

Ypsomed Full-Year Results 2022/23

We deliver

Zurich, 24 May 2023



Important information

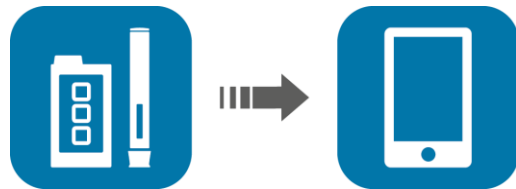
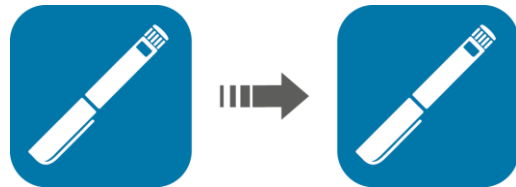
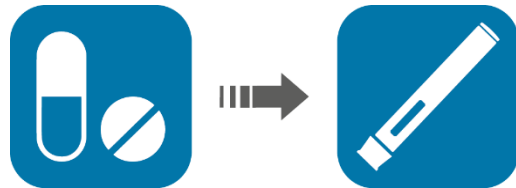
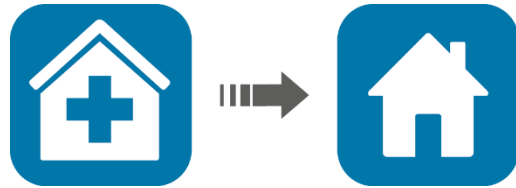
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Making selfcare simpler and easier

Improved therapy outcomes for chronic conditions



Solutions for healthcare's biggest challenge are our growth drivers



- **Selfcare**

Improving quality of life, therapy adherence and supporting affordable healthcare systems

- **Biologics**

Most new-generation drugs with complex active pharmaceutical ingredients (API) have to be injected

- **Biosimilars**

Expanding global access to affordable medical care

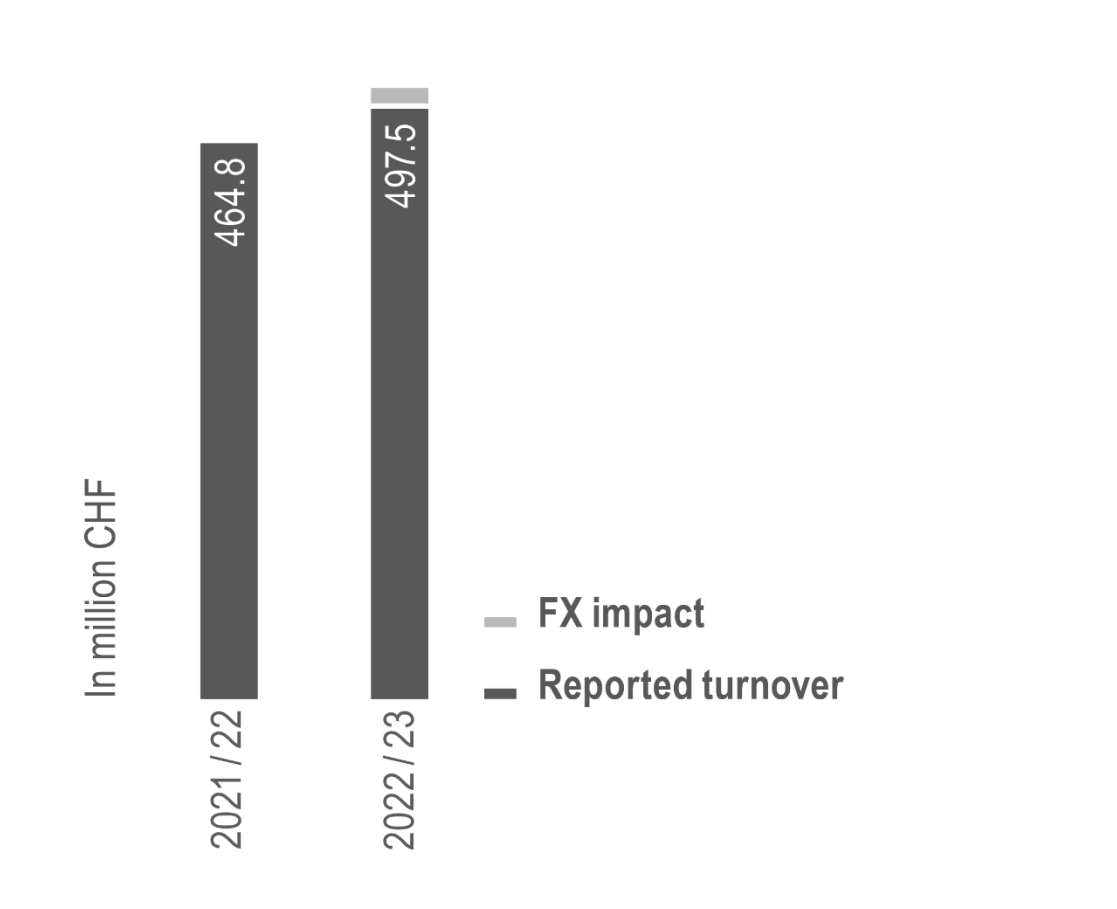
- **Digitization**

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

Our purpose is supporting our ambitions

- Our products are vital for people with chronic conditions and result in **recurring business**
- Driven by **strong momentum** in sales, our integrated strategy allows a **high operating leverage** and significant **margin expansion in YDS**
- With further expansion and more innovation, we see a clear path towards a larger customer base, and therefore **profitability** with our **YpsoPump** system
- We continue **investments** in **innovation, capacity expansion** and **employees** to meet expected demand in both segments
- Our **portfolio review** is ongoing, with the goal to strengthen our focus and to accelerate profitability

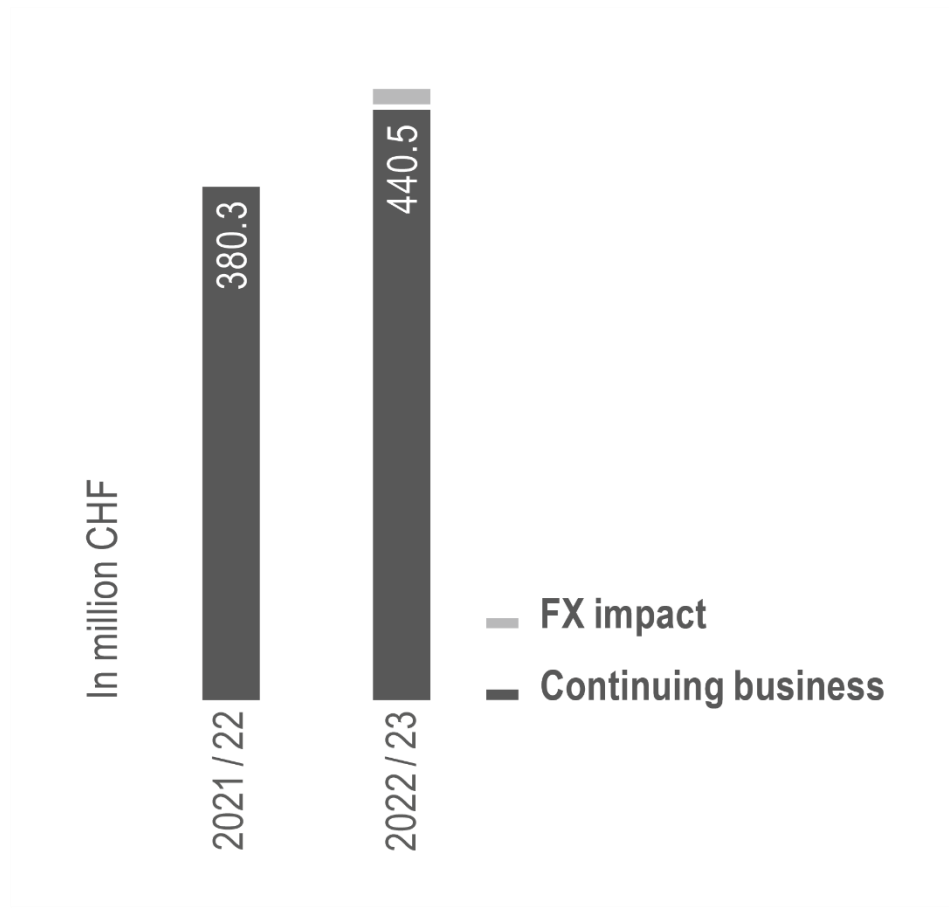
Growth of 10% in constant currency Turnover Ypsomed Group



- Reported turnover +7%
- Constant currency **+10%**

Growth of 19% for continuing business in constant currency

Turnover Ypsomed Group



- Continuing business +16 %
- Constant currency **+19 %**
- The mail-order company DiaExpert GmbH in Germany was sold on 31 December 2022

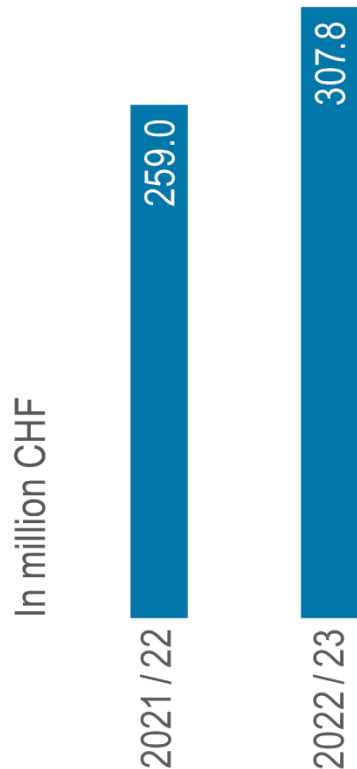


Deliverysystems

- Growth in **established** and **new products**
- Another **35 new projects** signed with existing and new customers
- Including the first project for our brand new **YpsoMate 5.5**
- Platform strategy and scalable manufacturing enable **modular capacity expansion**
- **Robust** supply chain

Turnover increase of 19% in Delivery Systems

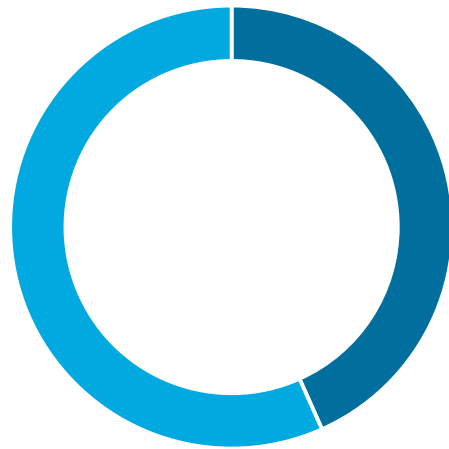
Strong growth in turnover of 22% in Injection Systems



- Strong **commercial sales** (without project revenues) growth of **25.3%** with own **Injection Systems**
- Main contributors are **reusable pens** and autoinjectors **YpsoMate 1.0, YpsoMate 2.25**
- **Project revenues** increased again from an already high level by a further **14%**
- Contribution to sales from **Contract Manufacturing** increased by **3%**

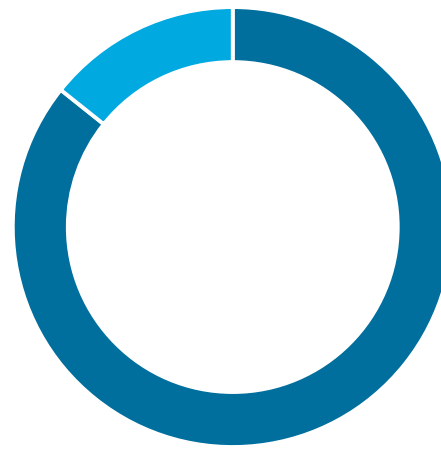
Business development Injection Systems 2022/23

Commercial sales (total)
Distribution of platforms



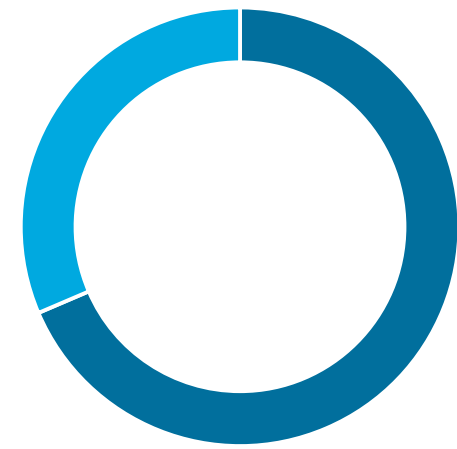
■ Autoinjectors ■ Pens

Acquisition (35 new projects)
Distribution of **platforms**



■ Autoinjectors ■ Pens

Acquisition (35 new projects)
Distribution of **drug type**



■ Originator ■ Biosimilars

Oncology as newly served disease area

Current and **potential** future disease areas served (selection)

Pens

- Diabetes
- Osteoporosis
- Growth disorders
- Fertility
- Parkinson
- Polycythaemia vera
- **Bullous pemphigoid**
- **Obesity**

Auto- and patch-injectors

- Asthma
- Migraine
- Multiple sclerosis
- Rheumatoid arthritis
- Psoriasis
- Dermatitis
- Oncology
- **Alzheimer**
- **Obesity**
- **NASH** (non-alcoholic Steatohepatitis)
- **Haemophilia**

Treatment of Alzheimer's disease from Eisai in our Ypsomate



We are proud to support affordable insulin in the US

Civica has selected the UnoPen platform



Civica Rx announced on 03 March 2023 plans to manufacture and distribute insulins that, once approved, will be available to people with diabetes at significantly lower prices than insulins currently on the market.

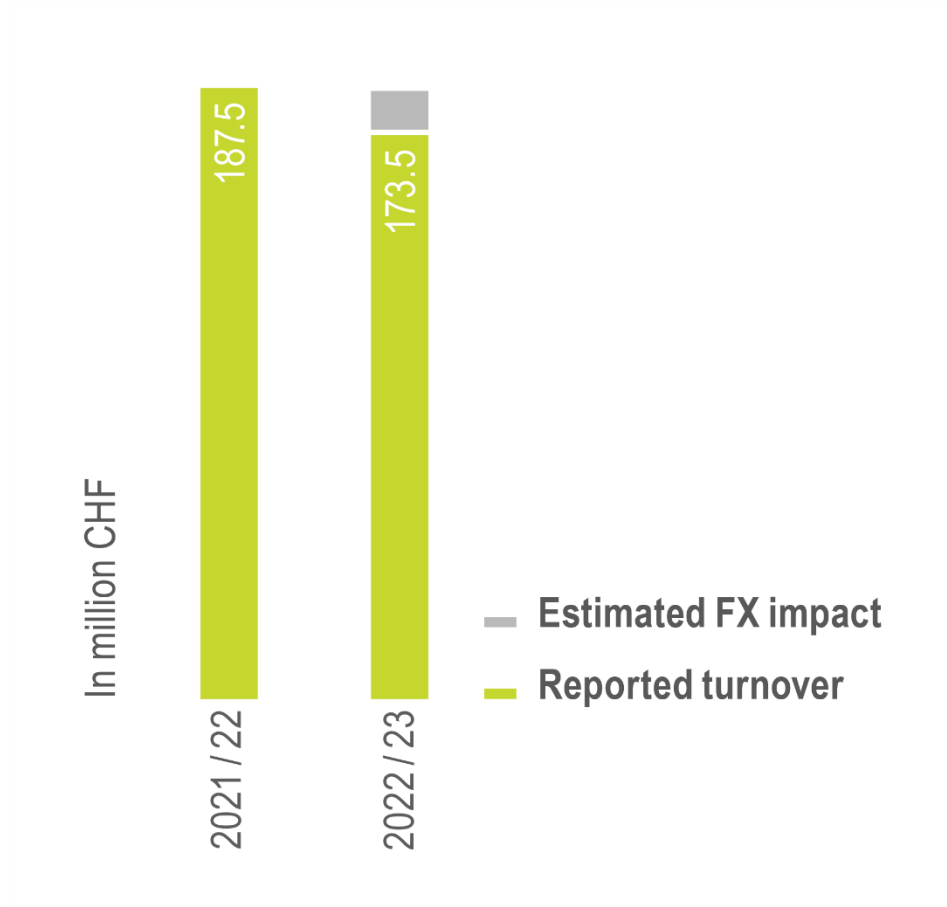
Civica will produce three insulins – **glargine, lispro and aspart** (biologics corresponding to, and interchangeable with, Lantus, Humalog and Novolog respectively).



Diabetescare

- **Strong uptake** of our **mylife Loop AID** (Automated Insulin Delivery) offering
- Recent **new pump starts** over **1'500** per month, resulting in over **30'000** active users by end of March 2023
- Successful launch of worldwide **first AID** system with **Abbott Freestyle Libre 3**
- Turnover influenced by **divestment of DiaExpert** and several one-off effects

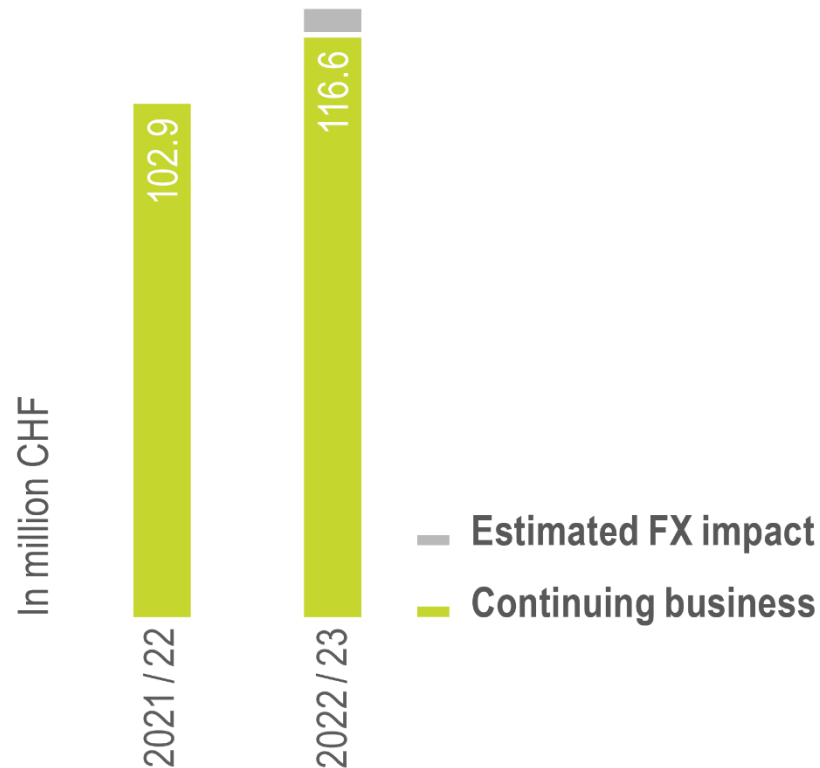
Decrease in turnover by 7.4 % due to the sale of DiaExpert



- **DiaExpert** sold per 31 December 2022
- **Contribution** from DiaExpert
 - FY 2021/22: CHF 84.6 million
 - FY 2022/23: CHF 57.0 million (3 quarters)
- **Currency impact** of around CHF 10 million

Increase of turnover with continuing business by 13.3%

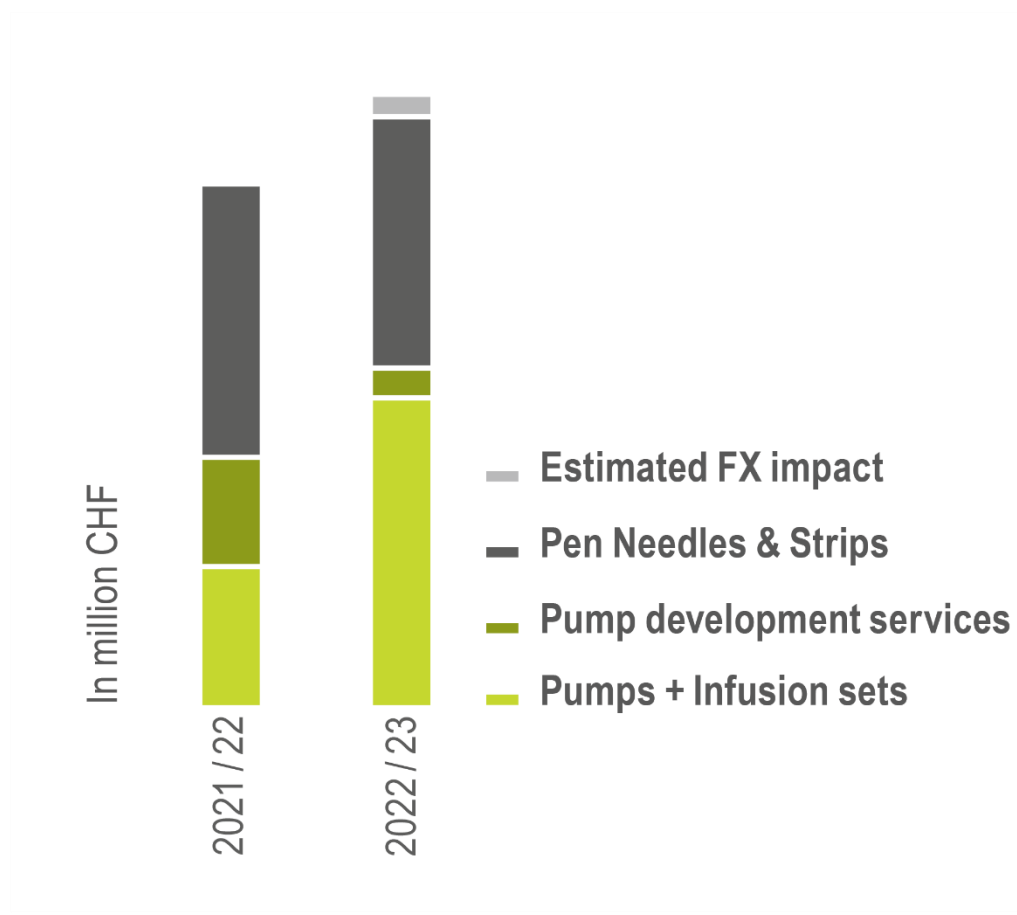
Negative one-off effects of CHF 18 million in turnover



- Development services **CHF 15 million** lower due to discontinuation of US partnership
- Ypsomed is committed to the US strategy and **capitalises** the related **project costs**
- The **Italian health authority** is retrospectively demanding a clawback for 2015 – 2018 in the order of **CHF 3 million**
- We have booked a respective provision, recognised in turnover and PnL

Breakdown of sales from continuing business YDC

Commercial sales of YpsoPump up 120 %



- Commercial sales of **YpsoPump** up **120 %**, **130 %** in constant currency
- **Development services** CHF 15 million lower due to discontinuation of US partnership
- Sales of **pen needles** increased by 4%
- Sales of **test strips** declined by 12%

Freedom of choice with mylife Loop

Advanced, modular offering in insulin pump therapy

- Adaptive **mylife CamAPS** algorithm
- Runs on personal **smartphone**
- Available for **all ages** and **pregnancies**
- Compatible with both **Abbott FreeStyle Libre 3** and **Dexcom G6** sensors



Time in closed loop of 95 % and average time in range of over 72 %

Real-world evidence with mylife Loop study

Outcomes	Overall	≤ 6 years
Users (n)	1'805	214
Observation period (days)	84.0	95.0
Time in closed loop (%)	94.7	95.6
GMI ¹⁾ (%)	6.9	7.1
Time 3.9 - 10.0 mmol/L (Time in range - TIR %)	72.6	66.9
Time < 3.9 mmol/L (%)	2.3	3.0
Time < 3.0 mmol/L (%)	0.4	0.5

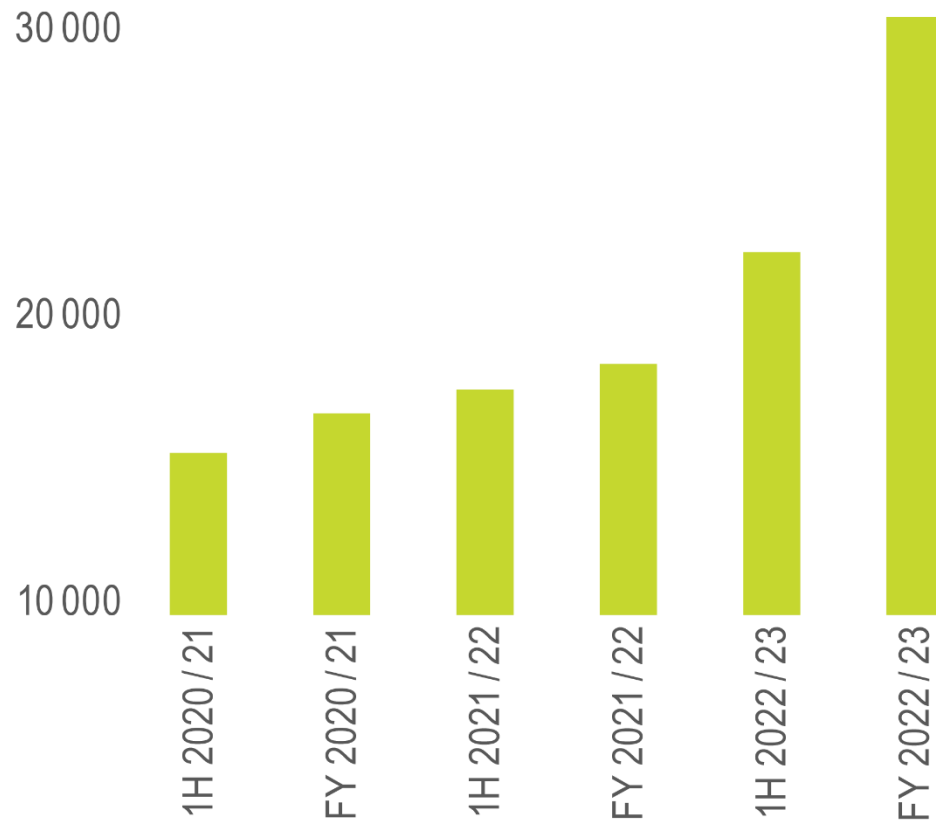
- First real-world users of mylife Loop **achieved the treatment goal of spending over 70 % TIR** for glycaemic control
- In large data sets, TIR is typically below 60 % on average for persons with diabetes
- It is also remarkable that mylife Loop users **remain in loop mode 95 % of the time, despite smartphone control**
- Achievements across all age groups were **in line with observations from studies**

Source: Retrospective analysis of 1'805 Ypsomed mylife Loop users: Ypsomed, ATTD, Ypsomed sponsored session

1) GMI = Glucose Management Indicator; GMI shows what your A1C levels are likely to be based on the average CGM data over the past 10 to 14 days

Achieved an average of 1'500 new YpsoPump starts per month

Development of the Installed Base



- Over **30'000 active users** per March 2023
- **Germany** has been the main driver
- Access opening with mylife Loop for **France, Italy and Spain** in H2 2023
- YDC share of addressable pumpers currently approx. 25 %
- Approximately 2/3 of users switch from other systems, 1/3 are new to pump therapy

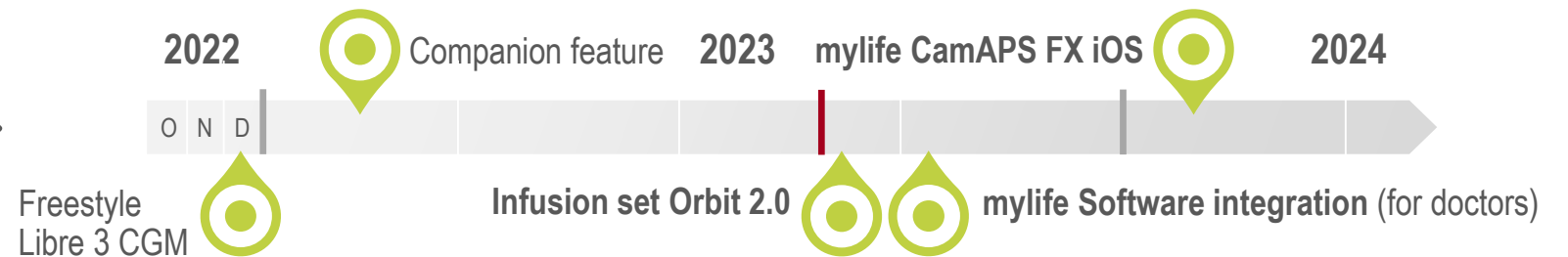
Path towards profitability with mylife Loop

Maximizing market penetration in launched countries

Expanding geographically

Advancing mylife Loop system

START and **SWITCH** people with T1D



YpsoPump for the US market

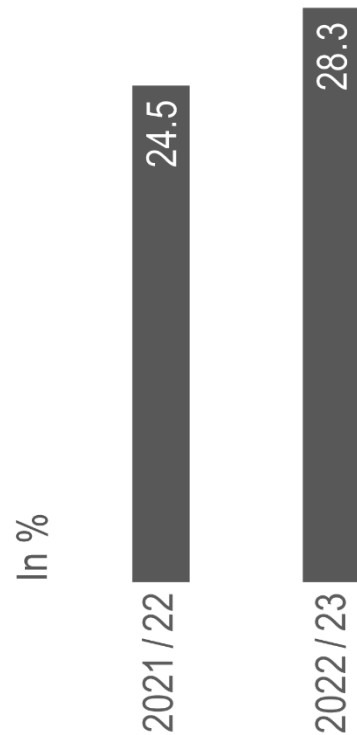
New opportunities



- Ypsomed commits to the **US market** entry together with a **new partner**
- The **FDA** filing for YpsoPump is **on track**
- A new partnership means potential **new opportunities** in several aspects
 - Time to market
 - Product profile
 - Commercial conditions

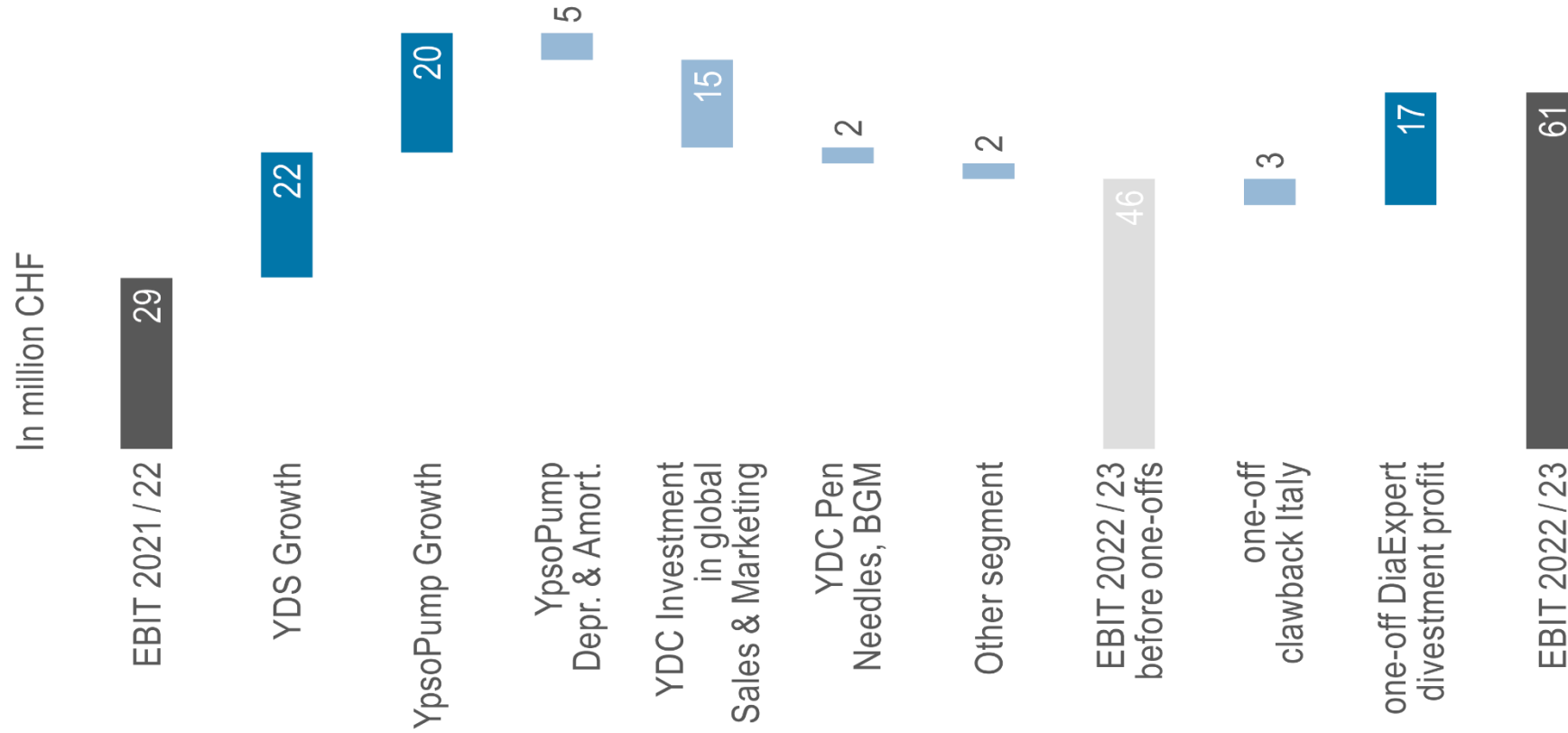
The operational leverage leads to a remarkable gross margin increase

Gross margin increase by 3.8 %



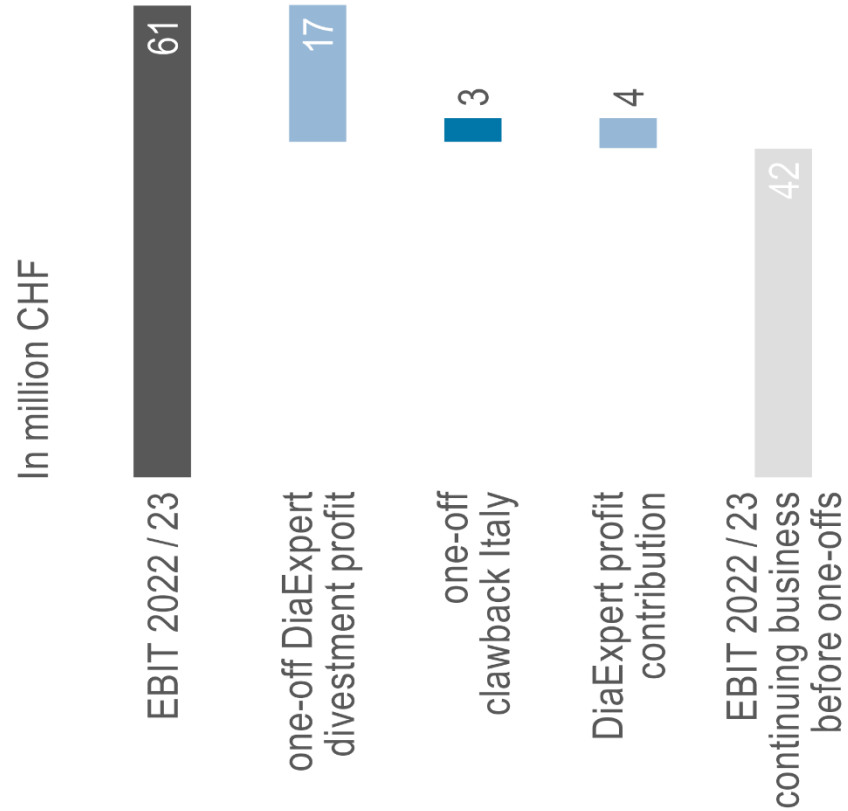
- Better utilisation of production capacities
- Since 01 January 2023, there has been no more dilution of the margin due to DiaExpert's trading business

Significant rise in EBIT from FY 2021/22 to FY 2022/23



EBIT from continuing business

Jumping point for the FY 2023/24



Outlook for Financial Year 2023/24

- For the 2023/24 business year, Ypsomed expects **sales growth** of the continuing business of **around 25%**
- At EBIT level, Ypsomed confirms the outlook and expects an **operating profit** of at **least CHF 90 million**

Main assumptions for the Financial Year 2023/24

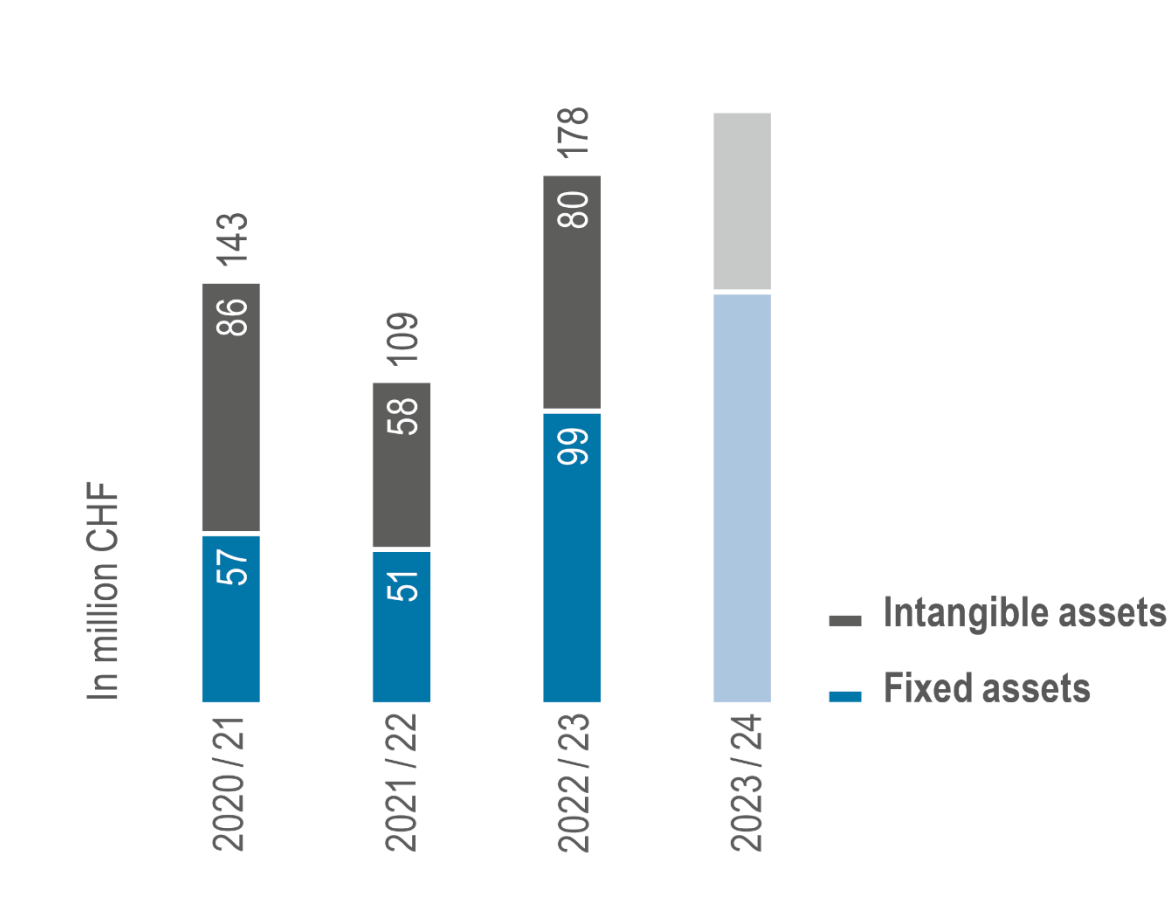


- **Reliable operations** with increasing volumes
- Additional installed capacities for **YpsoMate** in Schwerin
- Commissioning of further capacities for **UnoPen** in Schwerin during the year
- **Increased investments in capacities and employees**



- **Target installed base of 50'000 active YpsoPump users**
- Significant **improvement in profitability**
- Further **expansion of access and innovation** support the dynamics of mylife Loop
- **Increased spending on AID launch activities**, R&D and clinical trials, and additional positions in core markets

Investments in fixed and intangible assets supporting future growth

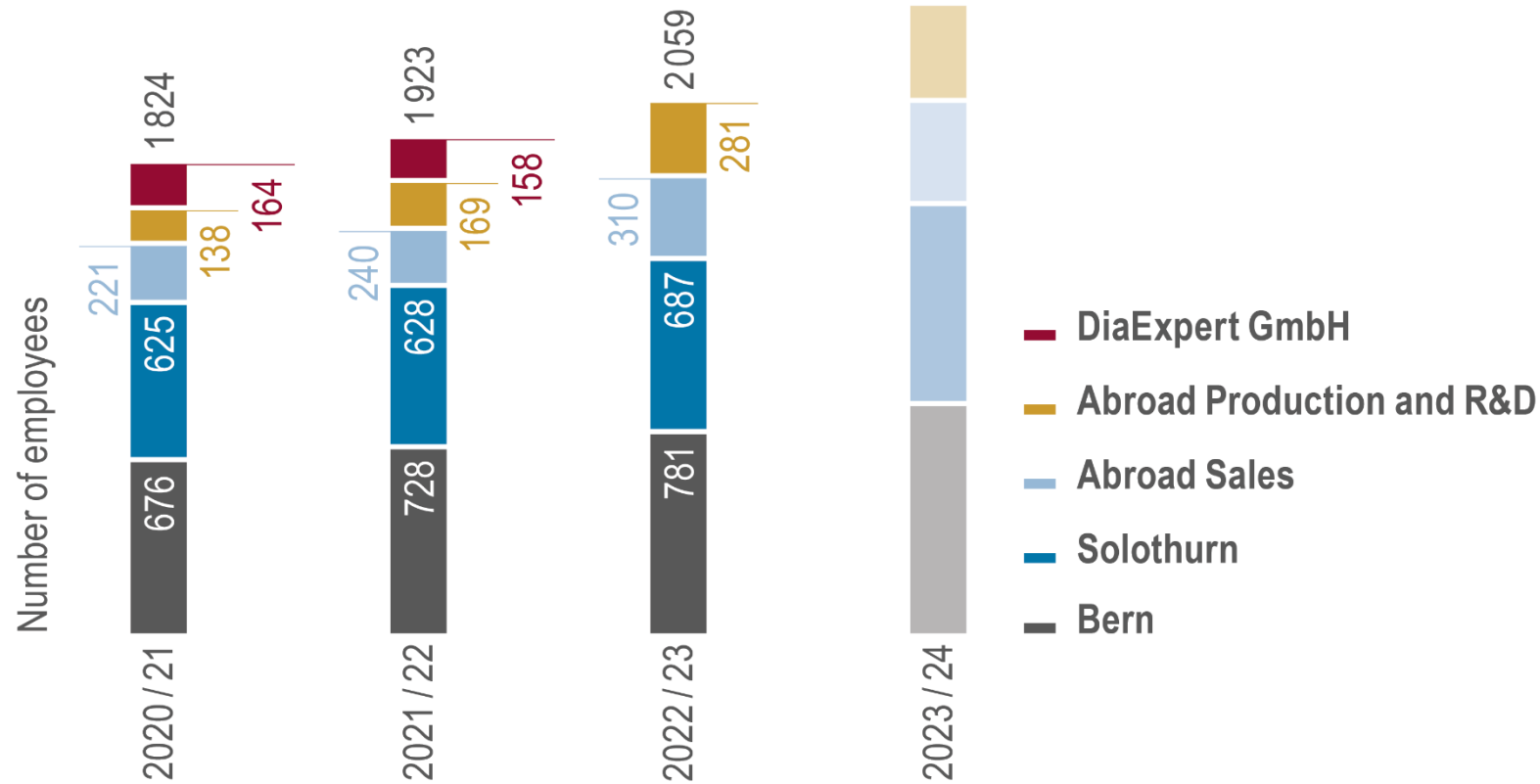


- **CHF 99 million** investments in fixed assets
- Doubling capacities for **YpsoMate 1.0**
- Ongoing doubling capacities for **UnoPen**

- **Investment budget for FY 2023/24 > CHF 200 million**
- Ypsomed is sufficiently financed for future growth investments

Creating 294 new jobs in 12 months, 112 in Switzerland

We expect a similar magnitude for the coming year



Start of our large employer branding campaign “Ypsomade.”

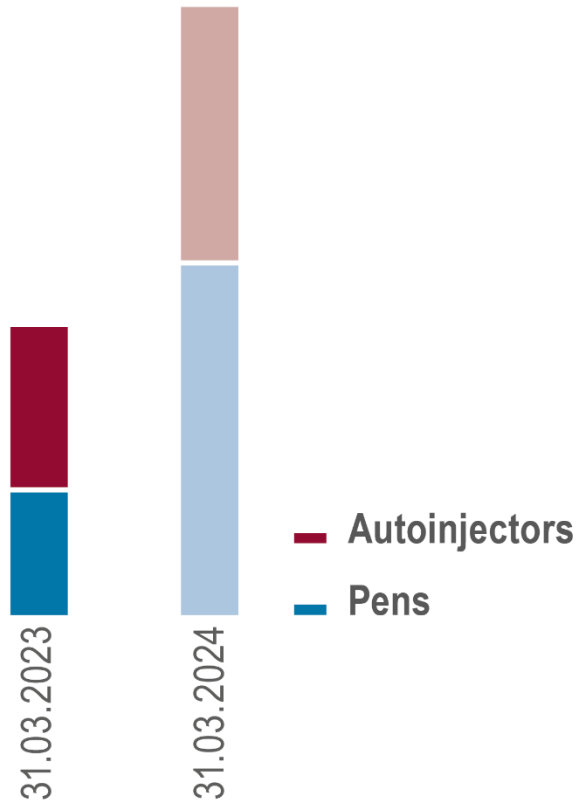


Nutzen Sie Sportangebote in der ganzen Schweiz:
ypsomed.com/karriere

YPSOMED
SELF CARE SOLUTIONS

Continued and accelerated expansion of capacities

Current expansion accelerated by one year



- **+35 % YpsoMate produced** compared to previous year
- **+27 % UnoPen produced** compared to previous year
- **+146 % YpsoPump capacity increase** compared to previous year
- **+99 % increase in output at Schwerin** compared to the previous year
- **-9.4 % average energy consumption per hour of production** in winter months

Additional capacity for autoinjectors, pens and infusion sets

New Hall D in Schwerin

- Current size Hall A, B, C:
 - 13'500 m² of production capacity
 - 4'250 m² of storage space
- Extension Hall D:
 - 3'300 m² of production capacity
 - 1'600 m² of storage space
- Investment of around EUR 20 million
- Construction time of 12 months, handover scheduled for **summer 2024**



New Plant in Changzhou China for China

- 15'000 m² of land, option for further 5'000 m²
- **4'500 m² of production capacity**
- CHF 16 million planning & construction costs
- CHF 22 million investment in equipment (in the first of three expansion stages)
- 12-month construction period
- Start of production expected in the **second half of 2024**



SBTi submission of our CO₂ emissions reduction targets

Science Based Targets initiative (SBTi)

- We defined concrete near- and long-term reduction targets across the value chain
- In spring 2023, we submitted reduction targets for Scope 1–3 emissions to SBTi
- We will communicate as soon as the SBTi validation process has been completed



SCIENCE
BASED
TARGETS

**BUSINESS
AMBITION FOR 1.5°C**  

Photovoltaics in Schwerin and further energy efficiency measures



Strategic highlights



Innovation & Digital Health

- Launch of our mylife Loop AID offering, which allows free sensor selection for the first time
- First customer order for our new YpsoMate 5.5 large volume autoinjector



Access & Expansion

- Expansion of access for YpsoPump, including FDA submission as planned
- Projects for Alzheimer's, obesity, other metabolic diseases and US biosimilar insulins



Responsibility & Engagement

- SBTi emission reduction targets submitted
- Large photovoltaic in Schwerin and several group wide energy efficiency measures implemented



Technology Platforms & Operational Excellence

- Strong increase in manufacturing output
- Ground-breaking ceremonies in China and Schwerin for ongoing capacity expansion

We look forward to your questions.

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