

Evolving in Challenging Times:

Siegfried Rises to the Next Level

Successful in an Attractive,
Growing Market

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A Quantum Leap for
Siegfried's Network

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Commitment to
Innovation and Efficiency

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Value-based Leadership
as a Maxim for Action

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Letter to the Shareholders

Dear Shareholders

The Siegfried Group achieved a good operating result in a demanding environment characterized by the coronavirus pandemic, and it proved capable of mastering exceptional challenges. In addition, significant progress was made within the framework of our EVOLVE strategy, which takes the company into a new dimension and will have a positive impact on the business results already in the current year.

Sales in Swiss francs increased by 1.4 percent to 845.1 million (2019: 833.5 million Swiss francs). In local currencies, growth even amounted to 4.5 percent. Core EBITDA grew faster than sales to 149.4 million Swiss francs (2019: 140.7 million), an increase of 6.2 percent, corresponding to a noticeable growth of the core EBITDA margin to 17.7 percent (2019: 16.9 percent). Core net profit amounted to 72.5 million Swiss francs (2019: 65.7 million), a plus of 10.4 percent.

Operating cash flow for 2020 grew to 114.8 million Swiss francs, an increase of nearly 75 percent compared to the previous year, due to higher sales, higher profitability and the favorable development of net working capital. Investments in tangible and intangible fixed assets of 69.1 million Swiss francs are reported slightly above those of the previous year. Free cash flow amounted to 45.7 million Swiss francs.

In view of the solid business development and the very robust financial situation



Dr. Andreas Casutt
Chairman of the Board of Directors



Dr. Wolfgang Wienand
Chief Executive Officer

of the company, the Board of Directors proposes to the Annual General Meeting to increase the distribution to the shareholders by 20 cents to 3.00 Swiss francs. This will be effected tax-free by reducing the nominal value as part of a capital reduction.

Both, the Drug Substances business – the larger of the two segments – as well as the Drug Products business grew. Sales in Drug Substances grew by 1.4 percent to 647.8 million Swiss francs, while business in exclusive synthesis as well as in portfolio products developed positively. In Drug Products, growth amounted to 1.2 percent, corresponding to sales of 197.2 million Swiss

francs. Siegfried's business portfolio is well diversified with regard to individual customers and products. Siegfried's business portfolio is very well diversified in terms of the importance of customers and products and robust. The largest customer contributes only 6 percent and the largest product 5 percent of sales, and the 10 largest customers together account for only 37 percent of sales.

The coronavirus pandemic placed significant challenges in various areas on Siegfried and its employees. Thanks to early information, also from our own site in Nantong (China), a crisis unit was put together as early as Janu-

ary 2020 and an updated pandemic plan set in motion, which had originally been developed for the SARS pandemic in 2002. The focus here was on our duty of care for our employees and their safety in the workplace. Also of paramount importance and a yardstick for our actions was our commitment, as one of the significant worldwide manufacturers of often vital drugs and a company classified as systemically important, to maintain our production activities and supply capability with all our strength.

In retrospect, the Siegfried Group has succeeded to the largest extent. Although we did have downtimes in production and in our own supply chains, they have been kept within limits. Numerous measures with regard to hygiene in operations, physical distancing, home office and preventive quarantine, which were continuously adjusted to the latest findings and circumstances, had a positive impact, not least owing to the great commitment, the calm discipline, the loyalty of our employees and the strong sense of togetherness of Siegfried's global teams. We would like to express our gratitude to all Siegfried employees and their families, but also to our customers and suppliers as well as to our other partners for their flexibility and loyalty in exceptional times.

We are very pleased that we at Siegfried will also be making a very substantial contribution toward the fight against the coronavirus
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Letter to the Shareholders

Dear Shareholders



Dr. Andreas Casutt
Chairman of the Board of Directors



Dr. Wolfgang Wienand
Chief Executive Officer

► *Continued: Letter to the Shareholders*

pandemic. Last fall, we signed a cooperation and supply agreement with Biopharmaceutical New Technologies (BioNTech), a German pioneering company in the field of bio-pharmaceuticals and immune therapy. The agreement covers the aseptic filling (“Fill & Finish”) and packaging of large commercial quantities of the innovative COVID-19-mRNA vaccine BNT162b2 (“Comirnaty”). The vaccine, which BioNTech developed in cooperation with the US pharmaceutical company Pfizer, will be filled at Siegfried’s Hameln site from mid-2021 onwards. For this technically demanding task, Siegfried is investing in a dedicated production line and will provide specialized storage capacity. Up to 50 additional jobs will be created for this purpose. The contract with BioNTech runs in a first step until the end of 2022, with the joint intention to expand the collaboration into a long-term strategic partnership between the two companies. By means of this exceptionally demanding project of great significance to the health of many millions of people, Siegfried will prove the performance, flexibility and technological competence of its employees and its production network.

Despite the uncertain environment caused by the pandemic, Siegfried took a significant step in implementing its corporate strategy EVOLVE in the year under review with the acquisition of two large Drug Products sites from Novartis in Barcelona. With about 600 employees, the site in Barberà del Vallès produces solid dosage forms including packaging. The site, which was established by Novartis in the mid-1990s, also processes highly potent substances used in oncology and inhalation capsules for the treatment of respiratory diseases. With a total capacity of nearly eight billion units in Barberà del Vallès and Malta, the Siegfried Group has now achieved the necessary critical size in this segment. The El Masnou plant is the former headquarters of the family-owned company Cusi, which was later acquired by Novartis. The site with some 400 employees specializes in the production of ophthalmological drugs, such as sterile eye drops and eye ointments, as well as nasal sprays and other products. Together with the existing activities at our site in Irvine, Siegfried advances to a significant supplier of services and products in this market segment. As part of the acquisition, a long-term manufacturing and supply agreement was entered into, in which Novartis commits to source significant volumes of key products from both sites. In addition, Siegfried

is awarded the status of a “Preferred Supplier” of Novartis. Despite considerable limitations owing to the corona pandemic, the acquisition was carried out on schedule with effect from 1 January 2021, and Siegfried has started on the demanding integration of the two sites into its global network. So far, the transition from Novartis to Siegfried proceeded smoothly, and the management teams at the two sites in coordination with Siegfried’s integration team showed great enthusiasm in starting with the large amount of joint work ahead of them. Numerous members of management were involved in the professional preparations and successful implementation of the transaction. We would like to thank the Executive Committee, the project and integration team and all employees at the new sites for their tremendous effort, which made this success possible.

The acquisition in Spain strengthens Siegfried’s global manufacturing network regarding capacity and technological skills, and it gives the company access to further profitable growth. The Drug Products segment, which formerly amounted only to about a quarter of total sales, will in the future contribute a significantly larger share to the Siegfried Group’s sales.

In the year under review, the Siegfried Group made notable investments also at its traditional sites in order to provide additional capacity for growing customer demand. In addition to a new filling line in Hameln, a new multi-purpose facility was put up and an operating building renewed in Zofingen. In Evionnaz, construction of a micronization plant has been successfully completed. In Malta, capacity was further expanded and an additional new packaging line installed. In Minden, significant investments were made in the site infrastructure and various multi-product facilities. At the St. Vulbas site, a new QC laboratory was inaugurated. These measures are part of a group-wide investment plan, which envisages additional significant investments in the coming five years to strengthen the global network and create the capacities required for additional growth.

At the end of 2020, Dr. René Imwinkelried, a longstanding member of the Executive Committee and Chief Operating Officer, retired as planned. Irene Wosgien, previously Multi-Site Head for several Drug Substances sites at Siegfried, was appointed his successor with responsibility for Technical Operations Drug Substances and new member of the Executive Committee with effect from 1 January 2021.

René Imwinkelried joined Siegfried in 2012 as Chief Scientific Officer and held responsibility for Global Technical Operations from 2017. We would like to thank him for his significant contribution toward Siegfried’s positive development in the past years.

For the current fiscal year 2021, we expect a significant jump in sales to well above one billion Swiss francs, driven by robust organic growth in all business areas and, in Drug Products, additionally driven by the acquisition of the two Novartis sites and the additional business with coronavirus vaccines at the Hameln site. Siegfried’s profitability will thereby continue to increase towards the target range of a core EBITDA margin of around 20%. We are looking to the medium-term development of our company with healthy optimism and expect robust organic growth with a further stepwise expansion of our profitability. Sales will fluctuate between years, both due to the difficulty in forecasting demand for coronavirus vaccines and due to increased fluctuations in utilization with regard to Novartis products at the two Spanish sites in the first years. With regard to this outlook, it must be taken into consideration that although Siegfried proved resilient under the difficult conditions of the coronavirus pandemic last year, the impact of the ongoing global restrictions and in particular a possible worsening of the pandemic on our business operations cannot be ruled out.

Next to organic development of our business and our production network as well as the integration and transformation of the two sites in Spain, we aim to continue playing an active role in the ongoing consolidation process in the CDMO industry. As part of our corporate strategy EVOLVE, we continue to strive for the acquisition of attractive companies, businesses and locations. As in the past, we will do so with prudence, patience and discipline to ensure that acquisitions actually help strengthen our company and sustainably increase its value.

We are very pleased that you, our shareholders, have accompanied us on this journey and will continue to do so in the future, and we would like to express our sincere thanks for your trust.

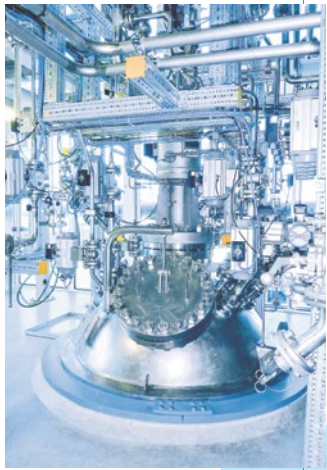
Dr. Andreas Casutt
Chairman of the Board of Directors

Dr. Wolfgang Wienand
Chief Executive Officer

The Year 2020 in Review



Isabelle Welton is elected to the Board of Directors



Commissioning of a 60bar hydrogenation plant in Zofingen



Siegfried is awarded with the "Prime Label" for sustainability from ISS



Inauguration of a new QC laboratory in St. Vulbas

845.1

million CHF
Net sales
31 December 2020



Announcement of retirement of René Imwinkelried (Chief Operating Officer) and entry of Irene Wosgien as Chief Operating Officer Drug Substances into the Executive Committee as of 31.12.20



Commissioning of a 3rd packaging line in Malta



Announcement of the acquisition of two pharmaceutical production sites in Spain



Siegfried and BioNTech sign contract for aseptic filling of COVID vaccine

Financial Commentary



Dr. Reto Suter
Chief Financial Officer

Growth and Expansion of Margins

Despite a difficult environment in 2020, Siegfried was able to once again increase Net Sales to 845.1 Mio Swiss Francs. Both important currencies, the Euro as well as the US Dollar have depreciated against the Swiss Franc in the reporting period, leading to headwinds for Siegfried’s topline. The growth compared to the last year was 4.5% in local currencies and 1.4% in Swiss Francs.

The core Gross Profit increased to 177.5 Mio Swiss Francs, corresponding to a slight improvement of the core Gross Profit Margin from 20.7% in 2019 to 21.0% in the current year. All of core EBITDA (CHF 149.4 Mio, +6.2%), core EBIT (CHF 94.3 Mio., +5.8%) and core Net Profit (CHF 72.5 Mio., +10.4%) increased on a relative scale stronger than Net Sales. This is reflected in an improvement of the respective margins: The core EBITDA Margin was 17.7% (prior year 16.9%). Also the Core EBIT Margin (11.2%) and the core Net Profit Margin (8.6%) improved compared to the prior period.

Siegfried has introduced the core Metrics with the presentation of the half-year results in 2019. The core results exclude extraordinary expenses and income in a transparent and easy to understand way enabling the market participants to better understand the company’s operational performance and allowing a better comparison across periods. Siegfried is using the core results in addition to the Swiss GAAP FER results as important indicators for the internal assessment of the performance of the group. In the current year 2020, the reported results are corrected for technical and non-cash effects from an interest rate change effect on the value of pension obligations from foreign pension plans, extraordinary effects from changes in the Swiss tax law and cost incurred with a potential acquisition. We also paid a special COVID Bonus for selected employee categories. As this was an extraordinary payment outside of our compensation system, we have corrected for it when presenting the core results.

Strong Growth of core Gross Profit and core EBITDA

The reported Net Sales of 845.1 Mio Swiss Francs consists of 647.8 Mio Swiss Francs Drug Substances and 197.2 Mio Swiss Francs Drug Product sales. Both areas have grown moderately in Swiss Francs, and significantly in local currencies.

Despite higher cost of doing business, core Gross Profit has correspondingly grown to 177.5 Mio Swiss Francs and the core Gross Profit Margin has expanded to 21.0%.

Core Marketing and Sales cost are slightly lower than in the prior period at 15.6 Mio Swiss Francs. In Research and Development costs came in at 30.9 Mio Swiss Francs, a reduction and normalization compared to the prior year. Administration and other overhead cost are 39.2 Mio Swiss Francs, remaining at about the level of the prior period.

Other income is 2.4 Mio Swiss Francs, which is a slight reduction versus prior year.

In total, the above delivers a core EBITDA of 149.4 Mio Swiss Francs, a core EBITDA Margin at 17.7%, a growth of 6.2% over the prior period.

Lower Core Financing Costs and a higher Core Net Profit

Core Financing costs and charges were at 4.1 Mio Swiss Francs, significantly lower than in the prior reporting period, despite the fact that the utilization of the syndicated loan was on average higher due to the redemption of the Hybrid Bond at the end of October 2020. Tax expenses in absolute terms were at par with the last year. As a result, the core Net Profit was significantly higher at 72.5 Mio Swiss Francs, an increase of 10.4% versus the prior period.

Operating Cashflow, Free Cashflow and Cashflow from Financing Activities

Operating Cashflow before changes in Net Working Capital is 153.4 Mio Swiss Francs, significantly stronger than last year (135.6 Mio Swiss Francs). Net Working Capital was managed well, resulting in an Operating Cashflow of 114.8 Mio Swiss Francs, an increase of 74.8% versus prior year.

Capital investments in PPE are at 69.1 Mio Swiss Francs, slightly higher than last year and the Free Cashflow stands at 45.7 Mio Swiss Francs.

In March 2020, we have executed a new Syndicated Loan (Revolving Credit Facility), at a higher volume and better commercial terms, resulting in the reduction of the financial expenses described above. In December 2020, on the background of the anticipated acquisition of the two pharmaceutical manufacturing facilities from Novartis in Spain, we have exercised the Accor-deon Option and have increased the volume of the Revolving Credit Facility to 400 Mio Swiss Francs.

On October 26, 2020, we have exercised the redemption option of the first Hybrid Bond of 100 Mio Swiss Francs and have redeemed the Hybrid Bond, funded by a draw down on the Syndicated Loan. On December 28, 2020, we have issued two privately placed Hybrid Convertible Bonds with a total volume of 80 Mio Swiss Francs to partially fund the acquisition of the two pharmaceutical manufacturing sites from Novartis in Spain.

Other Financial Key Figures

At the year end 2020 Siegfried had 54.4 Mio Swiss Francs in Cash and Cash Equivalents. Outstanding credit and loan arrangements amounted to 140 Mio Swiss Francs, resulting in a Net Debt position of 85.6 Mio Swiss Francs. The Net Debt to core EBITDA ratio is 0.6 and the equity ratio is 59.0%. Even after the acquisition, Siegfried has the necessary debt capacity to fund further internal and external growth.

Consolidated Statement of Cash Flows

In 1000 CHF (for the years ended December 31)	2020	2019
Net profit	60 867	53 147
Depreciation and impairment of PP&E and intangible assets	55 072	51 557
Change in provisions	-1 317	-9 732
Other non-cash items ²	12 225	28 787
Share-based payments	8 001	7 901
Exchange rate differences	2 640	2 485
Financial income	-328	-29
Financial expenses	3 050	3 153
Income taxes	13 163	-1 713
Income of associated companies	27	27
Net result on disposal of property, plant and equipment	-26	-7
Cash flow from operating activities before change in NWC	153 374	135 576
Change in net working capital:		
Trade receivables	-15 184	-29 852
Other current assets and accruals	-7 531	-12 255
Inventories	-19 417	-34 492
Trade payables	-16 798	14 143
Other current liabilities and accruals	35 564	9 586
Payments out of provisions and pension liabilities	-6 054	-5 325
Income taxes paid	-9 186	-11 738
Cash flow from operating activities	114 767	65 643
Purchase of property, plant and equipment	-68 762	-61 627
Proceeds from disposal of property, plant and equipment	105	50
Purchase of intangible and other assets	-374	-274
Proceeds from disposal of intangible assets	11	-
Investments in financial fixed assets	-	-24
Interest received	322	25
Dividend received	6	4
Cash flow from investing activities	-68 692	-61 846
Free cash flow¹	45 746	3 792
Capital increase	1 109	800
Change of hybrid capital	-19 985	-
Change in financial liabilities	4 968	25 000
Change in other non-current liabilities	-95	-91
Purchase of treasury shares	-3 855	-43 009
Disposal of treasury shares	23 356	20 087
Interest paid and bank charges	-9 811	-9 814
Distribution to the shareholders of Siegfried Holding AG	-11 622	-10 793
Cash flow from financing activities	-15 935	-17 820
Net change in cash and cash equivalents	30 139	-14 022
Cash and cash equivalents 1/1/	25 443	39 880
Net effect of exchange rate changes on cash	-1 168	-415
Cash and cash equivalents 31/12/	54 413	25 443

¹ Other non-cash effective changes include mainly the effect of the discount rate change on foreign pension plan obligations.

Proposal of Par Value Repayment to the General Assembly

At the Annual General Meeting on April 22, 2021, the Board of Directors will propose to the Shareholders to reduce the par value of a share from 24.20 Swiss Francs by 3.00 Swiss Francs to 21.20 Swiss Francs and to distribute the amount of the reduction in par value of 3.00 Swiss Francs instead of a dividend.



Dr. Reto Suter
Chief Financial Officer

Key Figures Overview

	2020	2019	Change CHF (LC)
Net sales (million CHF)	845.1	833.5	+1.4% (+4.5%)
Core gross profit (million CHF)	177.5	172.7	2.0%
Core gross profit margin (%)	21.0%	20.7%	
Core results ¹			
Core EBITDA (million CHF)	149.4	140.7	6.2%
Core EBITDA margin (%)	17.7%	16.9%	
Core EBIT (operating result) (million CHF)	94.3	89.2	5.8%
Core EBIT margin (%)	11.2%	10.7%	
Core net profit (million CHF)	72.5	65.7	10.4%
Core net profit-margin (%)	8.6%	7.9%	
Non-diluted core earnings per share (CHF)	17.50	15.88	10.2%
Diluted core earnings per share (CHF)	16.90	15.48	9.1%
Cash flow from operating activities (million CHF)	114.8	65.6	74.8%
Free cash flow (million CHF)	45.7	3.8	1 106.4%
Investment in property, plant and equipment and intangible assets (million CHF)	69.1	61.9	11.7%
	December 31, 2020	December 31, 2019	Change
Equity (million CHF)	733.2	691.7	6.0%
Total assets (million CHF)	1 242.3	1 168.7	6.3%
Equity ratio (%)	59.0%	59.2%	
Employees (number of FTEs)	2 532	2 407	5.2%

¹ For more information and reconciliation of Swiss GAAP FER to Core Results see Financial Report "Investor Information", pages 57–59.

Consolidated Core Income Statement

In 1000 CHF (for the years ended December 31)	2020	2019
Core results ¹		
Net sales	845 062	833 514
Cost of goods sold	–667 540	–660 791
Core Gross profit	177 522	172 723
Marketing and sales costs	–15 594	–16 644
Research and development costs	–30 860	–33 297
Core administration and general overhead costs	–39 167	–38 110
Other operating income	2 416	4 504
Income of associated companies	–27	–27
Core EBIT (operating result)	94 290	89 149
Financial income	328	29
Core financial expenses	–4 133	–5 181
Exchange rate differences	–2 640	–2 485
Core profit before income taxes	87 845	81 512
Core income taxes	–15 311	–15 818
Core net profit	72 534	65 694
Depreciation	55 072	51 557
Core EBITDA	149 362	140 706
Non-diluted core earnings per share (CHF)	17.50	15.88
Diluted core earnings per share (CHF)	16.90	15.48

¹ For more information and reconciliation of Swiss GAAP FER to Core Results see Financial Report "Investor Information", pages 57–59.



Please find the complete Financial Report for download at report.siegfried.ch

Net sales

845.1
million CHF

Net sales in 2020 reached 845.1 million Swiss franc.

Core EBITDA

149.4
million CHF

Core EBITDA in 2020 amounts to 149.4 million Swiss francs.

Core EBIT

94.3
million CHF

The operating result (core EBIT) amounts to 94.3 million Swiss francs.

Core net profit

72.5
million CHF

Core net profit amounts to 72.5 million Swiss francs.

Cashflow

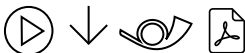
114.8
million CHF

Cashflow from operating activities reached 114.8 million Swiss francs.

Online Report



The Annual Report as well as the Financial Report are available online at report.siegfried.ch





Products

APIs and Intermediates

APIs Active pharmaceutical ingredients (APIs) are used in the production of a medication. APIs are the key ingredient of an end product that is ready for administration with a direct effect concerning treatment.

Intermediates are created in the course of a multi-step chemical reaction. They are not final products but the result of the previous step and the initial product for the following reaction step.

Thanks to investments in capacity and modern technologies, our worldwide network for the production of APIs has grown strongly in the past years and has become clearly more efficient.

Sites: Zofingen, Pennsville, Nantong, Minden, Evionnaz, St. Vulbas



Services

Exclusive Synthesis (Single Client)

Siegfried features expertise in the manufacturing of custom active pharmaceutical ingredients (API) and intermediates. Our services in the field of exclusive synthesis comprise:

- **Process and chemical development:** We develop genuinely scalable, cost-effective and robust pharmaceutical manufacturing processes, appropriate to our customers' products' market needs.
- **Analytical development:** For effective and robust processes Siegfried applies requisite analytical parameters and controls.
- **Pilot manufacturing and scale up:** Siegfried's core strength is taking a chemical process from development and scaling it up into a cost-effective and robust manufacturing process.
- **Commercial manufacturing:** We provide reliable and consistent commercial supply combined with good quality product and performance. We do this by providing our customer's versatile cGMP manufacturing capability and robust manufacturing processes suitable for specific market needs.

Drug Substances Drug Products



Products



Solid Oral Dosage Forms

Liquid Dosage Forms

In galenics – the science of the preparation of medicinal products – active pharmaceutical ingredients (APIs) are applied in a suitable dosage and delivered precisely to where they are required in the body. The API is mixed with certain auxiliary materials and then processed to a liquid, solid or semisolid dosage form. In the field of **solid oral dosage forms**, tablets and capsules prevail.

Siegfried offers a specific range of pharmaceutical development and production of solid dosage forms for the global market. Siegfried's plant in Hal Far (Malta) produces capsules and tablets. The offer ranges from cGMP-compliant scaling-up and production of clinical trial material to mass production and packaging of finished products.

The Zofingen plant operates a modern facility for the development of highly effective finished dosage forms – a market that has grown strongly for a number of years. This allows us to develop both corresponding APIs and finished dosage forms under the same roof. These medications increase not only efficiency but also reduce undesired side effects for patients.

Sterile and aseptic filling are the main activities of Siegfried in the area of liquid dosage forms. They are among the most demanding processes in galenic production and impose high demands on rooms, air quality, staff, raw materials and surfaces.

Siegfried operates state-of-the-art production facilities in Hameln (Germany) and Irvine (USA), where Siegfried has the capacity to satisfy customer demand for injectables.

Our sites in Hameln and Irvine focus on ampoules, vials and recently also on prefilled syringes. Irvine additionally specializes in the production of sophisticated pharmaceutical products such as ophthalmics and devices for the controlled release of active pharmaceutical ingredients. The plant in Irvine also produces emulsions, ointments and gels. Siegfried constantly expands the technological base on both sites by installing additional production facilities.

In the field of sterile filling, the Hameln facility offers a wide range of additional services along the pharmaceutical value chain: from product development to laboratory services; from preclinical and clinical studies to a comprehensive approval service including monitoring of existing approvals; and the supply of APIs as well as final products and their release.



Services

Contract Development and Manufacturing

Siegfried features broad base knowledge and experience for complex oral and sterile dosage forms for customer specific development, production and packaging. Our services comprise:

- **Pharmaceutical development:** We offer our customers a broad range of pharmaceutical development services, be it in the area of complex oral dosage forms or of standard and complex injectable and ophthalmic formulations.
- **Analytical development:** Our specialists from the drug product analytical development team work closely with their pharmaceutical development counterparts to ensure our customer's product is fully supported at every phase in the development process.
- **Scale up and clinical trial material production:** Siegfried's core expertise lies in scaling up a formulation in development into a cost-effective and robust manufacturing process as well as in supporting the customer's clinical trial material needs.
- **Process and analytical transfer:** From an early development phase, Siegfried plans and designs processes that ensure a successful scale up and transfer to commercial production. Siegfried supports the complete process transfer of a product, either into commercial production or to the client's own location.



Portfolio Offering
(Multi Client)

Siegfried offers a wide portfolio of APIs no longer protected by patents and controlled substances used amongst others as anesthetics, for pain treatment (e.g. in cancer therapy), and for diseases of the central nervous system and the respiratory tract. Controlled substances are chemicals, whose production, ownership and use are strictly regulated by international conventions and national legislation. Siegfried owns all the

know-how and copyrights for their production process and is therefore free to sell individual APIs not only to one customer (single client in exclusive synthesis) but to a large number of pharmaceutical customers (multi client). Our outstanding quality and regulatory track record make Siegfried the ideal partner for active pharmaceutical ingredient needs.



Licensing

— **Commercial manufacturing and packaging:** Both our Malta and Zofingen plants have a multitude of state-of-the-art technologies and equipment at their disposal to manufacture various complex solid oral dosage forms. At its sites in Hameln and Irvine, Siegfried offers specialized contract aseptic manufacturing for both the pharmaceutical and biotechnology industries, thereby supporting the entire value chain for aseptic services from simple to complex formulation.

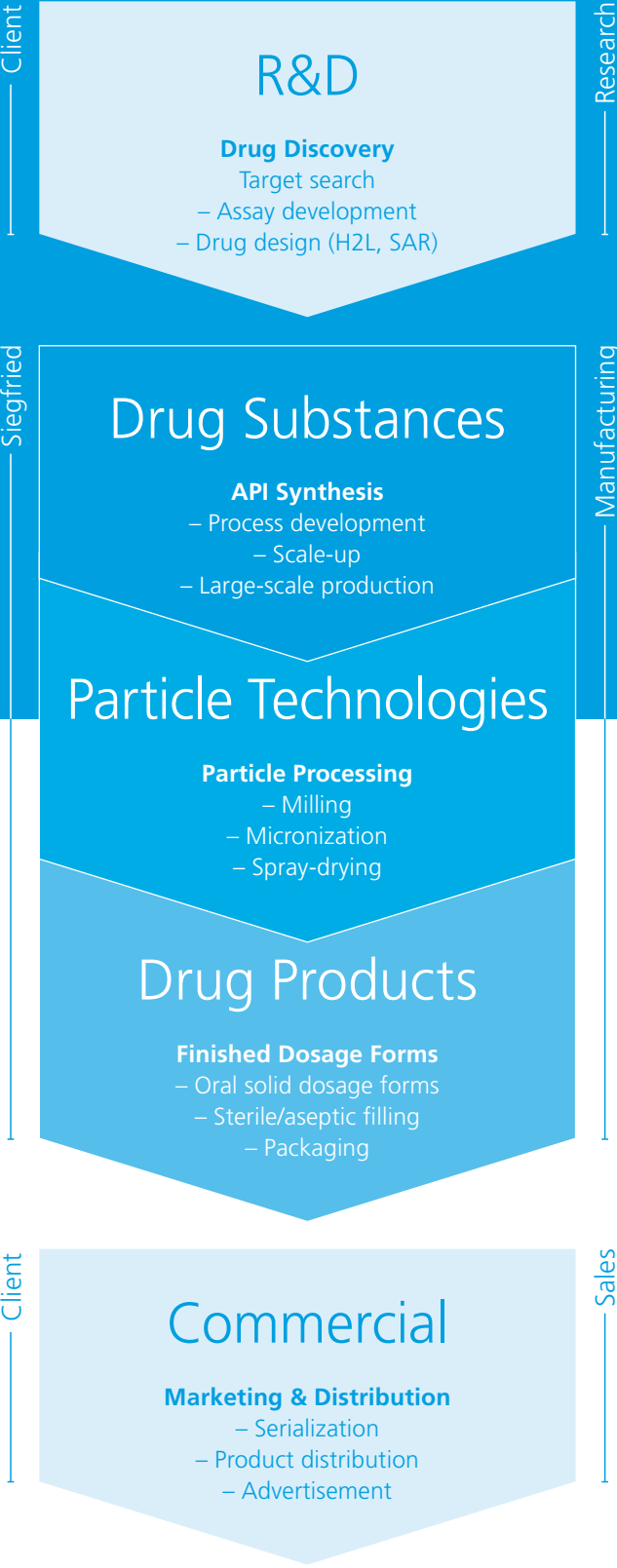
For our customers wishing to expand their product pipeline, we have selected oral solid and sterile products commercially available. Also, Siegfried assembles complete registration dossiers and offers a Common Technical Document (CTD) for all products.



Active Pharmaceutical Ingredients (API),
the Key to Healing

A drug needs a target inside the body in order to achieve a therapeutic effect. Treatment with a drug aims to alleviate or relieve an illness. The prerequisite for this is the suitable API. Siegfried's chemical expertise comprises process development and the production of such APIs and the corresponding intermediates. Our global network comprises production sites in North America, Europe and Asia. Our customers benefit from synergies and flexible solutions directed at concrete needs.

Small Molecules



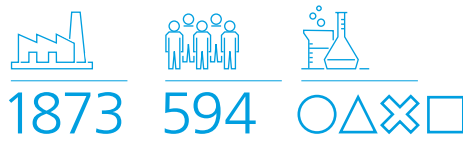
Drugs Deliver the API into the Body

A drug is a pharmaceutical product which, in a certain dosage and dosage form, serves to recognize, prevent or heal an illness. Since ancient times, certain plants and parts of plants and animal-based substances serve as drugs and, more recently, also synthetic preparations and biological substances. Siegfried offers a wide range of services in the development and production of complex oral and sterile drug products. The aseptic filling and biopharmaceutical business segments are especially attractive. Finished dosage forms are produced in Europe and North America.

First-class in Quality, Efficiency and Flexibility



Zofingen (HQ), Switzerland
Parent company: Our Swiss site in Zofingen is Siegfried's hub. The brand-new production building was designed in accordance with the state-of-the-art vertical-flow principle and supplies our global customers with proverbial Swiss quality. Siegfried is a well-respected employer in Zofingen, trains apprentices in various areas, cooperates with several universities and advanced technical colleges and, therefore, carries responsibility for future generations.



Pennsville, USA
Specialist for spray drying: The site is located in the US state of New Jersey and produces mainly active pharmaceutical ingredients for the US market, such as controlled substances meeting particular requirements set out by the regulatory authorities. Thanks to its spray drying capacity, Pennsville also supplies our customers worldwide. Siegfried's PSD4 pharmaceutical spray dryer is one of the largest in the world and operates in accordance with cGMP regulations.



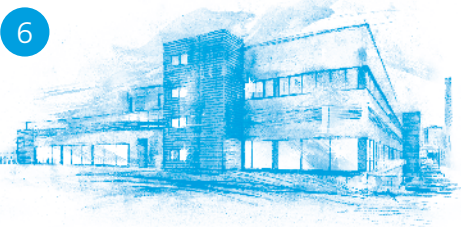
Hal Far, Malta
Center for solid dosage forms: Hal Far in Malta is our site for the production of solid dosage forms, such as tablets and capsules for the global market. The site includes a separate production area for highly effective substances. The offer ranges from tablets and capsules to blistered and packaged finished dosage forms.



Irvine, USA
Aseptic filling and packaging specialist: In Irvine, California, near Los Angeles, we fill and pack chemical and biological drug substances in syringes, vials and glass cartridges and dripper bottles (with cap closures and tips). From this site we serve not only American but also international customers and support customers at the early stages of clinical development.



Nantong, China
Our foothold in Asia: Erected in 2013 and put into operation in 2016, the site is our cGMP production site in China supplying all western countries. The offer comprises research & development, pilot plants and commercial production of active pharmaceutical ingredients. Nantong's cost-effective production environment improves our competitiveness in the global market.



Hameln, Germany
Driver of future technologies: Our plant in Hameln specializes in sterile filling of vials and ampoules. Moreover, Hameln's business activity now includes aseptic filling of biologics. The Hameln site corresponds to an investment in an attractive market with potential for growth. Furthermore, Hameln provides contract development for finished dosage forms and regulatory services for injectable and topical applications.



Minden, Germany
Partner for high throughputs: In Minden, Siegfried commands a high know-how in the production of various active pharmaceutical ingredients. World-scale and modern multi-purpose plants for high throughputs allow for flexible production structures. Minden specializes in controlled substances and is active in exclusive synthesis. All processes comply with cGMP guidelines.



Evionnaz, Switzerland
Active pharmaceutical ingredients and intermediates: The site in Evionnaz (Switzerland) is our production site for chemical development and production offering our customers intermediates and active pharmaceutical ingredients from only a few grams to several tons. Evionnaz is active mainly in exclusive synthesis of patent-protected active pharmaceutical ingredients and intermediates.



St. Vulbas, France
State-of-the-art plant for active pharmaceutical ingredients: The Siegfried site located in St. Vulbas in France masters a wide range of technologies including cryogenic and phosgenic reactions and produces various active pharmaceutical ingredients in a modern production facility. The site cooperates closely with the plant in Evionnaz.



Barberà del Vallès, Spain (since 1.1.2021)
Strengthening the OSD business: With Barberà, Siegfried reaches critical size in the field of solid oral dosage forms and complements these with attractive special technologies for highly potent substances (e.g. oncology) and difficult-to-produce capsules for inhalation. This will significantly strengthen the existing OSD business from Hal Far (Malta) and add differentiating special technologies.



El Masnou, Spain (since 1.1.2021)
High level of specialization: As a significant source for the specialized market segment of sterile ophthalmic products, Siegfried is expanding its existing small ophthalmic business in Irvine (US) with El Masnou by adding large capacity and technological capabilities.



Caption

Number of permanent employees

With Siegfried since

Competencies

- Active pharmaceutical ingredients (API)
- △ Intermediates
- ✕ Controlled substances
- Oral solid dosage forms
- ☆ Sterile filling

In the production of active pharmaceutical ingredients (API), intermediates and finished dosage forms, Siegfried counts on a global network of eleven sites in seven countries on three continents.

Board of Directors and Executive Committee



Board of Directors

1/ Dr. Andreas Casutt, Chairman
 Andreas Casutt (1963) joined the Board of Siegfried Holding AG in 2010 and was elected Chairman in 2014. As a partner of the law firm Niederer Kraft Frey AG (Zürich), he specializes in Corporate law, Contract law, Mergers & Acquisitions, and Stock Exchange Law.

2/ Dr. Martin Schmid, Vice Chairman
 Martin Schmid (1969) has been a member of the Board of Directors of Siegfried Holding AG since 2016. He was elected State Councillor of the Canton of Graubünden in 2011. From 2003 to 2011 he was a member of the government of the Canton of Graubünden.

3/ Colin Bond, Member
 Colin Bond (1961) is) joined the Board of Siegfried Holding AG in 2013. In 2016, he was appointed Chief Financial Officer of Vi-for Pharma AG. Previously, he held the position of Group Chief Financial Officer of Evotec in Hamburg.

4/ Prof. Dr. Wolfram Carius, Member
 Wolfram Carius (1961) joined the Board of Siegfried Holding AG in 2014. In 2020 he was appointed Executive Vice President Pharmaceuticals heading the newly created Cell and Genetherapy unit at Bayer.

5/ Reto A. Garzetti, Member
 Reto A. Garzetti (1960) joined the Board of Siegfried Holding AG in 2011. Since 1999, he is a partner and Vice President of the board of SE Swiss Equities AG.

6/ Ulla Schmidt, Member
 Ulla Schmidt (1949) joined the Board of Siegfried Holding AG in 2016. She has been a member of the German Bundestag since 1990 and its Vice President from 2013 to 2017. From 2001 to 2009, she held the position of Federal Minister of Health.

7/ Isabelle Welton, Member
 Isabelle Welton (1963) was elected to the Board of Siegfried Holding AG in 2020. In her career, she has worked in global companies in the financial services and IT industries. Today, she is the owner of a consulting company focusing on corporate culture and change processes.

Operational Group Structure

Dr. Andreas Casutt
Chairman

Dr. Wolfgang Wienand
Chief Executive Officer

Dr. Reto Suter
Chief Financial Officer

Arnoud M. Middel
Chief Human Resources Officer

Dr. Jürgen Roos
Chief Scientific Officer

Dr. René Imwinkelried*
Chief Operating Officer

Marianne Späne
Chief Business Officer

Corporate Governance

The complete Corporate Governance Report with detailed information about the Board of Directors and the Executive Committee are available online at report.siegfried.ch

Executive Committee

8/ Dr. Wolfgang Wienand, CEO
 Dr. Wolfgang Wienand (1972) has been CEO of Siegfried since January 1, 2019 and has been with Siegfried since August 1, 2010. Until August 2012, he initially managed global research and development activities as a member of the Executive Committee. From December 2011 to April 2017, he was responsible for Strategy and M&A as well as Legal and Regulatory Affairs, and from May 2017 until the end of 2018 he led both areas in personal union. Before joining Siegfried, Wolfgang Wienand held various management positions at Evonik Industries AG.

9/ Dr. Reto Suter, CFO
 Dr. Reto Suter (1971) joined Siegfried on May 1, 2017, as Chief Financial Officer. Over the last 16 years, he held a range of responsible positions in industry as well as in finance and private equity.

10/ Dr. René Imwinkelried*, COO
 Dr. René Imwinkelried (1957) headed the Technical Operations department since November 2016. From 2012 to May 2017, René Imwinkelried was responsible for the Research & Development of the Siegfried Group. From 2010 to 2012, he was Head of Global Technical Development Small Molecules at Roche in Basel.

11/ Arnoud M. Middel, CHRO
 Arnoud Middel (1971) joined the Siegfried Group in September 2011 as Chief Human Resources Officer. Previously, he worked for various companies in the field of HR.

12/ Dr. Jürgen Roos, CSO
 Jürgen Roos (1968) joined the Siegfried Group in April 2019 as Chief Scientific Officer. Before joining Siegfried, he worked for Evonik Industries AG as Vice President for Innovation Management of the Animal Nutrition business line.

13/ Marianne Späne, CBO
 Marianne Späne (1962) joined the Siegfried Group in 2004 and was appointed Chief Business Officer in March 2010. Prior to joining Siegfried, she worked in logistics, business development and as site manager for Boucheron, a cosmetics company.

* until 31.12.20,
as of 1.1.21 Irene Wosgien

Next Level Reached

Thanks to its growth strategy consistently implemented across more than ten years, Siegfried has written one success story after the other. A further significant chapter was completed in 2020 when the company made groundbreaking acquisitions.

“Step by step toward the leading supplier in the CDMO¹ industry” describes the common denominator of Siegfried’s ambition to become the industry leader. The company made another significant step toward this aim in 2020. It all started ten years ago with Siegfried’s transformation to a leading outsourcing partner of the pharmaceutical industry. In the course of time, the company grew by means of targeted acquisitions in the USA and in Europe and the establishment of a new site in Asia. Thanks to the constant optimization of development and production processes and investment in key technologies, Siegfried’s product portfolio became increasingly attractive and, as a result, its global customer base grew and developed significantly. Sales and profitability increased. The result of the 2020 financial year continued along the lines of this success story – despite the enormous challenges presented by the worldwide pandemic.

Change as an Opportunity

The pharmaceutical industry remains in motion. New customer needs, fierce competition and technological changes are the driving factors. Complexity and considerable risks in the development and production of new drugs increasingly force pharmaceutical companies to focus on innovation and marketing, their actual strategic value drivers. Therefore, they increasingly delegate development and production of drug substances and finished dosage forms to specialized companies, such as Siegfried, which are ready to step in with integrated know-how

and efficient production capacity. This reduces their risk while they can optimize the use of their resources, capital and capabilities to master the tough competition in the area of new medical therapies and drugs.

This change fuels Siegfried’s business strategy. In its core, the strategy intelligently and efficiently merges the production of drug substances with finished medical products from a single source. Pharmaceutical customers of all sizes and needs benefit from the highest level of quality, efficiency, safety and flexibility thanks to Siegfried’s many years of experience and accumulated know-how in this demanding field, its distinct know-how concerning process and compliance, and its global development and production network.

“Evolve” and “Elevate”, a Sustainable and Comprehensive Package

By means of its “Evolve” strategy, Siegfried aims to press ahead with organic and acquisition-related growth in order to gain market share and play an active role in the industry-wide process of consolidation. Within the parameters of “Evolve”, targeted acquisitions aim to strengthen the global production network, while investment in key technologies, such as micronization and freeze drying, propel growth.

True to its slogan “Expect more” and guided by its “Elevate” strategy, Siegfried is constantly working toward making its production sites and global network more efficient,

further improving and coordinating business processes, empowering its teams to achieve peak performance, and taking advantage of the opportunities provided by digitalization and artificial intelligence.

Forward-looking Strategic Acquisitions

Its long list of strategic acquisitions in recent years is proof of Siegfried’s strong implementation expertise aimed at reaching critical size as required in the CDMO industry. This includes the capability to seamlessly integrate newly acquired companies into its network while adding to corporate value.

The most recent acquisition of the two pharmaceutical production sites in Spain from Novartis represents a further milestone in Siegfried’s targeted expansion strategy. The acquisition significantly strengthens the Drug Products division which, in the future, will represent a 40-percent share of Siegfried Group’s sales. As a result, the company as a whole will surpass the one-billion threshold in sales. The El Masnou site complements Siegfried’s successful and booming business in sterile filling carried out in Irvine (USA) and Hameln (Germany). The Barberà del Vallès site increases the existing capacity for the production of tablets in Malta of 1.3 billion units per annum to over 6 billion units. By means of the acquisitions, the Drug Products division will not only reach critical size, but also benefit from economies of scale for solid dosage forms. Ophthalmic products will extend Siegfried’s product range. Within the context of the transaction, Novartis and Siegfried

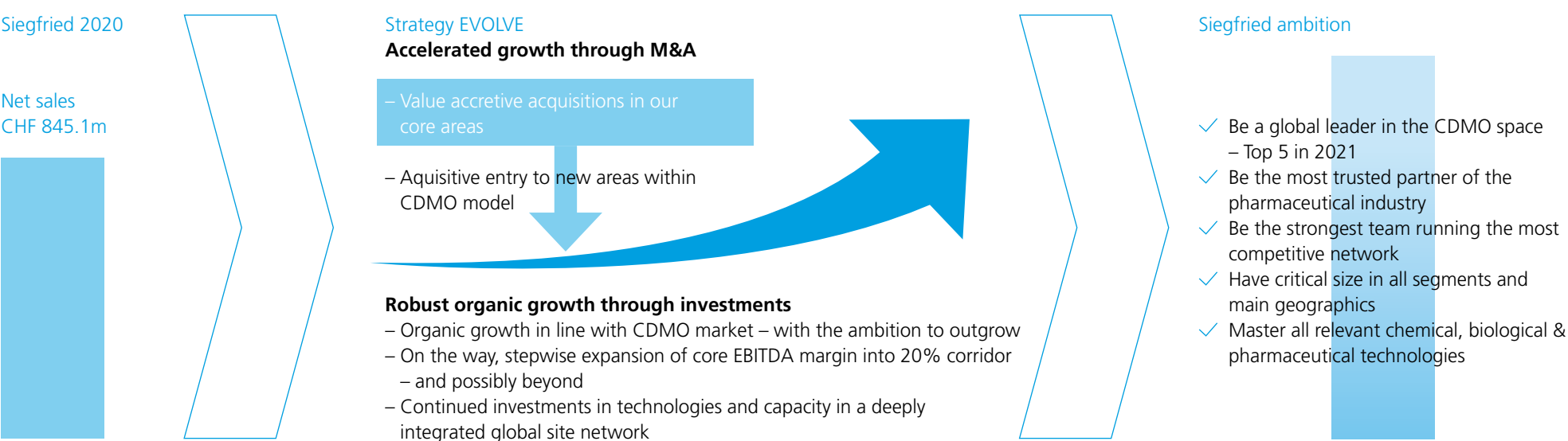
agreed on close cooperation which includes a purchase commitment across several years, making Siegfried a significant strategic partner of Novartis with the status of “Preferred Supplier”.

At the Forefront in the Fight Against COVID-19

In September 2020, Siegfried scored another major success which can be attributed to its status as one of the leading global CDMOs. Siegfried concluded a cooperation and supply agreement with Biopharmaceutical New Technologies (BioNTech), the German immune-therapy company, for the filling and packaging of commercial quantities of the innovative and internationally used COVID-19 vaccine, BNT162b2. BioNTech developed the vaccine in cooperation with Pfizer Inc., the US pharmaceutical company. In terms of the agreement, the vaccine will be filled in Siegfried’s highly specialized site in Hameln starting mid-2021. Siegfried has thus produced proof that it can solve technologically demanding tasks in the short term and rapidly set up required capacity. Moreover, it is strategically significant that Siegfried and BioNTech aim to cooperate beyond this product order. The cooperation will create a large potential for the Hameln site specialized in sterile filling – including biopharmaceuticals – and for other Siegfried sites in the field of drug products.

¹ Custom Development and Manufacturing Organization

Siegfried’s Strategic Ambitions, Today and Going Forward



Interview



Dr. Wolfgang Wienand
Chief Executive Officer

Wolfgang Wienand, nobody doubts that the year 2020 will go down in the annals of very many companies because of COVID-19. For Siegfried, however, that’s not all the year had to offer.
True, 2020 had more or less everything on offer to test us and to make it an exceptional year in every respect and in the truest sense of the word. On the one hand, the pandemic and connected concern for the health of our employees, but also the obligation as a systemically relevant company to

band and a father. And like many others, myself, my wife and our three boys had to – and still have to – undergo the various restrictions and hard lockdowns in private and do what we can to prevent contagion in the family, with all the unpleasant consequences. Despite our determination not to submit our own thinking to this unfortunate crisis, it continues to exist and at times weighs heavily on our spirits. On occasion, I have lost contact with the lightness of being. The demand on myself and on our supervisors at Siegfried was and is that we provide our employees with orientation, calm and at the same time radiate the optimism that we will get through this crisis well as a team. And that we can be – and will be – successful despite the crisis, which, as we recognize in retrospect, we have been. The prerequisite for this was that we were able to offer all our employees, many of whom are unable to work from their home offices, a safe working environment at all times and reduce the risk of infection to a minimum by complying with our comprehensive measures. I believe that thanks to the careful work of our crisis teams led by our Chief Compliance Officer Peter Kiechle and our site managers, as well as the disciplined implementation of measures by our workforce, we were indeed always on top of the situation. But we owed that to our employees and their families.

pharmaceutical company, for other products as well, beyond this order. Moreover, the order will have a positive influence on our financial results this year and the next.

Despite the pandemic, however, 2020 will go down in Siegfried’s long history as the year in which another quantum leap was achieved after the earlier acquisitions. Siegfried will now exceed the billion-dollar threshold as a result of the acquisition of two Novartis sites in Barcelona.
This is really a significant step for the traditional company Siegfried shortly before our 150th anniversary. The billion threshold is a great milestone, but more important to me is the strengthening of our network in the area of drug products. Both Barberà del Vallès and El Masnou not only fit excellently into our existing network and strengthen it technologically, but with them we also achieve the targeted critical size in Drug Products – a goal that was very important to me and that I had been pursuing for a long time. The share of the two pillars, active pharmaceutical ingredients and finished products, is now much better balanced. This also decisively strengthens our offering as an integrated supplier for a large part of the pharmaceutical value chain: CDMO from active ingredient to finished dosage form.

Now that both critical size and technological expansion have been achieved, the question is whether the EVOLVE strategy is now complete?
No, we have not reached that point yet. In a rapidly consolidating industry, growth must continue to enjoy priority. Siegfried will now move up into the top group. However, in order to establish ourselves there and move even further ahead, we have to keep moving. I see attractive potential in a range of technologies, to make our customers an even better offer, and to further differentiate ourselves technologically. Our EVOLVE strategy, which aims at both, reaching and expanding critical size and strengthening our technological base, will remain the guiding principle of our strategic activities in the coming years.

Against the background of the pandemic and the strategic steps mentioned above it should not be forgotten that Siegfried posted a sound operating result for 2020. What will organic growth in the current year look like? Where do you see Siegfried at the end of the year?
It is not self-evident that in such a challenging year as 2020, we at Siegfried were still able to report a decent increase in both sales and operating margin, and “along the way” managed a major acquisition of two large sites in Spain with almost 1000 new colleagues. We have thus proven that we will not let ourselves be diverted from our path, that we will stick together as a team and that we are determined to be successful together, despite all adverse circumstances. For this I would like to express my sincere thanks to all of our employees at all of our locations – we will achieve a great deal together in the future! Regarding the current year: Here we will again succeed in achieving robust organic growth in our existing business, and together with the sales of the new sites in Spain that have joined the Siegfried family and the additional business from vaccine production, we will succeed in achieving a significant leap in sales while at

Mission, Vision, Values

Our Mission

We do matter to customers, patients and society.

“With mastery of science and technology, we take the precious innovations of our pharmaceutical customers to industrial scale and manufacture safe drugs for patients worldwide.”

Our Vision

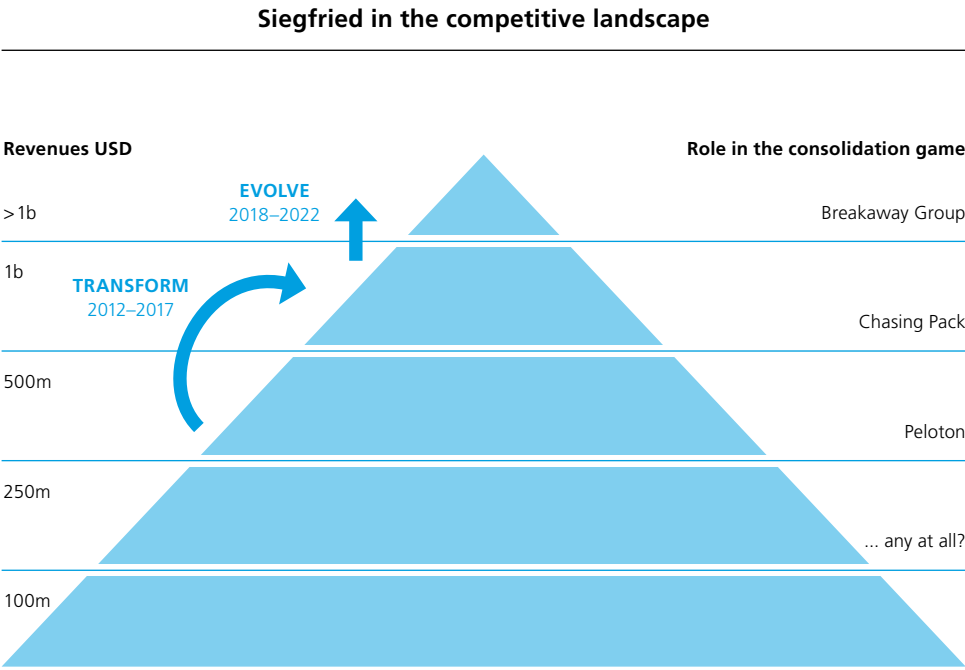
We aim for industry leadership.

“Siegfried is the most trusted partner of the pharmaceutical industry and the global leader in the CDMO space – because we are the strongest team running the most competitive network.”

Our Values

We strive for outstanding performance.

“Our values and leadership principles are the basis to build the strongest team in the industry.”



ensure the production of pharmaceutical products, some of which are vital for millions of patients worldwide, with all our strength. On the other hand, the great opportunity to make an active and significant contribution toward fighting and, hopefully, ending the pandemic by filling the BioNTech vaccine and, finally, successful conclusion of negotiations with Novartis concerning the acquisition of two large sites in Barcelona and Siegfried’s ascent to new dimensions with total sales of over one billion Swiss francs. Visualizing all of this and what we achieved together makes my pulse beat faster.

Let’s stay with the pandemic for a moment. You mentioned the challenges you had to master as Siegfried’s Chief Executive Officer. How did you personally experience this phase?
The challenges that a pandemic poses to a company’s management can be addressed with a variety of tools: crisis teams, regular communications and clear guidelines. However, I am not only the CEO, I am also a hus-

The news that Siegfried, as an important partner of BioNTech, is involved in the production of the corresponding vaccine generated a great deal of media coverage. What makes this cooperation so special?
Of course, while keeping our feet on the ground, we are also a little proud that we will begin aseptic filling of the vaccine in Hameln in the middle of the year and then be an important part of the pandemic response. Making this possible is anything but a walk in the park, because the necessary additional capacity and some special technologies were not available at the site. Procuring the new equipment, setting it up, qualifying and validating it, and at the same time hiring and training the additional staff, which was not available, in less than a year is a huge challenge. It’s not done yet, but we’re making very good progress and we’re right on target. I have no doubt that we will rise to this challenge and succeed in this endeavor. This will then give us the opportunity to build up a long-term strategic partnership with BioNTech, a highly innovative

Successful in an Attractive, Growing Market

In the years ahead, the global pharmaceutical market and the CDMO¹ industry will continue to grow. The COVID pandemic confirms the significance of strategic outsourcing. Good prospects for Siegfried.

For the foreseeable future, the Siegfried Group's market environment will remain geared for growth, and thus promising. In accordance with the market research institute EvaluatePharma², the global market for prescription drugs will grow by an average (CAGR³) of 7.4 percent per annum by 2026. Demand for generic drugs will also continue to grow. The outlook for the CDMO market is similarly positive. Research firm Frost & Sullivan⁴ estimates that by 2024 annual growth in the industry will reach 7.5 percent. Outsourcing demand for finished dosage forms is expected to increase by 9.1 percent, however, at a smaller scale than drug substances expressed in absolute figures. While drug substances are expected to continue dominating the market in the coming years, their growth will slow down marginally to 7.0 percent. The outlook until 2030 is also interesting: the market researchers of Visiongain⁵ expect the CDMO market to grow by 6.7 percent in total. They expect the most noteworthy increase to be in solid dosage forms, namely 7.8 percent. In terms of product categories, bio-pharmaceuticals enjoy the highest potential: While the USA will remain the largest market, the experts at Visiongain expect the largest regional growth to happen in the Asia-Pacific region.

Good Reasons for Outsourcing
Changes in the pharmaceutical industry in the coming years will provide further positive impulses for the CDMO market. The large pharmaceutical organizations increasingly focus on research and development, which is important for their innovation strength, as well as on marketing and sales. Consequently, they transfer manufacturing of drug substances and drugs to specialized partners, such as Siegfried. In this way, they can minimize risks connected with manufacturing while improving yield on capital invested. This is true, especially, for the phase following expiry of patent protection, as sales prices and margins in the market for generics are drastically lower. For margins to remain more or less stable, comprehensive life cycle management – one of Siegfried's core competences – is gaining strategic significance. It is therefore not surprising that according to Visiongain, some 80 percent of pharmaceutical companies confirm increasing demand for contract manufacturing⁶.

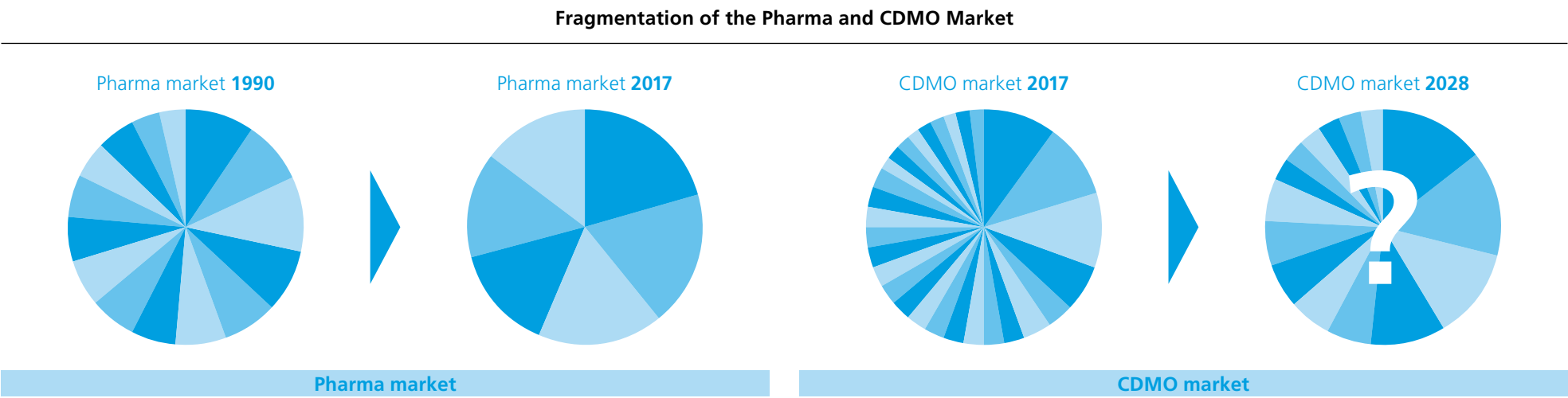
New and innovative drugs of small or medium-sized pharmaceutical companies and bio-technology startups are showing promising growth perspectives. They neither carry out their own process development nor do

they have production capacity. Moreover, the high complexity of novel therapies requires top-rated suppliers, such as Siegfried, that continuously invest in their technology base and operational processes. The COVID pandemic has suddenly raised awareness for the indispensability of CDMOs, because without these efficient and capable partners, vaccination worldwide would have been available on time in only very modest quantities.

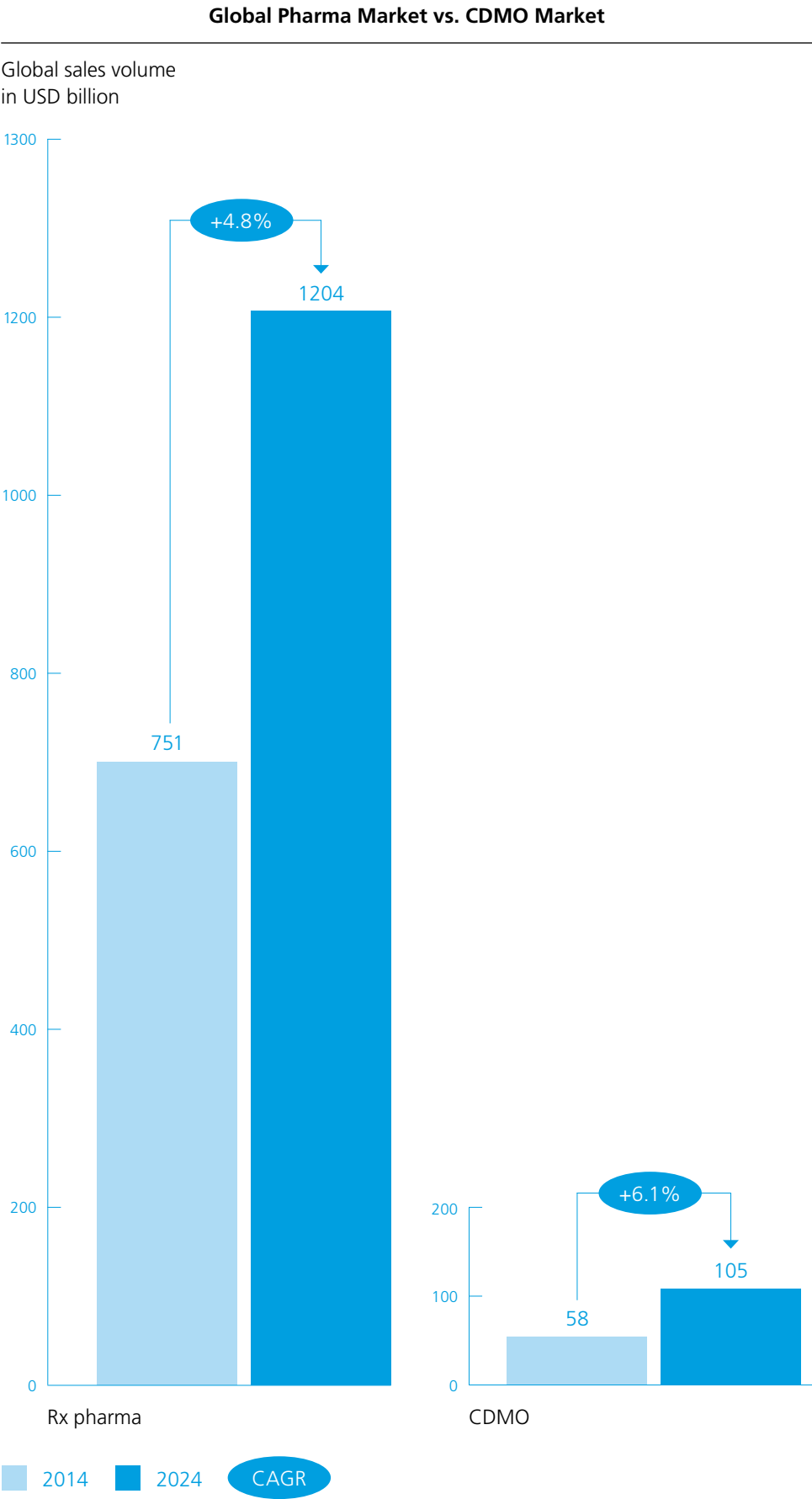
Smart Investment in the Future
The positive prospects for the global pharmaceutical market, trends in the pharmaceutical industry and resulting opportunities for the CDMO industry impressively confirm the sustainability of the business model and the appropriateness of the measures taken with regard to further development. Ongoing and targeted investments in the global network constitute the premises for further profitable growth. While Siegfried already enjoys an outstanding market position in drug substances, the company will reach critical size in finished dosage forms based on its latest acquisitions in Spain. Thanks to the extended capacity, existing customer relationships can be solidified and expanded, and new ones created. Strengthening the Drug Products segment will improve margins as econ-

omies of scale result from the growth in production capacity for tablets and capsules from 1.3 billion units to over 6 billion units. Moreover, special technologies will spur on the margin. The partnership launched in 2020 with BioNTech, the German immune therapy organization, concerning sterile filling and packaging of the COVID vaccine BNT162b2 underlines the competitiveness of the Drug Products division and thus Siegfried's significance in the worldwide pharmaceutical market.

¹ Customer Development and Manufacturing Organization
² EvaluatePharma, World Preview 2020
³ Compound Annual Growth Rate
⁴ Frost & Sullivan, Growth Opportunities in the Global Pharmaceutical Contract Manufacturing Organization Market (CMO), Forecast to 2024
⁵ Visiongain, Pharmaceutical Contract Manufacturing Market Report 2020–2030



The fragmentation and subsequent consolidation that has already taken place in the pharma market is now also taking place in the CDMO market.



CDMO Market Environment

- Healthcare expenditures with strong growth across all segments including pharma – which is growing at approx. 4.5% y-o-y
- Outsourcing of manufacturing is an ongoing and sustainable development due to strong strategic rationale for pharmacos
- The CDMO market is growing at approx. 6% y-o-y – above pharma market growth rates

Positive Trends for the CDMO Market

- Focus an R&D and marketing & distribution
- Increased cost awareness
- Break through innovations
- Increasing complexity
- Proactive life cycle management

Key Facts

- Positive outlook for the underlying pharma industry**
 - The outlook for global prescription drug sales expected to grow at a 2014–2024 CAGR of 4.8%
 - Fundamental growth drivers for the pharma industry continue to be a growing and aging population as well as expanding healthcare access
- CDMOs grow faster than the pharma market**
 - High investment risk of drug development increasingly prompts pharma companies to focus on their core competencies, i.e. R&D and sales
 - As a result, pharma companies outsource in-house manufacturing processes
 - Today only about 50% of the total drug substances market is outsourced – drug products segments showing even lower outsourcing rate to date

Siegfried's API Portfolio

- Approx. 1.500 APIs are contained in pharma products approved by the FDA
- Thereof Siegfried supplies approx. 200 APIs – acting as a significant source ensuring patients' therapy continuity
- Based on our current portfolio, Siegfried serves approx. 40 millions patients annually
- This is equal to five times the Suisse population or twice the population of New York City
- Significant share of the annual global caffeine supply
- Many caffeinated beverages we consume contain a Siegfried product

Up to 1bn people get in contact with Siegfried products each year

40 Mio. patients per year

Pie chart segments: 1300 (light blue), 200 (dark blue)

Siegfried Annual Report 2020

A Quantum Leap for Siegfried's Network



As the leading global CDMO¹, Siegfried Group relies on its competitive and finely tuned global development and production network. The quality of this key component of the integrated business model has again grown.

To be the preferred and trusted partner of the pharmaceutical industry requires a holistic, interconnected and flexible manner of thinking and acting to the benefit of the customer. Siegfried's aim is to find the best solution for the different needs of pharmaceutical customers of every size and provenance. This demands the highest level of quality of products and services, a high supply capability as well as flexibility and efficiency at the lowest possible cost.

In recent years, Siegfried's network made a quantum leap forward. Following the acquisition of a large production site for sterile filling in 2014 and three drug-substance sites in 2015, an additional significant step followed in the drug products sector in 2020 through the acquisition of two pharmaceutical production sites from Novartis in Spain.

Strategy Defines Distinct Division of Roles

Siegfried's strategy for the development and production network essentially consists of two elements. On the one hand, it defines function and core competence and the most successful technology portfolio for each individual site. This leads to the development of guidelines for specific initiatives and measures at each site. On the other hand, it de-

finies the processes by means of which the eleven sites on three continents can be interconnected and utilized to capacity in the best possible manner.

Sophisticated Drug Substance Network

Siegfried's drug substance network has developed continuously since the acquisition in 2015, and each of the sites has been assigned a distinct role. The sites in Zofingen, Evionnaz and Nantong are competence centers for chemical development and piloting. From development, customer laboratory procedures are transferred from clinical phases to robust chemical processes. These new developments are subsequently upgraded in pilot operation from laboratory to commercial scale. From this, significant recognitions can be gained for large-scale production. Moreover, highly specialized teams test and implement new technologies in order to obtain a better understanding of the process and gain access to new product classes. This creates close working relationships with Siegfried Group's other drug substance sites.

The Zofingen and Evionnaz sites have been assigned additional roles. On the one hand, they produce drug substances at an industrial scale, and on the other hand, as launch

sites, they focus on customer projects in need of a new production process. This task requires specialized professional knowledge provided by highly qualified teams of experts.

The sites in Minden, St. Vulbas, Pennsville and Nantong focus on industrial production of drug substances based on established processes. The manufacturing facilities at these sites are configured in such a way as to ensure that customer orders can be executed at other sites, if required. Through this mirroring, Siegfried achieves higher reliability of supply and flexibility, particularly by providing active support for customers across the entire life cycle of their products, for the duration of patent protection, and beyond.

Network for Drug Production

Based on the acquisition of the two Novartis sites in the Barcelona region, the Drug Products segment has reached critical size and now includes five production sites. This will make it possible to build an efficient network focused on economies of scale in this sector as well.

Siegfried plans to establish the centers for pharmaceutical process development and piloting at the Zofingen and Barcelona sites. It is intended to transform the two sites ac-

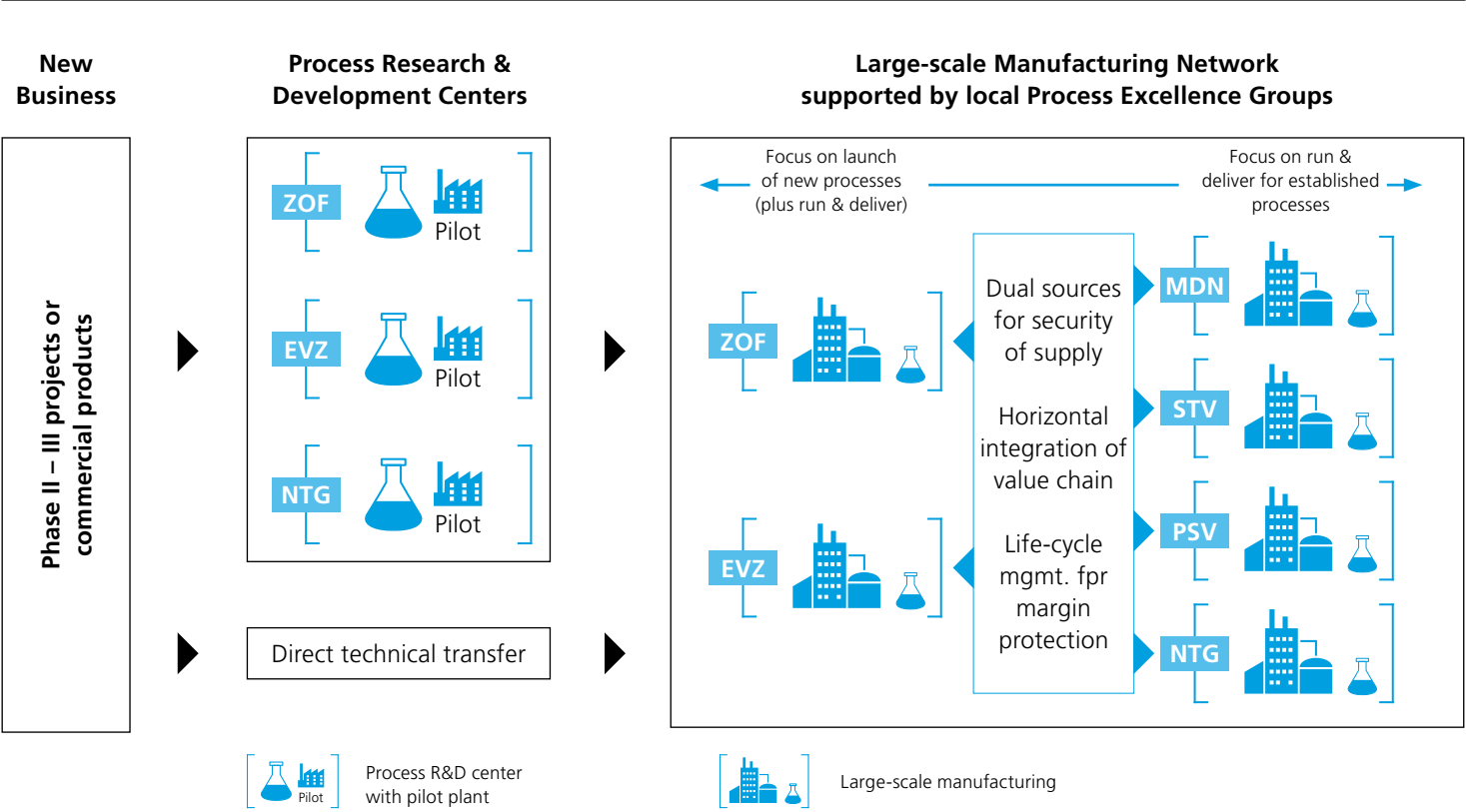
quired from Novartis into flexible CDMO platforms that can offer their services to a global customer base. This process entails investments in development capacity with the aim to create a technological competence center in this region. Siegfried will be able to provide an expanded and attractive range of services and production capacities to existing and new customers.

Concerning solid dosage forms, the site in Malta will be joined by the recently acquired site in Barberà del Vallès as a high-performance network partner. A network for sterile liquid drugs will be formed by the production sites in Hameln, Irvine and El Masnou, which has a very long tradition and a great amount of experience in this field. Thanks to this cooperation among the sites, the network will provide management of the entire life-cycle to customers.

Ongoing Optimization

"Elevate" – the part of Siegfried's overall strategy that focuses on organic development – comprises of numerous initiatives that promote growth, profitability and competitiveness by means of operational excellence. A few examples from Siegfried's daily routine which usually do not hit the headline news will illustrate this.

Drug Substances Network



► *Continued: A Quantum Leap for Siegfried's Network*
In order to achieve balanced utilization of production plant, Siegfried introduced a new software to implement the change from a manual to a flexible, electronically supported planning process. Customers benefit from this by means of higher flexibility and shorter reaction times for short-term orders or changes of plans.

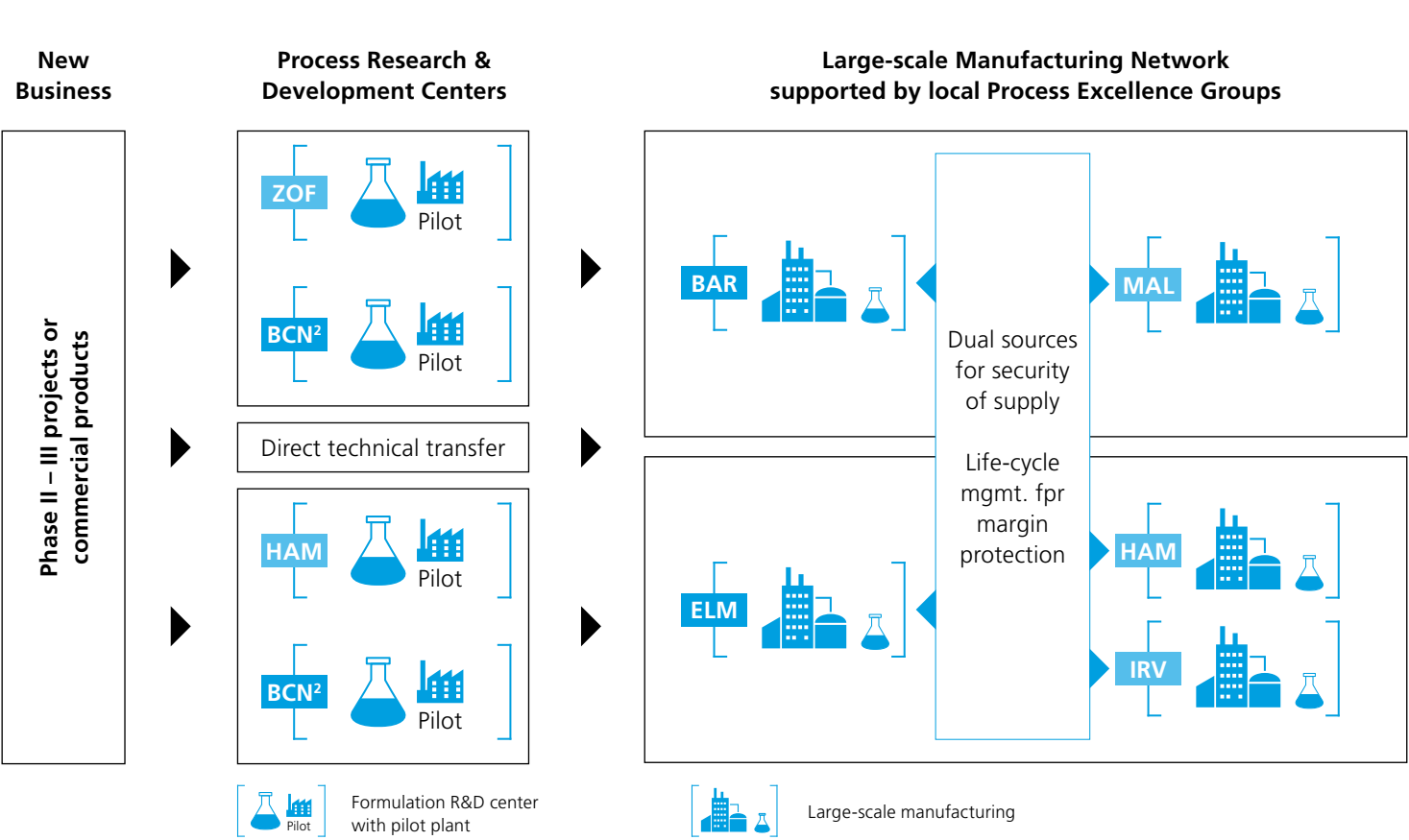
The large-scale SAP S/4HANA project will re-define processes in the finance and logistics sector. The central elements of the project refer to scalability of the business model, quality of processes, and refined analytical evaluations and simulations. They lead to higher quality in decision-making and lower cost for information procurement.

The introduction of two new walk-in stability chambers in Nantong in August 2020 opens up new perspectives in quality control for the entire Siegfried Group. The chambers maintain constant temperature and relative atmospheric humidity and are used for stability studies of products newly transferred to Nantong.


As part of the strong acquisition-related expansion of the production network, the former Technical Operations business unit is being split into the Drug Substances and Drug Products units. Siegfried is thus also adapting the top management level to the changed framework conditions.

¹ Custom Development and Manufacturing Organization

Drug Products Network



² Siegfried intends to build up development capacity and capabilities in the Barcelona region

BAR

Barberà del Vallès, Spain
The new site for oral dosage forms specializes in bulk manufacturing and packaging of solid dosage forms for oral applications including high potency substances (e.g. oncology) and inhalation capsules for medical devices for the treatment of respiratory diseases.

With the acquisition of the two Novartis plants in the Barcelona area, the Drug Products division (finished dosage forms) reaches critical size with a significantly higher share of Siegfried Group's total sales. The number of production sites in the division increases to five. This allows to build an efficient network in this sector as well, focused on economies of scale.

ELM

El Masnou, Spain
The new sterile filling site specializes in bulk manufacturing and packaging of sterile ophthalmic products including eye drops, eye ointments, ear and nose sprays.

Committed to Innovation and Efficiency

Industry leaders such as Siegfried are constantly on the look-out for new scientific findings by systematically developing and implementing methods and processes to the benefit of their customers.

It is the Siegfried Group's aim to play a significant role among its customers, in the lives of patients and in society in general. The company's mission is to produce safe and efficient drugs from its customers' successful innovations and research results by means of scientific, technological and procedural competence.

Pharmaceutical customers lay great store by bringing their drugs to market as fast as possible because investments in the clinical development phases can easily run into billions. The pivotal role of Siegfried's highly specialized research and development teams is to define a suitable procedure to find the best possible solution for every need.

Significant Investments and Innovations

The Siegfried Group regularly invests substantial amounts in its research and development network. Investments in own projects and in process improvements amount to about 30 million Swiss francs a year. The company employs some 300 highly specialized professionals in the field of R&D in its global network and plans to further expand the teams. At its recently acquired sites in Spain, Siegfried aims to establish a new competence center for the formulation of drugs in order to serve existing and new customers with additional capabilities. In Evionnaz, the site of the company's API plant in Switzerland, Siegfried will enlarge the research and development team by 20 percent and erect a new building.

Siegfried makes a targeted effort to advance innovations. A new bio-analytical laboratory, that includes all important methods of testing to support the filling of biologics, has been established at the Hameln site, which specializes in filling sterile liquid products.

In the field of chemical process development, enhanced reaction and process simulations are being developed. The simulations help to develop simplified processes and to determine the most suitable site for production with the aim of reducing time and expense for customers. In close cooperation with our customers, the development of new chemical second-generation processes aims at making drugs more competitive in the long term.

High Value Enhancement for Customers

High value enhancement for customers is manifested not only in the industrial production of active substances and drugs, but also in research and development. As a significant



partner with a finely tuned network, Siegfried has the capability and experience to transform not yet fully elaborated development processes into stable, cost-effective processes with regard to scalability in commercial production. On the other hand, when a customer transfers an existing commercial process to Siegfried, our main contribution consists in efficient project management, selection of the most suitable production site, and smooth process validation.

Leading Position in Drug Substances

In terms of pharmaceutical drug products, Siegfried Group's research and development

network has joined the global frontrunners of the industry. The company's two launch sites, Zofingen and Evionnaz, operate fully equipped multi-disciplinary centers for analytical and process development plus project management. To a lesser degree, the same is true for Nantong. In addition, the development teams at the other drug-substance sites in Minden, Pennsville and St. Vulbas focus on their existing portfolios and the transfer and implementation of new production processes. Experts for certain technologies in Zofingen and Evionnaz support all of Siegfried's production sites. The company is constantly expanding its portfolio through

cooperation agreements with technology companies and universities. Thus, all of the partners participating in this carefully balanced network have a clear role to play. They are in constant exchange with one another and take advantage of as many value-creating synergies as possible.

A New Era for Drug Products

The competence center for research and development in Zofingen plays an important role in oral dosage forms, such as tablets and capsules. Although, so far, drug products did not produce in a network comparable to that of the drug substance sector, the level of exchange among the teams of the two corporate segments is significant. There are synergies in technologies ("bridging technologies") concerning a drug substance's physical-chemical characteristics, such as diversity in solid materials, size distribution of the particles, and crystalline structure (polymorphism). They are decisive in the absorption of active substances by the patients' blood circulation (biological availability). All of these aspects are important as a final step in the production of drug substances and are considered the beginning of drug products.

Similar to drug substances, a research and development network is now being established for drug products following the acquisition of the two Novartis sites in Spain. The site in Barberà del Vallès is Siegfried's second site, next to Malta, designated for the production of oral dosage forms, while El Masnou will be Siegfried's third site, next to Irvine and Hameln, to produce sterile products and specializing in the field of ophthalmology. In the foreseeable future, a new and high-performance research and development center will be established at the location of the two practically neighboring Spanish sites. Based on this significant addition, a new era is beginning for Siegfried in the field of drug products that will open up new and attractive perspectives for our global customers.

Subject Matter Experts



“I work at Siegfried in Hameln. My expertise is support of development of new vaccine products and I’m working as a product manager in a new field in the bio-analytics. We work on all of the products, which are like vaccines, they can be also therapeutic proteins. For that, you need more biological methods to test which we now introduce at Siegfried in Hameln.”

Paulina Molau-Blazejewska
Project Leader Analytical Development Drug Products, Hameln



“I work for the ‘Global Project and Program Management’ department. My contribution is to continuously develop and improve our relationship with the customer, as well as the activity and the business. I am also the internal contact person at site level, but also at corporate level, for everything that concerns this customer and his products.”

Romain Curti
Program Manager Drug Substances, Evionnaz



“I am the head of the process technology group in Zofingen. At the same time, I am also the chief scientist for particle technologies, and in this function, I deal, for example, with issues related to the solid form of our active ingredients, like powders, their production and processing. A very important part of this is also process safety, because a failure in process safety would mean that we endanger people, that we endanger our environment.”

Michael Levis
Head Process Technologies Drug Substances/Drug Products, Zofingen



“I work in Zofingen in the development department for solid oral dosage forms. (...) During development, you have to take into account that you need a drug or a process that you can manufacture on a large scale, that you can manufacture safely, that you can manufacture cost-effectively, and that is reproducible.”

Kai Kretzler
Team Leader Process R&D Drug Products, Zofingen



“I am a chemist in the ‘Process R&D and Pilot’ department based in Evionnaz. My role is to better understand the processes, to go into detail, coordinate all the data, all the knowledge from the different groups, and then develop an experimental plan to be able to optimize the process. For me, at the end of the day, it’s important to be a reliable quality partner for our customers.”

Julien Perron
Senior Chemist R&D Drug Substances, Evionnaz



“I work at Siegfried in Hameln in the Research and Development Department. (...) If our customer provides a drug product, we need to figure out how to dissolve it, the very drug product and perform some experiments in the lab and then we get feedback from our customer. Also we need to optimize that formulation usually so they get the best possible product which is stable for a sufficient time and to ensure the product quality basically.”

Constantin Hozsa
Project Leader Research & Development Drug Products, Hameln



Value-based Leadership as a Maxim for Action

For a good reason, Siegfried lays great store by implementing its values and actively supporting its employees. To achieve top performance in times of permanent change and in order to increase flexibility, management employees must base their work on values and convincing principles. The first year of the COVID pandemic proved that Siegfried is capable of standing up to the challenge.

Siegfried aims at perfection in science and technology, and in management that attaches great value to individual development and performance of the employees. This ambition can be lived up to only with competent and performance-oriented employees, well-trained managers and progressive working conditions. Considering that Siegfried relies on a strong network for success in business, high priority is placed on teamwork at all levels group-wide.

Against this background, Siegfried created a new set of guidelines, with validity for its global network, concerning value-based corporate management. Five corporate values are at the heart of this model: excellence, passion, integrity, quality, sustainability. They represent a shared basis for action for all employees. On the one hand, they create clarity and commitment in internal relations, especially in inter-cultural cooperation. On the other, they act as a compass for relations with the many stakeholders, mainly customers. A positive climate of values creates the best opportunities to promote capable employees and to retain them across the long-term. Values create a deeper meaning that reaches beyond numbers, a dimension for which people in the modern working environment are particularly receptive for.

“Value Awards” as a Visible Recognition

Recognition and celebration of success, outstanding work and exemplary behavior are an important factor of Siegfried’s culture and its initiative of being a “Great Workplace”. The “Value Awards” introduced in 2020 represent a symbol that is visible company-wide. They reward the exemplary behavior and work of individual employees or teams. Deduced from this, “Site Value Awards” acknowledge outstanding performance at a specific Siegfried site. The “Global Value Awards” complete the program by honoring achievements and performance with relevance to the entire group.



least owing to the limitations resulting from the pandemic, Siegfried expanded the offer in digital learning. With the “spotlearning” initiative, each employee is entitled to invest one workday per year for individual online learning contents.

Starting the second half of 2020, LEAP (Leadership Education Advancement Program), a new development program in three languages, has been launched to support management employees. From 2021, four LEAP programs a year will be executed. A global program for more experienced managers is currently under preparation and will be implemented in 2021 for the first time.

Siegfried shows active interest in its well qualified young talent because capable, performance-oriented and loyal employees are scarce in this very demanding working environment. Siegfried employs about 100 apprentices and trainees at all of its sites and provides attractive opportunities for professionals from other industries seeking a change in career. Systematic recruiting of university graduates for Siegfried’s internal trainee program is growing increasingly important. For instance, every year, Siegfried carries out an eight-month program for nine trainees in Nantong which is supported by the local authorities.

COVID as a Practical Test

In the year under review, the COVID pandemic and connected challenges represented a practical test for Siegfried’s culture, often compared to walking a tightrope between our employees’ health and securing smooth production operations. Following initial information about the novel virus, Siegfried rapidly established a crisis team which constantly analyzed developments and coordinated measures to be taken. By means of intense team work – a strength of the Siegfried culture – the crisis team managed to determine and implement binding and widely accepted directives.



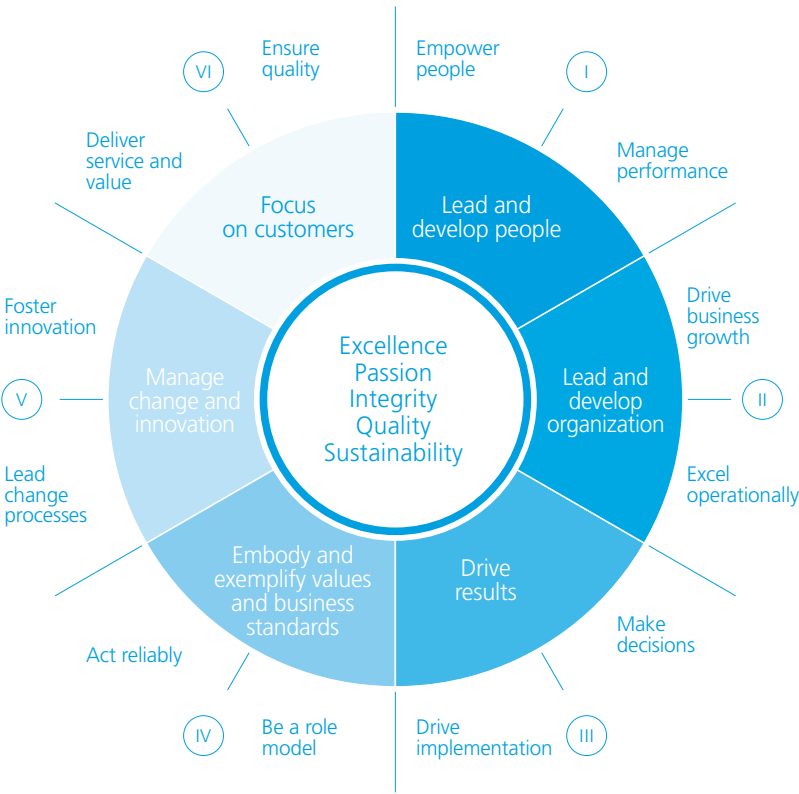
Broad Involvement of Stakeholders at all Levels

The Siegfried Academy is the key component of employee promotion. Its basic idea is that all career steps are to follow a holistic understanding, while also being tailored to the individual. The aim of the Siegfried

Academy is to develop all employees in accordance with their individual perspectives.

The Academy provides social, business-related and technical knowledge. In addition, participants will be supported in their skills in management and in their personality. Not

Leadership Principles and Values



Siegfried Academy



Great Workplace



Value Awards

Siegfried's New Global Recognition Program

As part of the Great Workplace initiative and our culture, successes are to be celebrated and outstanding work and exemplary behavior recognized. The introduction of the Siegfried Value Awards at all sites allows employees to give recognition and celebrate their colleagues who embody our core values in an outstanding way.

Thus, the Siegfried Value Awards form the global basis for recognizing and honoring outstanding results and exemplary behavior – in line with our corporate values. The Value Awards are divided into three categories:

- **Value Awards** recognize exemplary behavior and work by individuals or teams during the year.
- **Site Value Awards** are selected at the end of the year from the Value Awards presented during the year. They recognize outstanding performance with an impact on an entire site.
- **Global Value Awards** recognize the most outstanding achievements and behaviors relevant to the entire Siegfried Group. They are selected and awarded from the Site Value Awards and Value Awards of the Corporate Functions.



Siegfried Academy

Our mission speaks of “scientific and technological mastery” as a core element to “bring the precious innovations of our pharmaceutical customers to industrial scale and manufacture safe drugs for patients worldwide”. Investing in the skills, competencies and ambitions of our employees is a key factor in achieving a level of mastery that will provide a competitive advantage today and in the future.

The Siegfried Academy is aligned with our business strategy and needs. The content is continuously evaluated in dialog with managers and employees and adapted as well as expanded to suit the constantly evolving organization and its employees. Our shared mission is to ensure that our company has the resources, skills and capabilities to succeed today and in the future.

The Siegfried Academy builds on our corporate values and consists of six pillars covering a focused range of learning and development opportunities that are essential to the success of our company and our employees.

- People/social skills
- Business skills
- Technical skills
- Development tools
- Leadership programs
- Horizons

In addition to the internal courses offered, there is also individual external training and development. Employees can also apply for relevant training courses of their own choice. Both classroom and online training are possible.

Stringent Brand Management Enables Identification

Siegfried has invested in its brand and cultivated active stakeholder dialogue for years. We are convinced that this contributes toward a shared Siegfried identity at all of our sites and provides our customers with a measurable promise, namely to expect more from us.

Strong brands are consistent, relevant and differentiating. The aim of our brand management is to reach uniform awareness of the Siegfried brand worldwide among relevant internal and external stakeholders and to continually cultivate stakeholders. Thereby, our communication gives orientation, and it stabilizes the trust in our company. We attribute special importance to a shared corporate and leadership culture serving as a link that connects all business units.

Our brand promise “expect more” conveys our aim to surpass the expectations of all our important stakeholders – both internally and externally.

In recent years, Siegfried has grown vigorously, organically and by means of acquisitions, and we will keep moving in the future. In our dynamic environment, a strong brand that is committed to a clear performance proposition is of vital importance. Siegfried has for many years pursued a single-brand strategy, and the company deliberately avoids sub-brands. For us as suppliers to the life-science industry, it is decisive that our brand promise includes an emotional benefit for the customer, in addition to the functional. From a purely rational point of view, we are

a supplier to the pharmaceutical industry, and our customers evaluate us mainly by means of measurable criteria. However, this does not reach far enough in terms of characterizing our identity. As an organization working in the field of life science, we feel especially committed to people and their health. We expect from all our employees that they live up to this commitment credibly in their everyday lives – internally as a part of the Siegfried family, and externally toward customers, suppliers, neighbors and other stakeholders.

Value-based Dialogue with Our Stakeholders

Siegfried continues to entrench its corporate values in a systematic and targeted way in all parts of its organization, especially, following the acquisitions in the last years. For our employees to deliver the required high performance, they have to form a global team with a shared understanding based on values. We work on this in annually recurring internal workshops at all sites and at all levels.

We make use of a stakeholder map (see our Sustainability Report, page 8) in order to create a targeted and systematic dialogue

with our stakeholders. The groups of persons included in this map are by no means final. We have determined them on the basis of their relevance to and their potential influence on our company. Moreover, based on regular stakeholder mapping, we can recognize attitudes and interests in order to adapt topics, messages and communication platforms accordingly.

Targeted Expansion of Communication Offerings

We introduced new means of communications and optimized existing ones for various stakeholder groups. In 2020, we completely revised our website and, in addition to content, we updated its design and functionality so that its structure now meets established browsing habits. Furthermore, we have strengthened our social media presence on several platforms. We use them to target professional and leadership staff and to present current information and impressions.

In the summer of 2017, we introduced our new Intranet to strengthen internal communication; it has clearly increased the efficiency of our teams and the sense of community around the globe. The Intranet

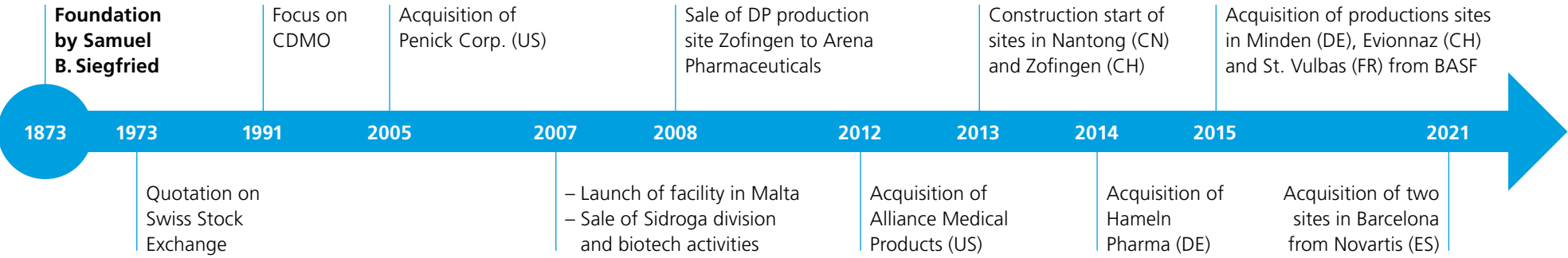
project had the goal of designing a user-friendly, optically appealing instrument that does justice both to our global and the individual local demands of the sites. We will also expand the existing intranet this year, further strengthening the opportunities for interaction between employees.

Not all of our around 3550 employees worldwide work at a screen every day. That is why we continue to invest in a paper-based employee publication “Insight” appearing four times a year in English and German and also in French for our sites in Evionnaz and St. Vulbas and in Spanish for our sites in El Masnou and Barberà. The contents concern the entire Siegfried Group while individual sites report on local news.

Brand image around 1879 1940 1948 1955 1973 since 2001



Company milestones



Five Good Reasons to Choose Siegfried

- 1. Siegfried ist a leading global Custom Development and Manufacturing Organization (CDMO), with Net Sales of CHF 845.1 million and approximately 2600 employees (from 1.1.21 approximately 3550 employees) worldwide
- 2. Siegfried’s integrated offering covers development and manufacturing in both Drug Substances (Active Pharmaceutical Ingredients) as well as Drug Products (Finished Dosage Forms)
- 3. The CDMO market offers attractive growth dynamics: low cyclicalit, low volatility, resilient growth and high structural profitability
- 4. The pharmaceutical industry is changing, leading to favorable trends for the CDMO market
- 5. It is Siegfried’s ambition to consistently deliver robust growth and execute on value accretive M&A to outgrow market and competitors



Siegfried’s Commitment to Sustainability

Sustainability is a key topic in the life-science industry. The energy-intensive chemical production processes require special measures for employees, society and the environment. Owing to their use in the pharmaceutical industry, our products must satisfy the highest safety requirements so as not to endanger patients and their health. That is why, at Siegfried, sustainability is one of the five corporate values and an integral part of our corporate strategy. Consistent integration of the sustainability concept in our business model represents an investment in the future. Only when we act responsibly and are accepted by society can we be and remain economically successful. A company’s growth must be carried out sustainably and earn consideration in the social and environmental areas and in the field of human rights.

Moreover, sustainability is a central factor concerning competition and reputation, and it is of high economic significance. We take the needs of all stakeholders regarding transparency and truthfulness seriously. At Siegfried, important sustainability issues are addressed in various central guidelines and documents. Sustainability reporting is geared to the standards of internationally acknowledged guidelines, such as the Global Reporting Initiative (GRI) and the Sustainable Development Goals (SDGs) of the United Nations.

In addition to member states, non-governmental actors are called to contribute toward economic development, promote human wellbeing and protect the environment. We accept this responsibility and do our part toward implementing sustainable development.

In a first step toward prioritizing the Sustainable Development Goals (SDG), we aligned the SDGs with our own sustainability issues. In a second step, we identified five SDGs with particularly positive and negative effects on our business and sustainability activities. In our Sustainability Report (available online at report.siegfried.ch) we describe how we intend to reduce the negative effects and reinforce the positive outcomes.

Sustainability reporting follows along those topics which Siegfried identified as being essential, namely:

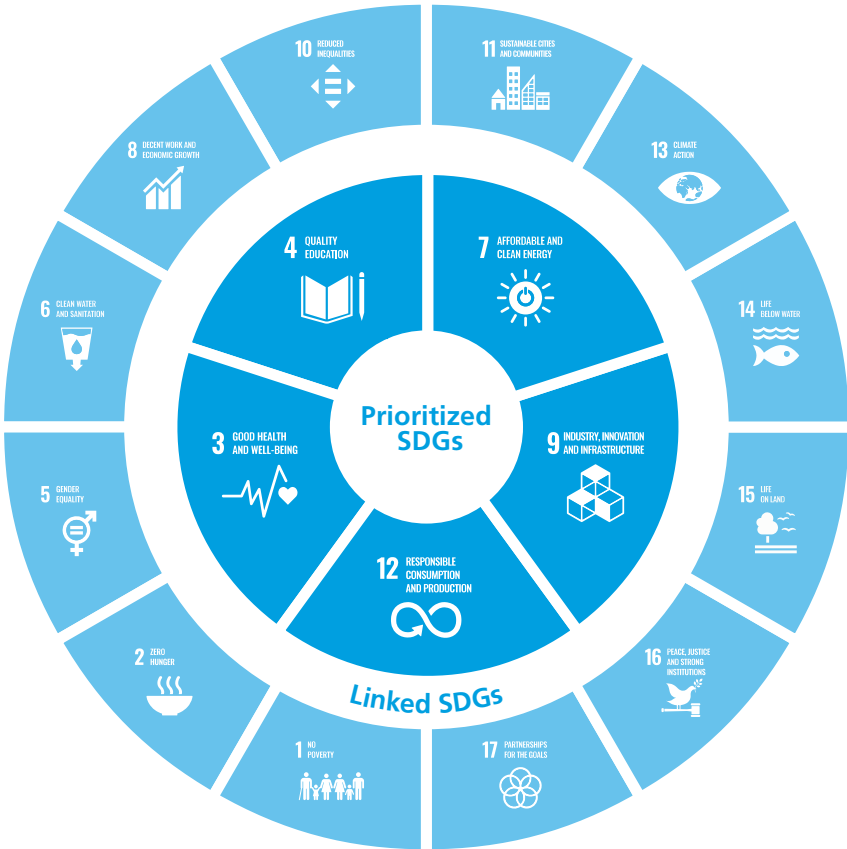
- Product safety
- Waste and contamination
- Fair working conditions
- Sustainability in the supply chain
- Occupational health and safety
- Local population
- Energy and climate change
- Political representation of interest
- Corruption and anti-competitive conduct

Goals of Sustainable Development

On 25 September 2015, the member states of the United Nations adopted the Agenda 2030 for sustainable development. The agenda formulates international guidelines and priorities for sustainable development. In doing so, the international community of states recognizes that global challenges connected with worldwide, socially just and ecologically compatible growth in prosperity can only be solved by working together. The key components of Agenda 2030 are the seventeen Sustainable Development Goals, or SDGs, and their 169 sub-objectives.

These topics are plotted on the materiality matrix and shown in connection with the SDGs.

For more information on the Sustainable Development Goals and on linking the SDGs to the material topics in the materiality matrix, please refer to the Sustainability Report, which is available separately at: report.siegfried.ch



Key Figures Overview 2016–2020

konsolidierte Werte		2020	2019	2018	2017 ¹	2016 ²
Net sales	CHF million	845.1	833.5	794.3	750.5	717.7
Growth in CHF	in %	1.4	4.9	5.8	4.6	49.3
Growth in LC	in %	4.5	6.9	4.4	3.8	47.3
Core EBITDA	CHF million	149.4	140.7	126.5	111.3	104.2
Growth	in %	6.2	11.3	13.6	6.8	30.1
Core EBITDA margin	in %	17.7	16.9	15.9	14.8	14.5
Core EBIT (operating profit)	CHF million	94.3	89.2	76.9	61.9	54.2
Growth	in %	5.8	16.0	24.2	14.2	16.8
Core EBIT margin	in %	11.2	10.7	9.7	8.2	7.6
Core net profit	CHF million	72.5	65.7	55.4	40.8	33.4
Core net profit margin	in %	8.6	7.9	7.0	5.4	4.7
Net net debt	CHF million	85.6	109.6	70.1	65.9	59.5
Net debt / Core EBITDA		−0.6	−0.8	−0.6	−0.6	−0.6
Net Working Capital ³	CHF million	424.4	419.7	373.0	365.1	342.3
As % of net sales		50.2	50.4	47.0	48.6	47.7
Total assets	CHF million	1 242.3	1 168.7	1 103.1	1 071.0	1 021.4
Equity	CHF million	733.2	691.7	678.8	667.8	660.7
Equity ratio	in %	59.0	59.2	61.5	62.4	64.7
Average capital employed ⁴	CHF million	916.1	895.9	880.5	833.9	818.0
Return on capital employed (average) ROCE ⁵	in %	16.3	15.7	14.4	13.3	12.7
Cash flow from operating activities	CHF million	114.8	65.6	106.0	84.6	57.1
As % of net sales		13.6	7.9	13.3	11.3	8.0
Free cash flow ⁶	CHF million	45.7	3.8	46.0	32.3	−11.1
Investments in PPE and intangible assets	CHF million	69.1	61.9	60.1	52.8	68.4
As % of net sales		8.2	7.4	7.6	7.0	9.5
Employees (number of FTEs) ⁷	Number	2 532	2 407	2 294	2 260	2 315

¹ Restatement – Employee benefits.
² Results before special charges as Core results.
³ Calculation of Net Working Capital: Trade Receivables + inventories – Trade Payables – Customer Prepayments.
⁴ Calculation of Capital Employed over twelve months: PPE + Intangible Assets + Net Working Capital.
⁵ Calculation ROCE: Core EBITDA in relation to average capital employed over twelve months.
⁶ Calculation Free Cashflow: Operating Cashflow +/- Investment in PPE +/- Investment in Intangible Assets.
⁷ Year-end values.

“The Siegfried Group achieved a good operating result in a demanding environment characterized by the coronavirus pandemic, and it proved capable of mastering exceptional challenges.”

Dr. Wolfgang Wienand, Chief Executive Officer

Average Annual Sales Growth in the past 5 years (in CHF)

12%

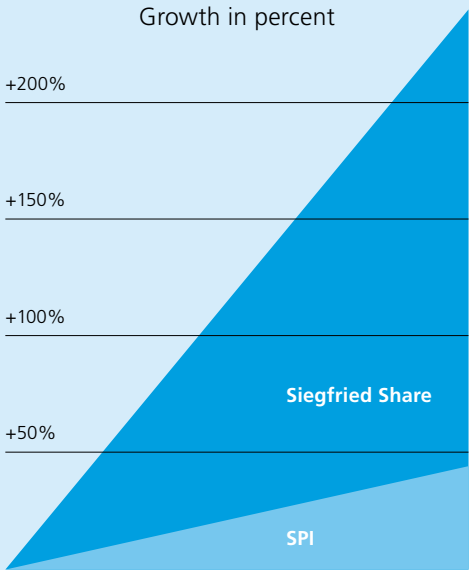
Equity Ratio
31 Dec 2020

59%

Development of the Siegfried share over the last 5 years

233%

Siegfried share in comparison with the SPI



Core Results

Siegfried believes that the disclosure of core results enables financial markets a better understanding of the company and allows a better comparison over the years.

The core results do exclude extraordinary expenses and income. Siegfried uses the core results in addition to Swiss GAAP FER as important indicators for the internal assessment of the performance of the Group.

Siegfried defines the effects of changes in the interest rate of foreign pension plans (discount rate for actuarial reports), restructuring, transaction and integration costs as well as impairments on non-financial and intangible assets as extraordinary expenses and income. Such effects can vary significantly from year to year and distort the presentation of results.

The current interest on foreign pension liabilities is reclassified in the core results and not shown in personnel expenses but outside the operating result in financial expenses.

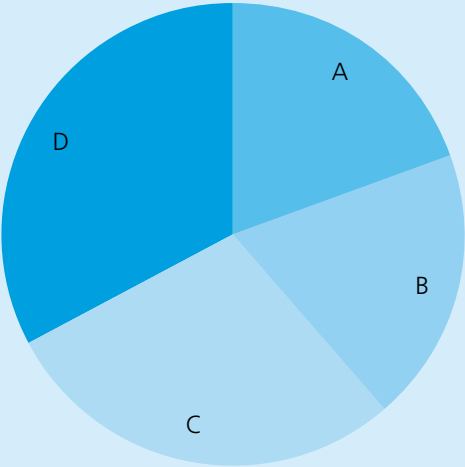
For further core adjustments and the corresponding explanations and reconciliation Swiss GAAP FER to core results, see Financial Report “Information for Investors”, pages 57–59.

Significant Shareholders

	Reported shares	Reported holdings in %
Shareholding >3%		
Ernst Göhner Stiftung, Zug, Switzerland	286 019 ¹	6.6
BlackRock, Inc., New York, USA	141 538 ²	3.3
Norges Bank (the Central Bank of Norway), Oslo, Norway	131 738 ³	3.0
Credit Suisse Funds AG, Zurich, Switzerland	129 258 ⁴	3.0
René Braginsky, Susanne Braginsky, David Braginsky; Zurich/Tel Aviv	128 000 ⁵	3.0
Siegfried Holding AG (own shares)	127 824 ⁶	3.0
Dimensional Holdings Inc., Wilmington, USA	126 587 ⁷	3.0
Total	1 070 964	24.9

¹ According to the disclosure notification of October 6, 2020; including a purchase position of 98 759 shares, representing 2.3%.
² According to the disclosure notification of November 14, 2020.
³ According to the disclosure notification of December 11, 2020.

⁴ According to the disclosure notification of April 2, 2019.
⁵ According to the disclosure notification of December 12, 2018.
⁶ According to the disclosure notification of December 12, 2018.
⁷ According to the disclosure notification of March 3, 2018.



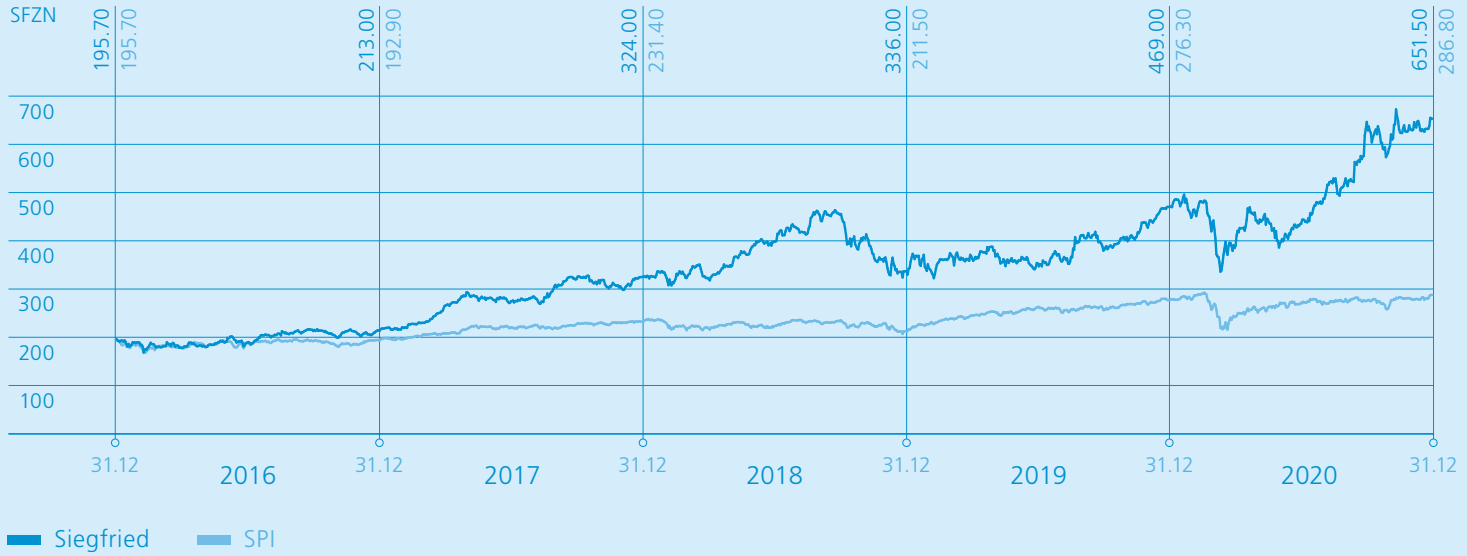
Shareholding by segments in %

A: 19.6%	Significant shareholders (>3%*)
B: 19.1%	Individual
C: 28.7%	Institutional investors
D: 32.6%	Own shares and non-registered shares

* Shareholdings according to latest SIX disclosure notifications. Excluding own shares.

Share Price Development

from 1 January 2016 to 31 December 2020



Stock Market Data

			2020	2019	2018	2017	2016
Registered shares nom. CHF 24.20 ²			4 351 000	4 306 000	4 256 748	4 210 915	4 166 591
Share capital		CHF million	105.3	116.3	8.5	8.3	8.3
Distribution per registered share ²		CHF	3.00	2.80	2.60	2.40	2.00
Total distribution ²		CHF	13 053 000 ¹	12 056 800	10 686 699	9 942 072	7 759 840
Market prices registered share	high	CHF	655.0	469.0	469.5	327.0	216.9
	low	CHF	335.0	321.5	304.0	213.3	165.7
	31/12	CHF	651.5	469.0	336.0	324.0	213.0
Distribution yield per registered share		%	0.5	0.7	0.8	0.7	0.9
Non-diluted core earnings per share (CHF) ^{3,7}		CHF	17.50	15.88	12.81	10.28	7.18
Diluted core earnings per share (CHF) ^{4,7}		CHF	16.90	15.48	12.49	9.97	7.04
Consolidated operating cash flow per registered share ³		CHF	26.4	15.1	25.4	21.3	14.7
Consolidated equity and reserves per registered share ³		CHF	168.5	160.6	162.7	169.3	170.0
P/E ratio (year-end) ⁵			39	30	27	32	30
Market capitalization at year-end ⁶		CHF million	2 724	1 940	1 363	1 342	826

¹ In accordance with the profit appropriation proposal 2020.
² Repayment of par value or distribution from CCR, in accordance with the corresponding general assembly resolution.
³ Calculated on the basis of year-end share price and diluted EPS.
⁴ Calculated on the weighted average number of shares outstanding, deducting treasury shares.
⁵ Adjustment for assumed exercise of share-based payments, where dilutive.
⁶ Calculated on the number of listed shares, net of treasury shares.
⁷ Core EPS upon 2018, prior years not adjusted.

About this Annual Report

Dn addition to highlighting Siegfried’s business perfor-
mance and its position concerning assets, finances
and earnings, this report throws light on the company’s
commitment concerning sustainability and its
interaction with society and the various stakeholders.
They are to gain a comprehensive and differen-
tiated understanding of how Siegfried incorporates
these issues into its corporate strategy and progress
made during the course of the year. The report appears
in both English and German language.

Scope
We report on the financial year ending 31 December
2020. The future-oriented topics dealt with in the report
represent an exception. Siegfried’s Annual Report
appears annually and was last published in March 2020,
both in a printed version and as PDF on our corporate
website. The next report will come out in the spring of
2022.

Governance
Our statement concerning Governance describes the
principles of management and the control of the
Siegfried Group. Essentially, the Siegfried Group’s
corporate governance follows the Swiss Code of
Best Practice and is subject to regular reviews and
further development by the Board of Directors.
Any deviations from these guidelines find mention in
the report.

Principles of accounting
The Siegfried Group’s financial reporting is carried out
in accordance with the entire guidelines of Swiss GAAP
FER and the provisions of the Swiss law.

External validation
PricewaterhouseCoopers AG (PwC) as auditors reviewed
Siegfried Holding AG’s Compensation Report (tables
with remark “Audited”) for the financial year ending
31 December 2020 and came to the conclusion that
it corresponds with the law and with article 14 to 16 of
the Ordinance against excessive remuneration for
listed stock corporations. The process of sustainability
reporting was supported by BSD Consulting, a
consulting company specialized in the management
of sustainability issues.

**Sustainability Report in accordance
with GRI standards**
This report has been prepared in accordance with the
GRI Standards: core option. Furthermore, for the present
annual report, the GRI Materiality Disclosures Service
was carried out and the accuracy of the GRI references
102–40 to 102–49 confirmed. Please refer to the
detailed GRI content index on the Internet at
report.siegfried.ch.

Publisher’s Note

This Annual Report is also available in German,
being the original version.

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The Siegfried Group is a leading supplier in the global CDMO market with production facilities in Switzerland, the USA, Malta, China, Germany, France and Spain. Siegfried employs a workforce of about 3500 employees in seven countries. Siegfried Holding AG, headquartered in Zofingen (Switzerland), is listed on the Swiss Exchange (SIX:SFZN).

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