine business area at Sanofi**
- Sébastien Delarive studied chemistry at the ETH Lausanne (EPFL)

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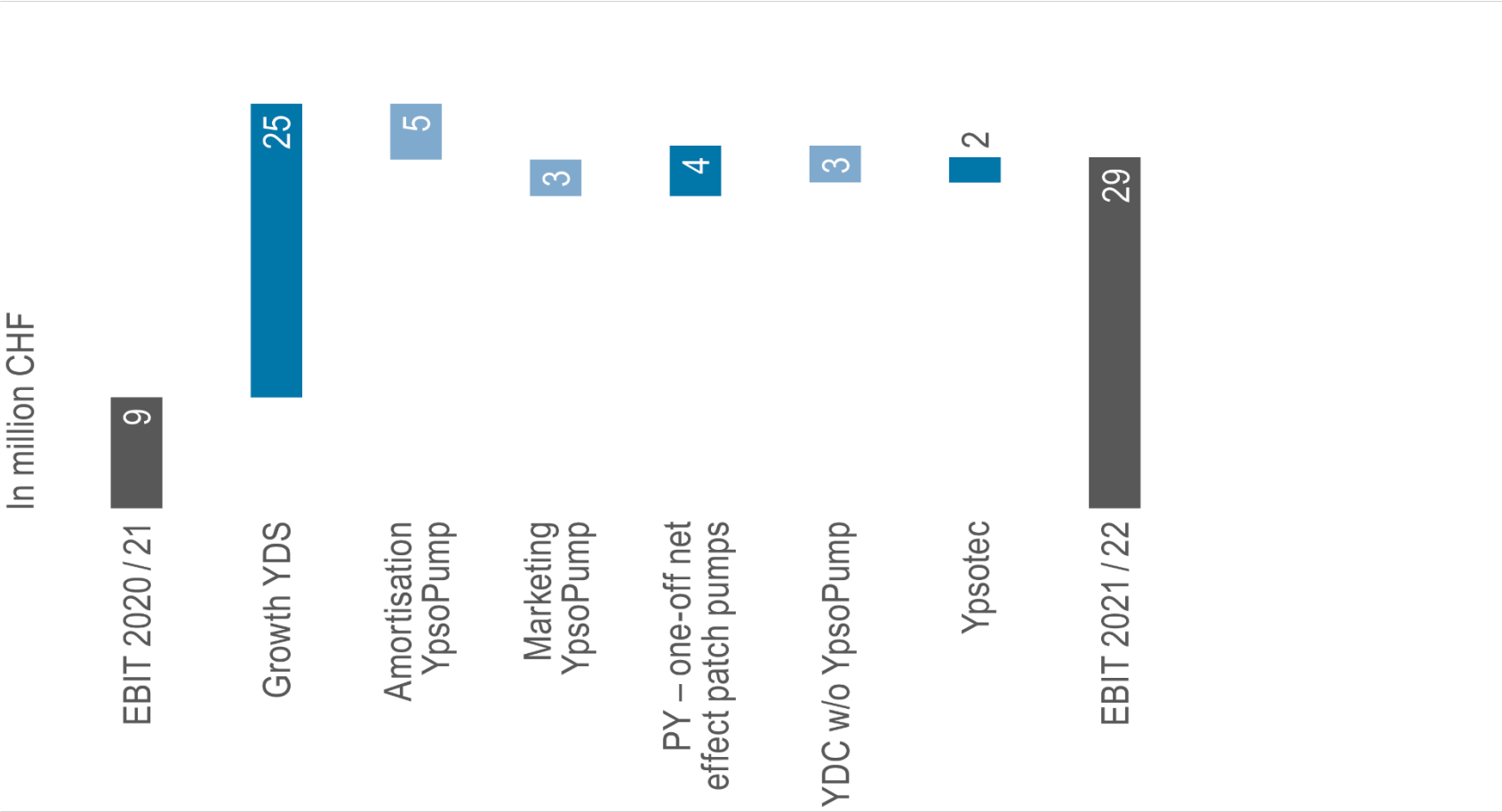
EBIT development 2020/21 to 2021/22
Ypsomed Group



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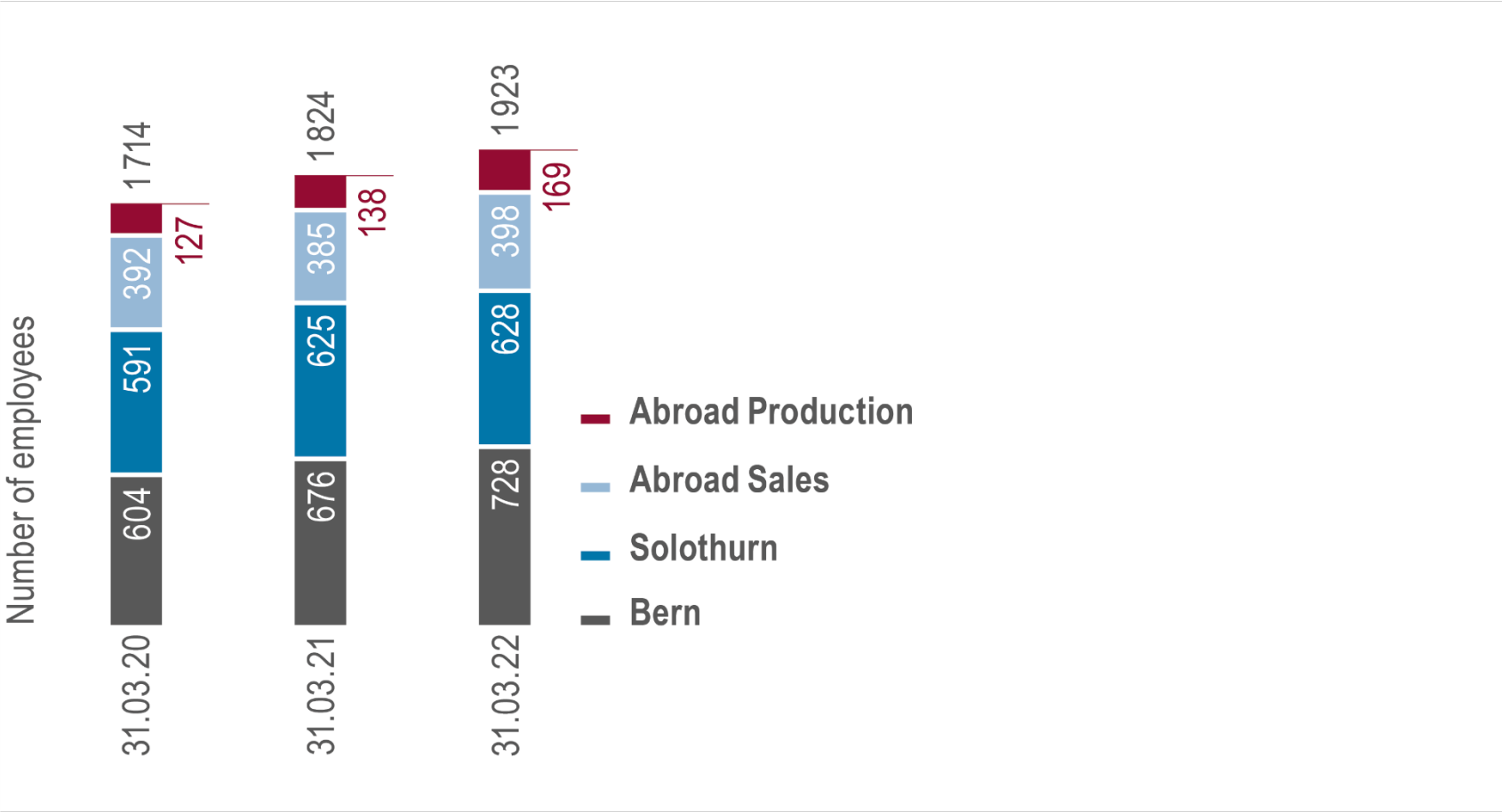
Unchanged positive fundamentals for Ypsomed

Executing our strategy

- Our **products** are **vital** for people with chronic conditions, resulting in a **recurring business model**
- In compliance with international regulations, we continue to supply insulin pens to **Russia** in a logistically challenging environment
- We currently assess our s**upply chains** as **reliable**
- We **improve** our competitive position and **benefit** from our established **platform offering** and **long-term partnerships**
- We prepare to **extend** our **business model** with **digital services**
- We **execute** our **sustainable strategy** and **accelerate to invest** in:
  - **Innovation** with strong focus on digital health,
  - **expansion of capacities** and
  - our **employees**

YPSOMED SELFCARE SOLUTIONS

Ypsomed creating 209 new jobs in 24 months
161 of them in Switzerland



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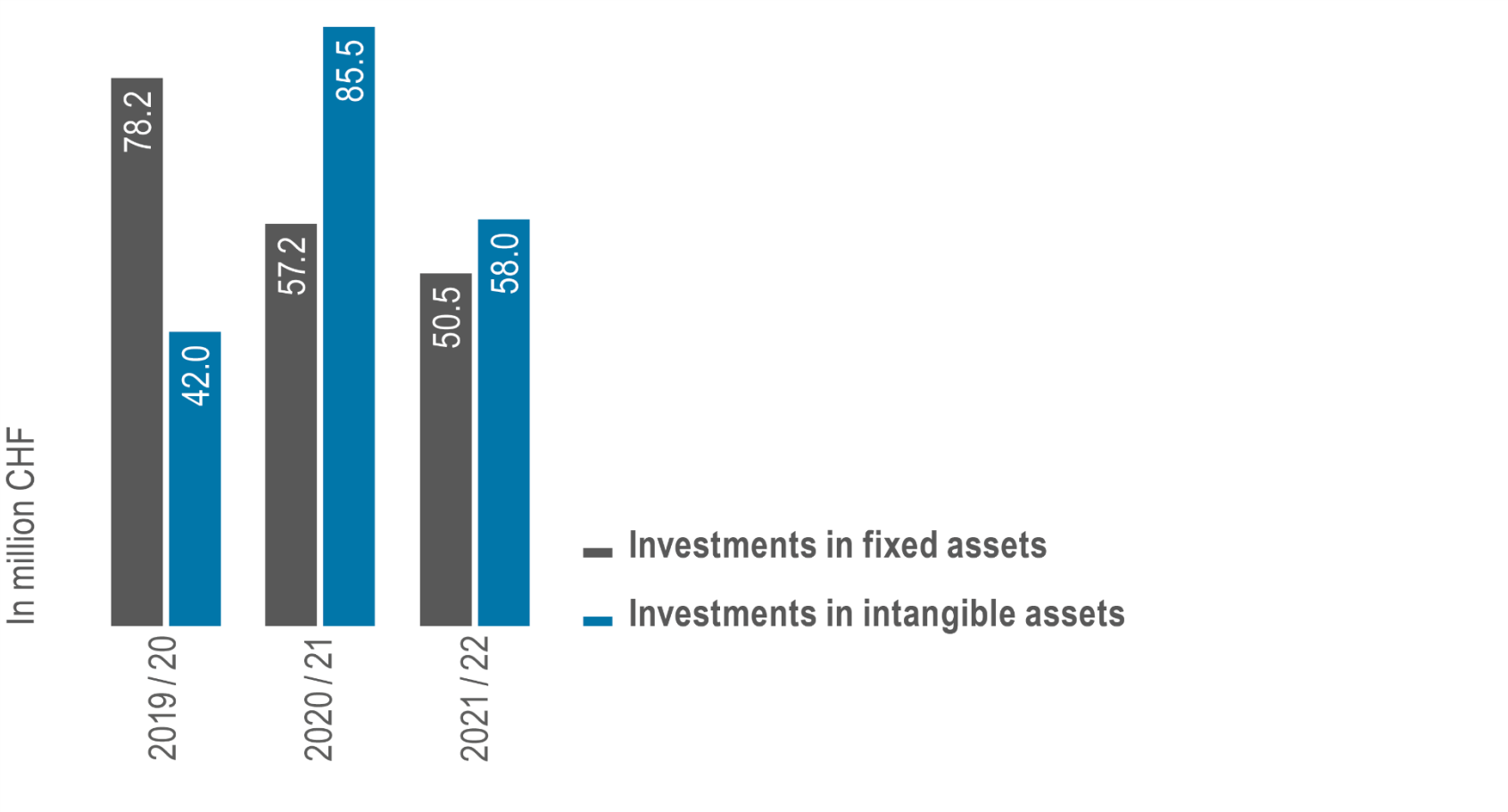
Continued high investments to support future growth



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Planned capital increase to support projected growth

Offering

- Offering up to **1 million** new registered **shares**
- **Rights offering** to all eligible holders of existing shares
- **Share placement** of unsubscribed shares to investors
- **Family Michel** intending to exercise their rights **in full**
- Offer price will be set at market conditions less a **discount of 2% to 3%**
- **Subscription** and **book building period** expected to last from **16 to 23 June 2022, noon**
- New shares eligible for **dividend** payment on 06 July 2022, but not entitled to vote at the AGM
- Further information published in a **prospectus** will follow in due course
- **ZKB** as Sole Global Coordinator

YPSOMED SELFCARE SOLUTIONS

Planned capital increase to support projected growth
Use of proceeds

- Upfront investments in the **accelerated manufacturing expansion,** primarily for Injection Systems
- Financial flexibility to **push ahead with digitisation**
- Reduction of the loan of its major shareholder (Verrechnungsliberierung)

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Main assumptions for the Financial Year 2022/23

Deliverysystems

- Stable performance of commercial deliveries for **introduced products** and in **established markets**
- **Covid-19** and **FDA backlog** related delay of some commercial launches
- General **pharma supply chain** for our combination products is ensured

mylife Diabetescare

- **Launch of mylife™ CamAPS** in Germany, Austria and Switzerland in H1 2022
- **Roll-out in rest of Europe** in H2 2022
- **Increased expenses** for AID launch activities and partnership
- **Higher investments** in R&D and clinical studies for medical evidence

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Outlook for the Financial Years 2022/23 and 2023/24

- For the financial year **2022/23**, Ypsomed expects **sales growth** at Group level to be in the **same range** as in the previous financial year.
- For the financial year **2022/23**, Ypsomed expects a further significant improvement in the **operating profit (EBIT) of at least 50%**, with a stronger second half-year.
- For the following financial year **2023/24**, Ypsomed expects **to double the operating profit (EBIT) compared to 2022/23**.

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Changes in the Board of Directors at Ypsomed

Chairman Willy Michel will hand over to Gilbert Achermann

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Deeper dive into our four strategic pillars

- Innovation & Digital Health
- Access & Expansion
- Responsibility & Engagement
- Technology Platforms & Operational Excellence

YPSOMED SELFCARE SOLUTIONS

Innovation & Digital Health

We invest above average in research and development. When developing new solutions, the focus is on added value for those affected, the customers and society.

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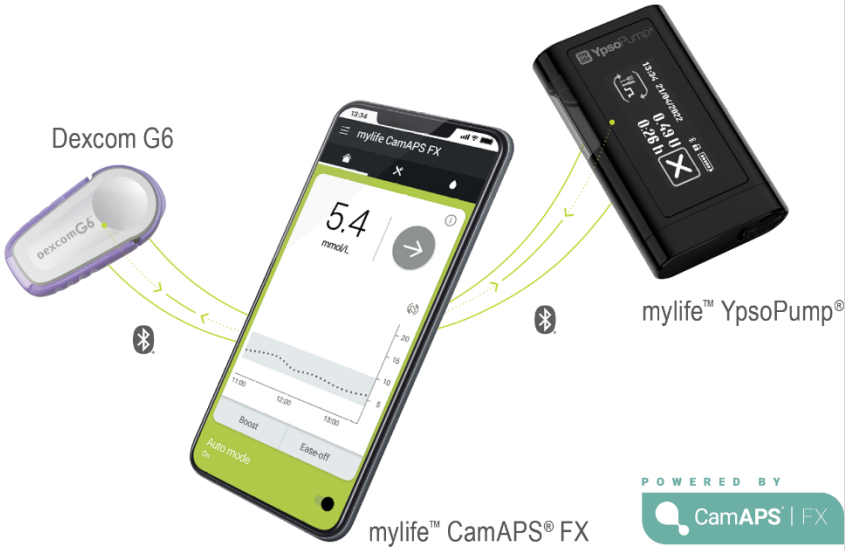
Introducing AID with CamDiab, including Dexcom G6

Changing the paradigm with CamAPS FX

- Connecting mylife™ YpsoPump® to mylife™ Camps® FX Android app
- Integrating a **unique, adaptive and responsive control algorithm**
- **Personalised and self-learning** to adapt to changing insulin needs
- Bolus directly from the smartphone
- Easy-to-use user interface ensures improved therapy outcomes



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Hybrid closed-loop in (very young) children and beyond
Industry symposium supported by Ypsomed at ATTD

Professor Roman Hovorka, Director CamDiab Ltd and David Bosshard, Vice President Product Management Ypsomed Diabetes Care

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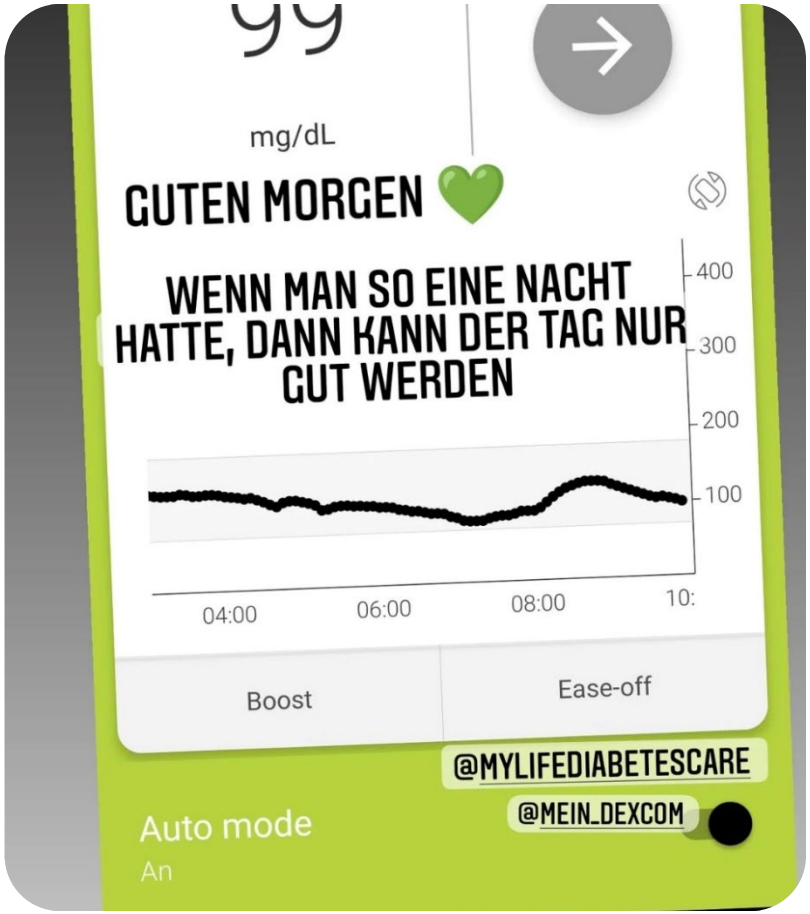
Successful introduction of mylife™ Loop™ in Germany



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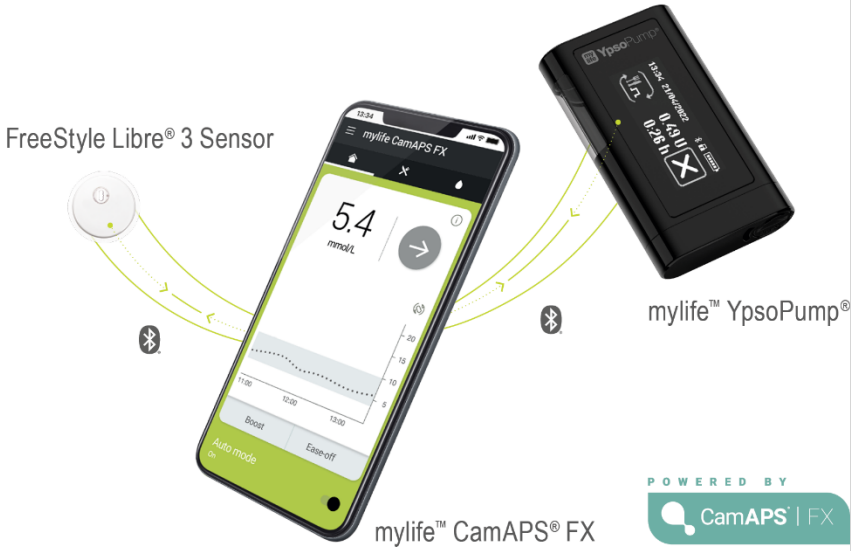
Partnering with Abbott

Automated insulin delivery with Abbott's Freestyle Libre 3

- **Ypsomed, Abbott and CamDiab partner** to develop and commercialize a new AID system
- Connecting Ypsomed's mylife™ YpsoPump® with **Abbott's FreeStyle Libre® 3 sensor** and CamDiab's CamAPS® FX app
- The initial focus will be in European countries
- Intention to complete development by end of 2022



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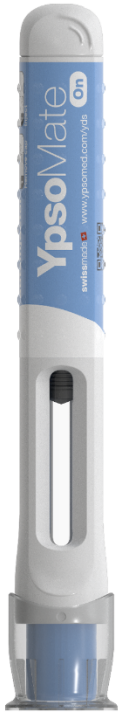
YpsoMate® On
Pharmapack Exhibitor Innovation Award 2022

- YpsoMate® On is the world's **first pre-filled autoinjector with integrated connectivity**
- The injection data is automatically transferred to the user's therapy management app and the associated cloud
- It has been developed in line with our new **eco-design guidelines**



PHARMAPACK AWARDS 2022

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Advancing SmartServices™ to an integrated solution

Adherence as a service business model

4

Therapy Management

3

Device Management & Therapy Monitoring

2

Smart Device

1

Self administration Device

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Digital Health evolving to evidence-based solutions

- **Shift from product differentiation to improving therapy outcomes**
- Becoming more therapy specific
- Evidence-based and clinically validated
- Patients to be actively involved
- Increase of therapy efficacy through **combination of traditional treatments** with **digital therapeutics** (DTx)
- Enabling outcome-based programs
- For faster market access, Ypsomed intends to enter into **partnerships with established players**

Opening of our digital development hub in Barcelona

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Access & Expansion

We improve medical care worldwide.
To make life easier for those affected, we want to serve the widest possible range of disease areas.

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Commercial launch of the YpsoMate 2.25 Pro

- Injection volumes up to **2.25 ml**
- Innovative drive system for **constant force**
- Suitable for a **large range** of **viscosities**
- First commercial deliveries serving the disease area of **atopic dermatitis** as an additional indication

YPSOMED SELFCARE SOLUTIONS

Ypsomed and SCHOTT driving large-volume injections

YpsoDose® and cartriQ®

- New and established drugs are **being formulated for subcutaneous administration** to enhance the quality of life and to reduce the burden for healthcare systems
- Over the last years, much of the demand for new device innovations has been dominated by the **need to inject larger volumes**
- **Advances in cancer therapy** is generating the greatest need for larger payloads

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Current disease areas of commercialised platforms

Pens

- Diabetes (Insulin, GLP-1)
- Osteoporosis (PTH)
- Growth disorders (hGH)
- Fertility
- Parkinson

Auto- and patch-injectors

- Asthma
- Migraine
- Multiple sclerosis
- Sexual dysfunction
- Rheumatoid arthritis
- **Psoriasis**
- **Dermatitis**

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Potential future disease areas

Pens

- Diabetes (Insulin, GLP-1)
- Osteoporosis (PTH)
- Growth disorders (hGH)
- Fertility
- Parkinson
- **Rheumatoid arthritis**
- **Bullous pemphigoid**

Auto- and patch-injectors

- Asthma
- Migraine
- Multiple sclerosis
- Sexual dysfunction
- Rheumatoid arthritis
- Psoriasis
- Dermatitis
- **Obesity**
- **Alzheimer**
- **Immuno-oncology**
- **Diabetes (GLP-1)**
- **Haemophilia / PNH**

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Platforms & Operational Excellence

With our platform approach and scalable capacities, we are able to provide products quickly and reliably. We operate according to the principles of lean management and highly automated processes to expand our cost leadership.

Products built on platforms
Fast, flexible and cost efficient

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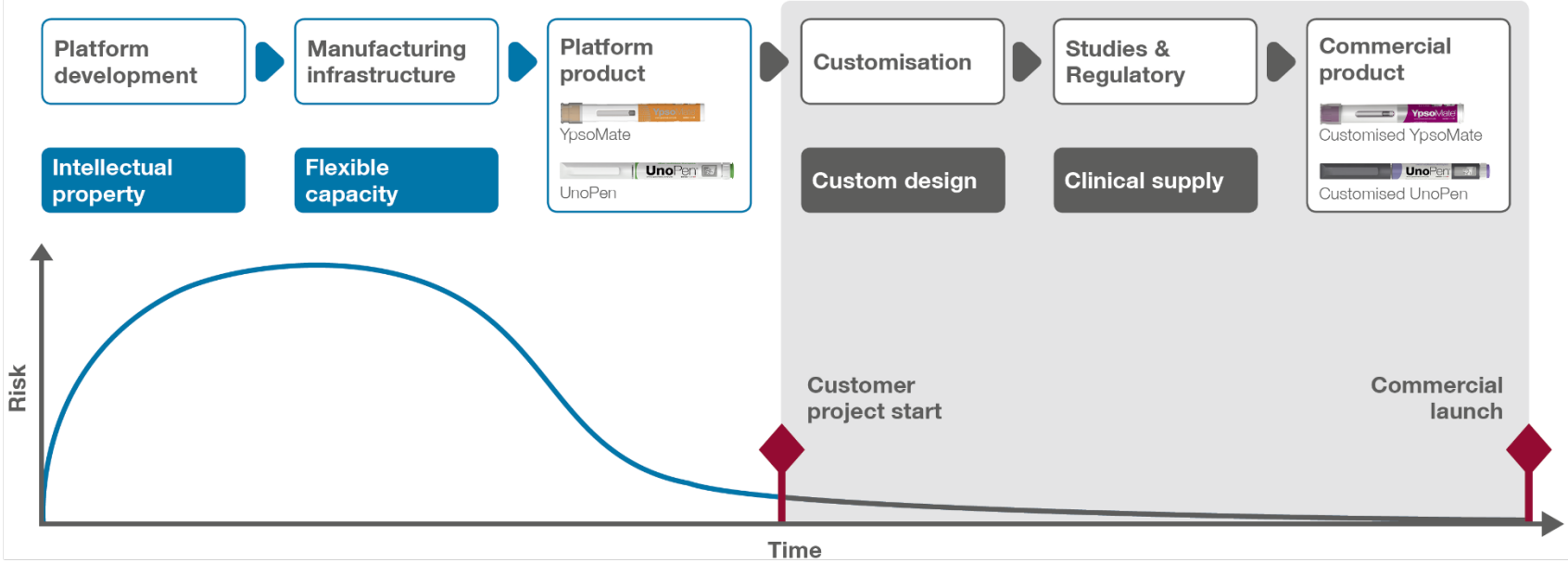
Established platform device offering

- **Reduction of risks** and **shortened "time-to-market"**
- **Technological leadership** due to consistent **ongoing modular evolution**
- **Cost leadership** due to scaling effects and **scalable** automated **manufacturing**



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Evolution of the YpsoMate™ autoinjector portfolio

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Planning further manufacturing capacity expansion
Global expansion for regional supply chains

- **Accelerated expansion of Schwerin manufacturing site**, with plan to build extension Hall D in 2023, adding another 4’000 m^2 to the existing 24’000 m^2

- Deglobalisation means strong focus on the development of regional supply chains: Therefore, the project for a new plant in China continues unchanged – we have selected **Jintan in the Jiangsu province**

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Responsibility & Engagement

We are committed to our employees, partners and society. We support the circular economy and reduce our carbon footprint.

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Our long-term plan to Net Zero

- By **2030**, net zero operational CO2 emissions (Scope 1 and 2)
- By **2030**, a selection of our products meet net zero CO2 emissions across their individual value chain (Scope 1 to 3)
- By **2040** at the latest, net zero CO2 emissions across our entire value chain (Scope 1 to 3)
- Commitment to science-based emissions reduction targets according to the Science Based Targets initiative, **SBTi**

BUSINESS AMBITION FOR 1.5°C

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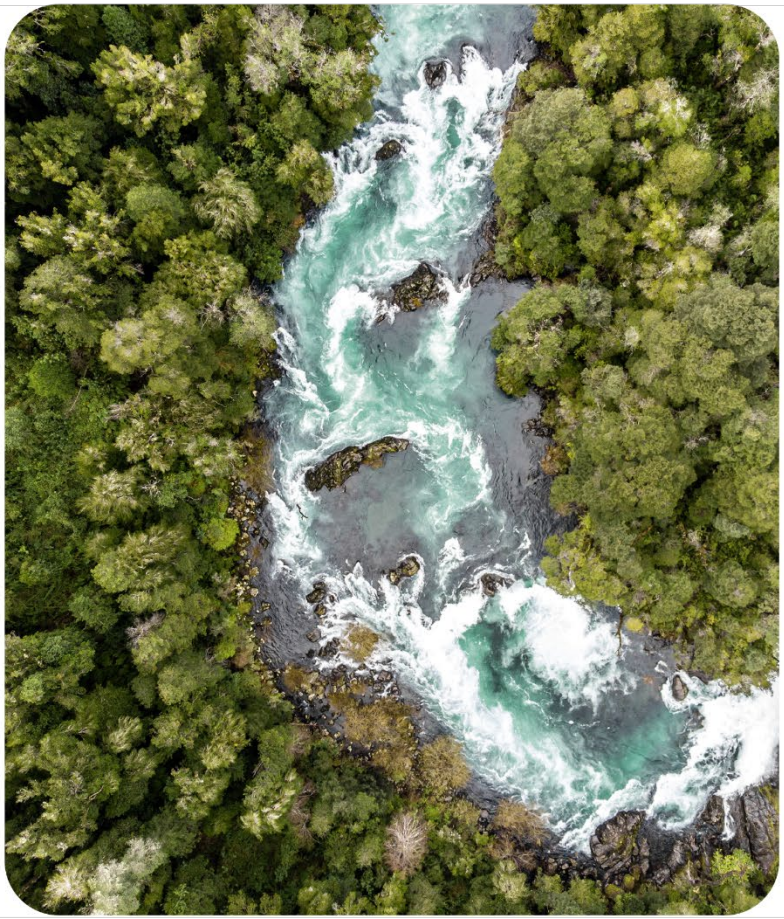
Developing specific CO_2 reduction targets
Principles defined

- **Reduction** first
- **Substitution** and **circulation** involving our partners and suppliers
- **Compensation** will be necessary
- Already building a **portfolio of compensation projects** that
  - must be internationally certified
  - contribute positively to UN SDGs
  - includes Avoidance and Removal



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Partnerships and sustainability standards

Alliance to Zero

Science Based Targets initiative

Circular Economy Switzerland
Verband für nachhaltiges Wirtschaften

Swiss Cleantech

CDP Climate disclosure project

GRI Global Reporting Initiative

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