

# BACHEM

HALF-YEAR REPORT

20  
23

# EXPANSION AND CHANGE

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).

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## CHF 239.9 MILLION

### SALES IN THE FIRST HALF OF THE YEAR

Slight increase driven by commercial projects.

## 150 NEW POSITIONS

### EXPANSION OF THE WORKFORCE

to 1926 full-time employees.

## CHF 114.6 MILLION

### INVESTMENTS

across all sites to expand manufacturing capacity.

## LARGE-VOLUME CONTRACT

### FOR PEPTIDES

in 2027–2031 with a minimum volume  
of CHF 500 million.

## CAPITAL INCREASE

### SECURES CHF 105.9 MILLION

to ensure future growth.

# 1<sup>ST</sup> HALF-YEAR 2023 IN BRIEF

SALES GROWTH  
in CHF million

5.0

EBITDA MARGIN  
in percent

21.9

EARNINGS PER SHARE  
in CHF

0.46

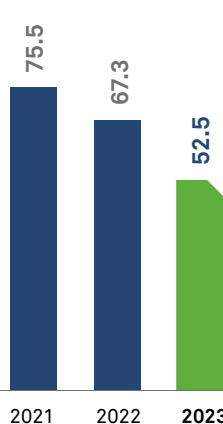
## SALES

in CHF million



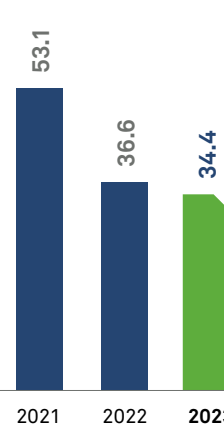
## EBITDA

in CHF million



## NET INCOME

in CHF million



	2023	2022	Changes in	
			CHF	LC
Sales (in CHF million)	239.9	234.9	+ 2.1%	+ 5.3%
EBITDA (in CHF million)	52.5	67.3	- 22.0%	- 13.8%
EBITDA margin	21.9%	28.7%		
EBIT (in CHF million)	34.8	51.6	- 32.5%	- 22.0%
EBIT margin	14.5%	22.0%		
Net income (in CHF million)	34.4	36.6	- 5.9%	
Net income margin	14.4%	15.6%		
Earnings per share (in CHF)	0.46	0.50	- 6.8%	
Cash flow from operating activities (in CHF million)	94.7	50.7	+ 86.9%	
Number of employees (in full-time equivalents)	1926	1776 <sup>1</sup>		

<sup>1</sup> Value as per December 31, 2022

# COMMENT AND OUTLOOK

**In the first half of 2023, Bachem increased sales slightly. A strong order volume is being processed with existing manufacturing capabilities, while new capacities are still being expanded. For the full year 2023, sales growth in the high single-digit percentage range is expected. Demand for Bachem's products and services continues to be high and can trigger a new growth spurt in the medium term thanks to new plants and a strong team.**

## Sales

The Bachem Group (SIX: BANB) achieved sales in Swiss francs of CHF 239.9 million in the first half of 2023 (+2.1% compared to the same period of the previous year). In local currencies, sales increased by 5.3%. Bachem started the year with a lot of orders, which are being processed on existing equipment. Given the order situation, Bachem expects a continued increase in its sales for the second half of 2023.

## Profit

Operating income before depreciation and amortization (EBITDA) amounted to CHF 52.5 million (-22.0% compared to the same period of the previous year), and operating income (EBIT) was CHF 34.8 million (-32.5% compared to the same period of the previous year). As a result, the EBITDA margin was 21.9% (first half of 2022: 28.7%) and the EBIT margin was 14.5% (first half of 2022: 22.0%). Net income was CHF 34.4 million (-5.9% compared to the same period of the previous year) with a margin of 14.4% (first half of 2022: 15.6%).

The income statement shows one-off costs of CHF 1.5 million in the first half of 2023. This is due to efficiency measures at Bachem's US sites, in which the organizational structure and headcount were adjusted to the changed project portfolio in the future. Adjusted for these one-time costs, EBITDA is CHF 54.0 million and the EBITDA margin is 22.5%.

Staff recruitment for the expansion of the Bubendorf site was very successful in the first half of the year. As a result, the headcount rose by 15.8% compared with the first half of 2022 to now 1926 full-time positions. Some of the new employees are still undergoing onboarding and training processes until the first qualification work begins in the K building. This situation has a temporary negative impact on the margin.

## Cost structure

With slightly higher sales and at the same time higher operating costs, gross profit was lower than in the same period of the previous year. Marketing and sales costs in the first half of the year amounted to CHF 9.0 million (first half of 2022: CHF 9.0 million) and thus were analogous to the prior reporting period at 3.8% of sales. Bachem continuously invests in its own process improvements and manufacturing technology. Expenditures for research and development amounted to CHF 5.5 million (first half of 2022: CHF 2.1 million), corresponding to 2.3% of sales (prior-year period: 0.9%). General administrative costs of CHF 9.6 million (first half of 2022: CHF 8.6 million) represent 4.0% of sales (first half of 2022: 3.7%). The ongoing expansion of functions to manage the grown organization is a significant factor here.

In the first half of the year, the financial result produced net income of CHF 2.1 million (first half of 2022: net expense of CHF 11.2 million). The financial result was significantly influenced by the securities on the one hand and the foreign exchange result on the other. Net income from securities amounted to CHF 2.9 million (first half of 2022: net loss of CHF 11.9 million). This net income is composed of realized and valuation gains and losses. Following a net foreign exchange gain of CHF 1.2 million in the prior year period, this reporting period shows a negative impact of CHF 0.9 million.

The foreign exchange loss was significantly influenced by the valuation at the balance sheet date of US dollar loans granted to subsidiaries by the holding company.

Income tax expenses amounted to CHF 2.5 million and resulted in a Group-wide tax rate of 6.7% (first half of 2022: CHF 3.7 million or 9.3%). The low tax rate in the reporting period is mainly due to higher profits in countries with lower tax rates than in the previous year. In the prior 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. In the prior period, 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

Overall economic development showed some easing in the supply chains in the first half of 2023. In general, however, the macroeconomic and geopolitical situation remains more volatile than in previous years. Bachem is responding to this by, among other things, strengthening its risk management, including inflation protection clauses in new customer contracts, and focusing on a more sustainable energy mix.

### Sales by product category

The Commercial API category achieved sales of CHF 146.9 million (first half of 2022: CHF 131.0 million, +12.2%), driven by patented peptide API and generics sales that more than offset expected lower oligonucleotide commercial sales. In the clinical drug development category (CMC Development), sales amounted to CHF 76.1 million (first half of 2022: CHF 79.3 million, -4.1%). In the comparative period, one-off services for a major customer project had led to a high comparative base, which should balance out over the year as a whole. The research chemicals and specialties business (Research & Specialties) was CHF 16.9 million (first half 2022: CHF 24.6 million, -31.6%). Non-medical projects with small peptide volumes in this category were not prioritized in the first half of the year due to limited production capacities.

### Sales by region

Broken down by sales region, CHF 145.3 million were generated in the Europe/Asia region (first half of 2022: CHF 142.3 million, +2.2%). The North America region accounted for CHF 94.6 million in sales (first half of 2022: CHF 92.6 million, +2.1%).

### Capacity expansion

In the first half of 2023, CHF 114.6 million was invested across all sites. The increase of CHF 76.0 million compared to the prior-year period reflects high customer expectations for a rapid expansion of production capacity. Bachem has started construction of the world's most advanced peptide and oligonucleotide production plant in 2021. The plant is scheduled to come on stream in 2024. The plant will be further expanded by 2026. A further Bachem production site is planned in Sisslerfeld in Eiken, Switzerland, and a second tranche of land was acquired for this purpose in the first half of 2023. Furthermore, Bachem continues to invest in the infrastructure of the entire site network. Bachem estimates the cost of expanding the Bubendorf and Sisslerfeld sites at over CHF 1 billion by the end of the decade.

### Peptides update

In the first half of 2023, Bachem was able to announce a long-term cooperation agreement for the development and manufacture of peptides. The contract includes a total order volume of more than CHF 500 million for the period 2027-2031, with significant upside potential and is contingent on the completion of a joint development project. The contract diversifies the order backlog for Building K in Bubendorf, Bachem's largest production facility when completed. In addition, demand for services and products for peptides as a medicinal active ingredient remains high.

### Oligonucleotides update

In the oligonucleotides business, Bachem anticipates a further reduction in commercial supply volumes. Bachem is working on a number of development projects in all phases of pharmaceutical development and the utilization of the current manufacturing capacities is good. Nevertheless, these development projects cannot compensate for the reduced commercial delivery volumes, so that the targeted sales volume of CHF 100 million cannot be achieved in the short term. In the field of oligonucleotides, Bachem has recently developed

technological innovations, such as the production of active ingredients in a patented “stirred bed” process.

### Sustainability

Bachem has set long-term sustainability targets for the entire Group in the areas of occupational health and safety, diversity and equal opportunities, as well as energy consumption and greenhouse gas emissions. Bachem’s visibility of greenhouse gas emissions is thereby gradually being extended to include third-party consumption (so-called “Scope 3” emissions). Bachem has also been a member of the UN Global Compact since 2022 and submitted its first Communication of Progress in the first half of 2023.

### Cash flow

In the first half of 2023, cash flow from operating activities amounted to CHF 94.7 million (first half of 2022: CHF 50.7 million). Thereby, net working capital had decreased by CHF 45.8 million (first half of 2022: increase of CHF 16.7 million). This change was positively influenced by the reduction of trade receivables in the amount of CHF 39.2 million, as well as net inflows of CHF 44.5 million from prepayments from customers. A counteracting effect was the growth-related inventory build-up of CHF 38.7 million, which will enable to ensure future production and timely deliveries to customers. In the course of the capacity expansion and for ongoing investments, cash and cash equivalents of CHF 126.7 million were used (first half of 2022: CHF 70.6 million).

A total gross dividend of CHF 56.2 million was distributed. Securities in the amount of CHF 58.0 million were sold in order to cover capital requirements. The increase in cash and cash equivalents in the reporting period amounted to CHF 77.2 million (first half of 2022: decrease of CHF 54.7 million), and thus the balance as of June 30, 2023 amounts to CHF 108.7 million (December 31, 2022: CHF 31.5 million).

### Equity and liabilities

On March 10, 2023, Bachem could secure a net cash inflow (after deduction of transaction costs) of CHF 105.9 million through a capital increase by means of an accelerated bookbuilding process. In the process, 1 250 000 new shares with a nominal value of CHF 0.01 each were issued. Bachem’s share capital is now CHF 750 000 (previously: CHF 737 500). The new shares were listed and admitted to trading on the SIX Swiss Exchange on March 13, 2023.

The equity ratio as of June 30, 2023 was 83.3% (December 31, 2022: 84.5%). As of June 30, 2023, there are still no loan liabilities.

### Outlook

Bachem expects Group sales for the full year 2023 to grow in the high single-digit percentage range and expects an EBITDA margin around 30%. The K building in Bubendorf will significantly expand Bachem’s production capacity from the start of operations in 2024 and will be further expanded by 2026. Until 2026, Bachem is targeting a sales volume over CHF 1 billion and an EBITDA margin over 30%.

# CONSOLIDATED INCOME STATEMENT

(Unaudited)

in CHF 1 000	Notes	First half-year 2023	First half-year 2022
Sales	5	239 859	234 883
Cost of goods sold		- 181 330	- 164 102
<b>Gross profit</b>		<b>58 529</b>	<b>70 781</b>
Other income		414	506
Marketing and sales costs		- 9 004	- 8 998
Research and development costs		- 5 494	- 2 138
General administrative costs		- 9 630	- 8 587
<b>Operating income (EBIT)</b>	5	<b>34 815</b>	<b>51 564</b>
Financial income	6	3 476	2 715
Financial expenses	7	- 1 374	- 13 924
<b>Ordinary income before taxes</b>		<b>36 917</b>	<b>40 355</b>
Income taxes	8	- 2 468	- 3 741
<b>Net income<sup>1</sup></b>		<b>34 449</b>	<b>36 614</b>
<b>Earnings per share (CHF)<sup>2</sup></b>		<b>0.46</b>	<b>0.50</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, 2023	Dec. 31, 2022
<b>Assets</b>			
Cash and cash equivalents		108 677	31 451
Securities	9	180 333	236 976
Trade receivables		130 924	171 042
Other current receivables		6 001	5 069
Prepaid expenses and accrued income		6 441	4 688
Current income tax assets		2 529	3 148
Inventories		345 306	308 046
<b>Total current assets</b>		<b>780 211</b>	<b>760 420</b>
Property, plant and equipment		694 879	599 790
Intangible assets		13 168	13 819
Assets from employer contribution reserve		320	320
Deferred tax assets		13 507	9 520
<b>Total non-current assets</b>		<b>721 874</b>	<b>623 449</b>
<b>Total assets</b>		<b>1 502 085</b>	<b>1 383 869</b>
<b>Liabilities and equity</b>			
Trade payables		29 011	32 071
Other current liabilities	10	114 203	83 483
Accrued expenses and deferred income		45 586	37 753
Current income tax liabilities		11 364	11 134
Current financial liabilities		266	339
<b>Total current liabilities</b>		<b>200 430</b>	<b>164 780</b>
Non-current financial liabilities		268	352
Deferred tax liabilities		50 062	49 076
<b>Total non-current liabilities</b>		<b>50 330</b>	<b>49 428</b>
<b>Total liabilities</b>		<b>250 760</b>	<b>214 208</b>
Share capital	12	750	738
Retained earnings		632 913	626 957
Share premium		662 207	583 887
Own shares		- 1 235	- 1 959
Cumulative translation differences		- 43 310	- 39 962
<b>Total capital and reserves attributable to the equity holders of the company</b>		<b>1 251 325</b>	<b>1 169 661</b>
<b>Total liabilities and equity</b>		<b>1 502 085</b>	<b>1 383 869</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 2023	First half-year 2022
<b>Cash flow from operating activities</b>			
Net income		34 449	36 614
Adjustments for:			
Income taxes	8	2 468	3 741
Depreciation and amortization		17 685	15 749
Financial income	6	-3 476	-2 715
Financial expenses	7	1 374	13 924
Share based payments		707	280
Loss on sale/scrapping of property, plant and equipment		6	8
Income taxes paid		-4 291	-227
<b>Cash flow from operating activities before changes in net working capital</b>		<b>48 922</b>	<b>67 374</b>
Change in trade receivables		39 160	11 829
Change in other current receivables, prepaid expenses and accrued income		-3 095	-3 172
Change in inventories		-38 698	-34 616
Change in trade payables		-2 899	-314
Change in other current liabilities, accrued expenses and deferred income		51 350	9 587
<b>Cash flow from operating activities</b>		<b>94 740</b>	<b>50 688</b>
<b>Cash flow from investing activities</b>			
Investments in property, plant and equipment		-124 914	-67 760
Sales of property, plant and equipment		16	0
Investments in intangible assets		-1 757	-2 842
Acquisitions	11	0	-21 866
Sales of securities	9	58 000	72 000
Other financial payments and proceeds		2 050	289
<b>Cash flow from investing activities</b>		<b>-66 605</b>	<b>-20 179</b>
<b>Cash flow from financing activities</b>			
Capital increase	12	105 867	0
Dividends paid	4	-56 236	-51 620
Repayment of financial liabilities		-178	-33 683
Interest paid		-17	-58
<b>Cash from financing activities</b>		<b>49 436</b>	<b>-85 361</b>
Net effect of currency translation on cash and cash equivalents		-345	165
<b>Net change in cash and cash equivalents</b>		<b>77 226</b>	<b>-54 687</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>31 451</b>	<b>89 191</b>
<b>Cash and cash equivalents at the end of the half-year</b>		<b>108 677</b>	<b>34 504</b>
<b>Net change in cash and cash equivalents</b>		<b>77 226</b>	<b>-54 687</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)

2023 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>626 957</b>	<b>583 887</b>	<b>- 1 959</b>	<b>- 39 962</b>	<b>1 169 661</b>
Capital increase	12	12		108 113			<b>108 125</b>
Transaction costs of the capital increase (net of tax)	12			- 2 033			<b>- 2 033</b>
Net income according to income statement			34 449				<b>34 449</b>
Dividends	4		- 28 493	- 27 743			<b>- 56 236</b>
Transactions with own shares (net of tax)				331	- 331		<b>0</b>
Share based payments				- 348	1 055		<b>707</b>
Cumulative translation differences						- 3 348	<b>- 3 348</b>
<b>Balance at June 30</b>		<b>750</b>	<b>632 913</b>	<b>662 207</b>	<b>- 1 235</b>	<b>- 43 310</b>	<b>1 251 325</b>

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				<b>36 614</b>
Dividends	4		- 25 810	- 25 810			<b>- 51 620</b>
Offset goodwill	11		- 52				<b>- 52</b>
Transactions with own shares (net of tax)				210	- 210		<b>0</b>
Share based payments				- 582	862		<b>280</b>
Cumulative translation differences						4 767	<b>4 767</b>
<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>

As of June 30, 2023, goodwill in the amount of CHF 1404 thousand is offset in retained earnings (June 30, 2022: CHF 1404 thousand).

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, 2023.

The consolidated interim financial statements were prepared in accordance with Swiss GAAP FER 31 “Complementary recommendations 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, 2022, which were prepared in accordance with the Swiss Accounting and Reporting Recommendations (Swiss GAAP FER).

### *Changes in accounting policies*

For the reporting year 2023, no changes in accounting policies became effective. The accounting policies used are consistent with those used in the annual consolidated financial statements 2022.

### *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 July 24, 2023.

## 2 Foreign exchange rates

in CHF	Income statement average rates		Balance sheet period-end rates	
	First half-year 2023	First half-year 2022	June 30, 2023	Dec. 31, 2022
USD	0.91	0.94	0.90	0.92
EUR	0.99	1.03	0.98	0.99
GBP	1.12	1.23	1.14	1.12
JPY (100)	0.68	0.77	0.62	0.71

## 3 Seasonality

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

## 4 Dividend distribution

On April 25, 2023, a dividend of CHF 56.2 million, respectively CHF 0.75 per share was distributed for the year 2022 (previous year: CHF 51.6 million, respectively CHF 0.70 per share).

## 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 2023</b>					
Sales third parties	145 322	94 537	239 859	0	<b>239 859</b>
Sales intersegment	60 664	2 110	62 774	- 62 774	<b>0</b>
<b>Total sales</b>	<b>205 986</b>	<b>96 647</b>	<b>302 633</b>	<b>- 62 774</b>	<b>239 859</b>
<b>Income information first half-year 2023</b>					
Operating income (EBIT)	40 034	- 3 632	36 402	- 1 587 <sup>1</sup>	<b>34 815</b>
<b>Other information first half-year 2023</b>					
Additions in property, plant and equipment and intangible assets	96 351	8 881	105 232	9 420	<b>114 652</b>
Depreciation and amortization	- 14 867	- 2 811	- 17 678	- 7	<b>- 17 685</b>
Total assets	1 042 578	218 141	1 260 719	241 366 <sup>2</sup>	<b>1 502 085</b>
Total liabilities	755 261	101 665	856 926	- 606 166 <sup>3</sup>	<b>250 760</b>

<sup>1</sup> The amount consists of the operating income from corporate activities of CHF - 1.1 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 867.6 million and of eliminations in the value of CHF - 626.2 million.

<sup>3</sup> The amount consists of corporate liabilities of CHF 17.1 million and of eliminations in the value of CHF - 623.3 million.

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.

## 6 Financial income

in CHF 1 000	<b>First half-year 2023</b>	First half-year 2022
Interest income	335	5
Gains on securities	3 137	1 536
Other financial income	4	4
Foreign exchange result	0	1 170
<b>Total financial income</b>	<b>3 476</b>	<b>2 715</b>

## 7 Financial expenses

in CHF 1 000	<b>First half-year 2023</b>	First half-year 2022
Interest expenses	- 17	- 58
Losses on securities	- 220	- 13 450
Other financial expenses	- 201	- 416
Foreign exchange result	- 936	0
<b>Total financial expenses</b>	<b>- 1 374</b>	<b>- 13 924</b>

## 8 Income taxes

The low income taxes in the reporting period are mainly due to higher profits in countries with lower tax rates than in the previous year.

In the first half of 2022, 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. In the prior period, this led to a reduction in tax liabilities of CHF 1.9 million, which was recorded affecting net income.

## 9 Securities

in CHF 1 000	<b>June 30, 2023</b>	Dec. 31, 2022
Money market	18 660	26 637
Bonds	118 121	166 973
Shares	43 552	43 366
<b>Total securities</b>	<b>180 333</b>	<b>236 976</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.

### **10 Other current liabilities**

As of June 30, 2023, other current liabilities include, besides various other liabilities, prepayments from customers in the amount of CHF 82.6 million (December 31, 2022: CHF 38.2 million).

### **11 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 prior period is not material.

### **12 Capital increase**

On March 10, 2023, the share capital was increased by 1 250 000 registered shares with a nominal value of CHF 0.01 per share. The placement price per share was CHF 86.50. The transaction costs of the capital increase amounted to CHF 2.3 million (before taxes).

### **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 2023

March 7, 2024

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## ANNUAL GENERAL MEETING (BUSINESS YEAR 2023)

April 24, 2024

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## HALF-YEAR REPORT 2024

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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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