

LETTER TO SHAREHOLDERS

Dear Shareholders,

For many people and companies around the world, the biggest challenge over the past fiscal year has been the COVID-19 pandemic with its often drastic social and economic impacts; and it still is today. At Bachem, we adapted very quickly to the current situation at all sites, implemented protective measures, and adapted and optimized operating processes. In this way, we were not only able to secure the system-relevant supply of active ingredients, but even to increase it in critical areas. Our workforce can take well-deserved pride in what they have accomplished.

Overall, 2020 was an excellent year for Bachem. Despite the major challenges, we achieved significant progress in a highly demanding market environment. Both in product and in geographic terms, our growth is broad-based. Successful product launches generated strong demand, and thanks to our long-term planned investments in modern production equipment we achieved large economies of scale in the production of peptides. We also significantly advanced the digitalization of business and manufacturing processes, improving not only the quality of our work but also our profitability. With our consistent entry into the development and production of small interfering RNA (siRNA) and antisense oligonucleotides (ASO) we have expanded our product range. Production according to GMP conditions was already achieved in the first year, and business development in this product line continues to be better than expected. We are also pleased to have attracted 272 new outstanding colleagues to Bachem in the past year.

The announced investments are proceeding according to plan, and as of today we expect a global investment volume of more than 400 million CHF in the next five years. New production capacities are being built and new jobs are being created at all our sites.

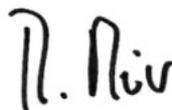
For the first time, Bachem was able to increase Group sales to over 400 million CHF, increasing the total by 28.1% to 402.0 million CHF. The high level of value creation and innovative strength is also reflected in net profit, with the EBITDA margin rising from 27.8% to 30.5%. Operating profit increased again significantly by 55.0% to 96.7 million CHF, with the EBIT margin rising from 19.9% to 24.0%. Due to the Group's strong business performance, we will propose an increase in the dividend from 3.00 CHF to 3.25 CHF per share at the Annual General Meeting on April 28, 2021.

The continued strong demand for our products and innovations in the peptides business, as well as the successful development of our oligonucleotides business, make us confident that Bachem will remain on its current profitable growth trajectory. Our goal is to further expand our market leadership in peptides based on innovation and quality, while also assuming a leading position in oligonucleotides.

We would like to thank our partners for the trusting cooperation and, above all, our 1529 employees throughout the Group for their tireless and outstanding commitment and dedication. And we would like to thank you, our esteemed shareholders, for the trust you have placed in us and for your loyalty to our company.



Dr. Kuno Sommer, Chairman
of the Board of Directors



Thomas Meier, CEO and Chairman
of the Corporate Executive Committee



Dr. Kuno Sommer



Thomas Meier