

Siegfried acquires majority stake in DiNAMIQS to establish best-in-class manufacturing organization for gene therapies

Zofingen, May 5th, 2023

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a Siegfried company

We strengthen our core by continued organic investments and use **M&A to enter into adjacencies and beyond**



Grow existing core

- > Strengthening current value proposition to fully exploit significant potential in small molecules

- > Small molecule drug substances and drug products
- > Complex chemistry
- > Oral / inhalation solid dosage forms
- > Sterile liquid dosage forms
- > Integrated DS and DP services



Add adjacencies

- > Diversification into new CDMO market segments (e.g.)

- > Formulation and aseptic fill & finish of large molecules
- > Particle technologies
- > DP delivery systems
- > Antibody drug conjugates (ADC)



Enter new areas

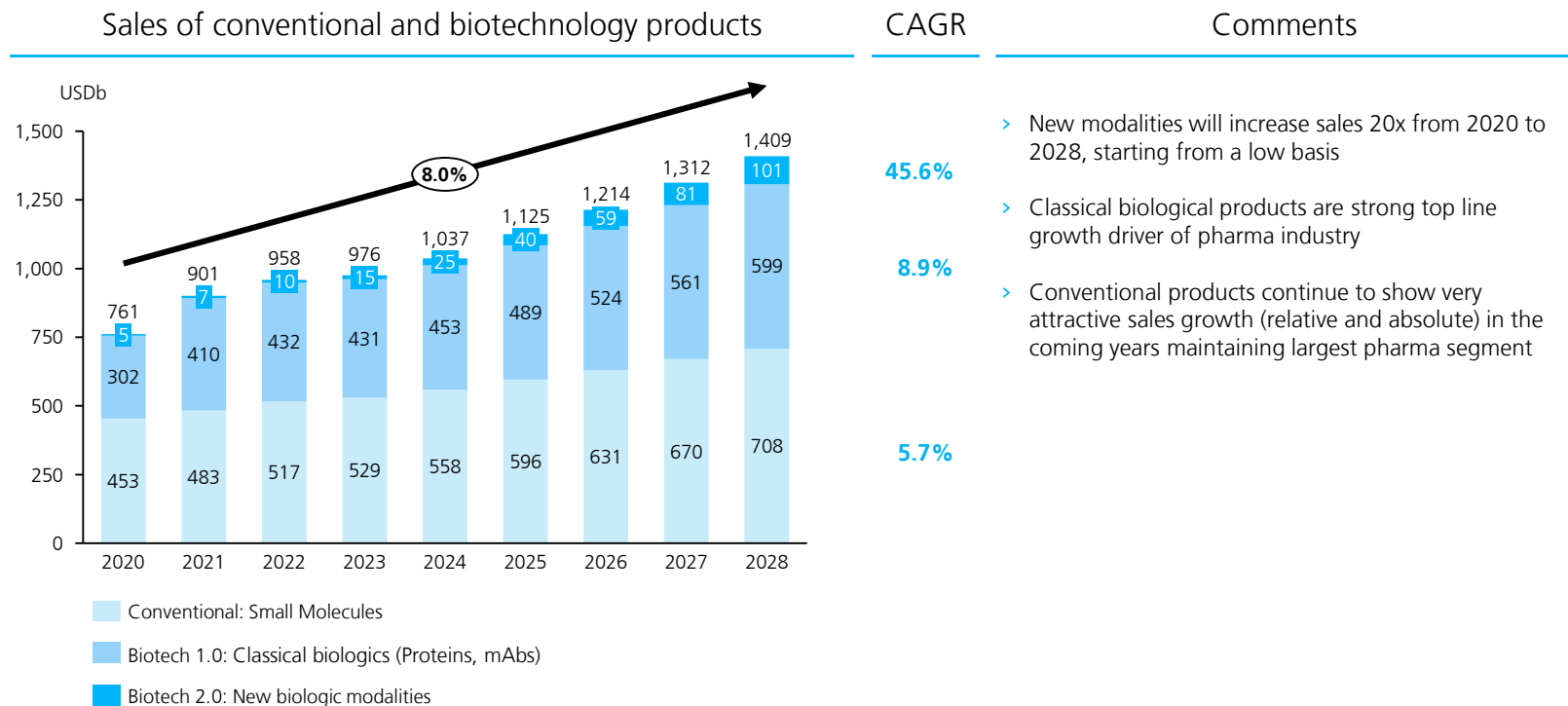
- > Expansion into other high-growth areas within CDMO business model

- > Antibodies
- > **Cell & gene therapy**
- > **Viral vectors**
- > Bioengineered vaccines
- > Data analytics

Time horizons

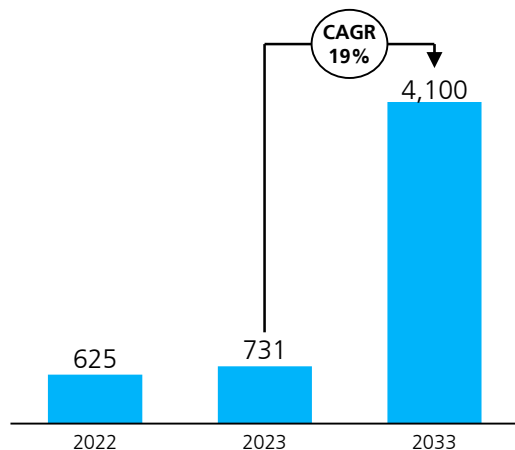
Based on its “modular” corporate strategy EVOLVE, Siegfried will continue to drive profitable growth through organic investments and M&A – DiNAMIQS being a perfect fit

While small molecules and conventional biologics represent the lion share of the pharma market, new modalities are expected to thrive



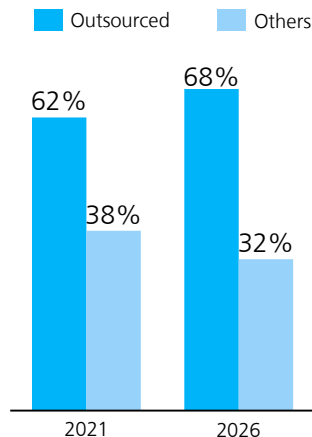
AAV CDMO services are forecasted with healthy growth rates based on a high number of clinical candidates

Viral vector CDMO market (USDm)¹



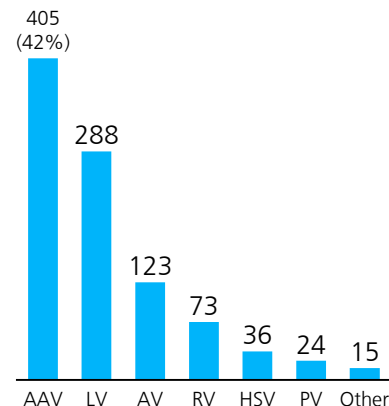
- > Adeno-associated viral vectors hold a share of c. 37% in the global market in 2023
- > USA dominates the global market with a share of about 33% in 2022 and is expected to continue the same growth throughout the forecast period

Viral vector manufacturing outsourcing (%)²



- > Survey: Based on number of respondents significant share of outsourcing in AAV manufacturing
- > Outsourcing need is expected to remain steady over the next five years, rising slightly to 68% by 2026

Viral vectors used in gene therapy trials³



- > Globally, more than 2,400 CGT clinical trials are ongoing currently
- > In c. 40% of all CGT trials, viral vectors are used
- > AAVs are used in c. 42% of all gene-therapy trials which use VV

DiNAMIQS: A one-stop-shop from pre-clinical to clinical services with cutting-edge scientific expertise – and soon commercial GMP

Pre-clinical

Molecular biology



Cassette optimization (pDNA)



Plasmid design

Manufacturing of AAV (non-GMP)



From flask to 50L

Process scale-up



From 25 to 200 & 500L scale

Analytical development & quality control



Clinical (Phase I – III)

USP



- > 500L SUBs in upstream suites
- > Additionally, 50L SUBs systems
- > Central seed room with 25L wave systems

DSP



- > USP trains feeding into DSP units
- > Bulk DS formulation and controlled freezing

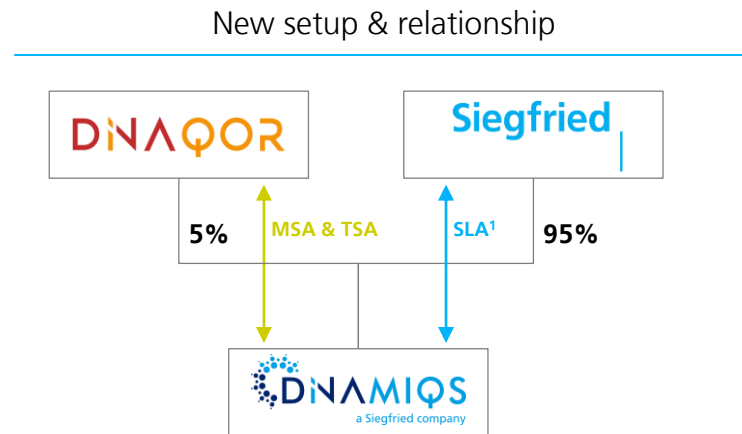
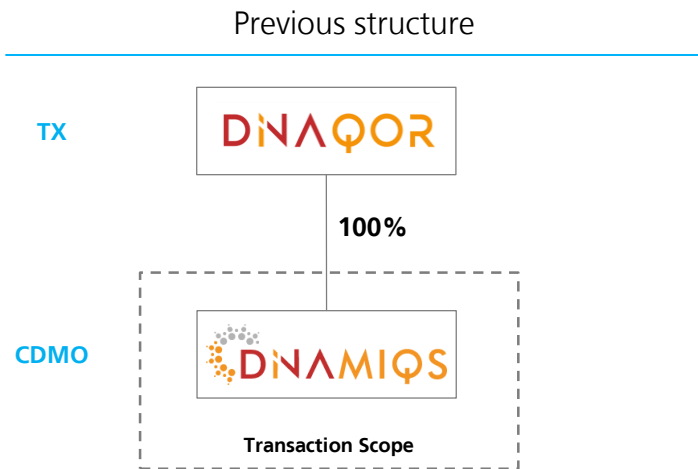
Process scale-up

- > Fill & finish in vials
- > Preparation of LVP



Commercial production

Siegfried acquires 95% of DiNAMIQS to expand its footprint in biologics and to create significant mid to long-term growth



- > DiNAMIQS (DQS) was owned 100% by DiNAQOR (DQR), a therapeutics company developing gene therapies to cure monogenic cardiomyopathies and monogenic renal diseases
- > DQS received corporate services from DQR and provided development & manufacturing services to DQR
- > DQS already serves third party customers (biotech, large pharma)

- > DQS is owned 95% by Siegfried with a remaining stake of 5% with DQR, after 5 years put-call option for the acquisition of remaining 5%
- > DQS will enter a MSA with DQR at arms-length terms
- > DQR will provide transitional services for a limited time, thereafter Siegfried will provide such services under a service level agreement
- > DQS will continue to operate under the brand name DiNAMIQS

1) To be implemented after TSA

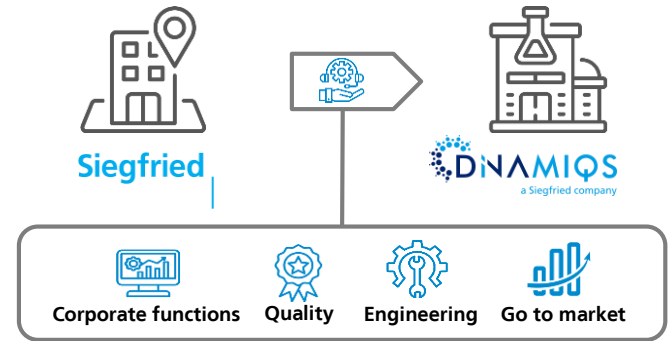
DiNAMIQS and Siegfried join forces to build a best-in-class manufacturing facility for gene therapies

New GMP facility in Bio-Technopark
Zurich-Schlieren



- > DiNAMIQS will build a state-of-the-art GMP-compliant facility that can produce viral vectors at 500L commercial scale
- > Facility includes integrated process and analytical development as well as GMP quality control capabilities
- > The facility will span across multiple floors in the Bio-Technopark in Zürich-Schlieren and is planned to be operational in 2025

Siegfried will bring DiNAMIQS' capabilities
to commercial scale




- > Siegfried will finance the construction of the facility and provide support and expertise in design, engineering, GMP – and will open the doors to the whole pharma customer universe
- > Siegfried will bring extensive CDMO experience as well as profound expertise in GMP compliant manufacturing

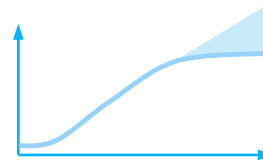
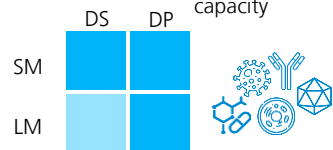
Our journey in biologics: DiNAMIQS as nucleus for further growth



2017  Investments & build-up of expertise

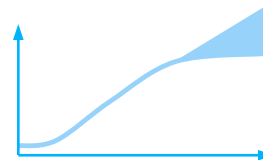


2023  DiNAMIQS & build-out of expertise and capacity



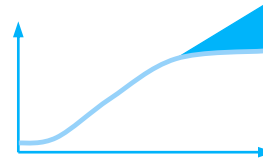
Capacity

- > Expansion of GMP capacity for commercial-scale manufacturing



Technology

- > Expansion of technology offering, e.g. LV, LNP, mRNA, non-viral technologies



Network footprint

- > Geographical expansion of development and manufacturing services (US, EU)

Siegfried's journey goes on: Consistently deliver profitable growth by investing in the global network and executing value adding M&A

- > Topline growth at least in line with CDMO market
- > Active portfolio management
- > Operational and commercial excellence
- > Investments in global network – adding technologies and capacities

> **M&A in core areas – and beyond:**



- 
- > Further evolve as a global leader in the CDMO space
 - > Be the strongest team running the most competitive network
 - > Have critical size in all segments
 - > Be the most trusted partner of the pharmaceutical industry

For 2023, Siegfried expects low to mid-single digit sales growth (in LC) with a core EBITDA margin of 20 percent or higher – positive mid-term outlook



expect
more



Half-Year Reporting 2023

17 August 2023