

Investing in our Global Network:

Siegfried Creates Opportunities for Long-term Growth

Letter to the Shareholders
→ Page 2–3

Review
→ Page 4–5

Financials
→ Page 6–7

Business Model
→ Page 9



Dear Shareholders



Siegfried Group's 2021 financial year represents an important milestone in the history of the company. For the first time, the company reports annual sales of more than one billion Swiss francs. In the year under review, the company successfully continued on its strategic path which, for over ten years, has consistently reported profitable growth. At the same time, the Siegfried Group achieved a pleasing operating result in a very demanding environment characterized by the pandemic.

At 1.102 billion Swiss francs, sales increased by 30.5 percent (2020: 845.1 million francs). Despite challenging conditions, core EBITDA grew faster than sales, from 149.4 million Swiss francs in the previous year to 207.2 million Swiss francs, 38.8 percent higher than 2020. The core EBITDA margin improved from 17.7 percent to 18.8 percent and is thus within the preliminary target range of around 20 percent. Core net profit grew by 31.4 percent to 95.3 million Swiss francs (2020: 72.5 million Swiss francs), the highest net profit in corporate history. Net profit according to Swiss GAAP FER amounted to 96.6 million Swiss francs. The Board of Directors will propose to the Annual General Meeting an increase in the payout to the shareholders to 3.20 Swiss francs per share (2020: 3.00 francs). As in the previous year, the payout will be made by reducing the nominal value in the context of a capital reduction.

At 119.7 million Swiss francs, the Siegfried Group also delivered a very good result in cash flow from operating activity (2020: 114.8 million Swiss francs). Free cash flow amounts to 6.5 million Swiss francs, mainly due to significantly higher investments in property, plant and equipment, which increased from 77.1 million Swiss francs in 2020 to 114.0 million Swiss francs.

In the first half of the reporting period, Siegfried placed senior bonds in the amount of 200 million Swiss francs for the first time in the company's history, financing the repayment of the hybrid bond of 160 million Swiss francs. At year-end,

Siegfried had cash and cash equivalents of 72.6 million Swiss francs. Net debt amounted to 407.4 million Swiss francs, a ratio of 1.97 to core EBITDA, and the equity ratio was 41.2 percent. Consequently, even after the latest acquisition, the Siegfried Group still has sufficient capacity to finance further growth steps.

Drug Products Division with Critical Size after Acquisition

The two pharmaceutical manufacturing sites acquired from Novartis, Barberà del Vallès and El Masnou, made a significant contribution to the substantial growth in the reporting period. The two sites located near Barcelona have been part of the Siegfried Group since 1 January 2021, and very well complement the global network. They not only provide a significant increase in capacity and an expansion of the technological possibilities for the production of pharmaceutical finished products, but also a more balanced ratio between the two divisions Drug Substances (active pharmaceutical ingredients) and Drug Products (finished dosage forms). The Drug Products sales contribution increased from about 25 percent in 2020 to about 40 percent in the year under review.

The integration of the two sites is proceeding according to plan and making good progress. In the future, Siegfried will concentrate a significant part of pharmaceutical development services in Spain. The establishment of a Center of Excellence for pharmaceutical formulation development,

including extensive investments, began last year and will be completed by the end of 2022.

Important Contribution to Coping with the Coronavirus Pandemic

Other sites have also made a contribution toward the success of the Siegfried network. Hameln made a noteworthy contribution:

“The two pharmaceutical manufacturing sites acquired from Novartis, Barberà del Vallès and El Masnou, made a significant contribution to the substantial growth in the reporting period.”

Following intensive preparatory work, the filling line for BioN-Tech-Pfizer's COVID-19 vaccine Comirnaty went into operation at Siegfried's Hameln site in the second half of the year. With the rapid provision of the highly specialized line, Siegfried has demonstrated its ability to solve technologically demanding tasks even at short notice and to quickly build up the necessary capacities. In addition to BioNTech, the US biotech company Novavax also relies on Siegfried for the aseptic filling of its protein-based COVID-19 vaccine Nuvaxovid. Next to the commercial significance of these projects, we are proud to be making a significant contribution toward addressing the global pandemic.

Sustained Development as the Core of Corporate Strategy

Siegfried achieved a success concerning sustainability in corporate management, for many years an important pillar in strategy and one of the company's five key values. In recognition of many years of commitment and targeted implementation of appropriate business practices and initiatives in all areas and at all corporate sites, Siegfried was included for the first time in the Dow Jones Sustainability Index (DJSI) Europe. Furthermore, at the beginning of 2022, Institutional Shareholder Services Inc. (ISS), a leading global proxy consulting company, confirmed the Prime Status that it had awarded Siegfried with in 2020. In the MSCI ESG rating,

ticularly at the beginning and toward the end of the reporting year. Under the leadership of the crisis committee set up in 2020 and thanks to comprehensive action plans, the negative effects remained under control last year. The cyberattack was another significant challenge. It was carried out with a high degree of criminal energy affecting Siegfried at the beginning of May. Thanks

to resolute crisis management and the immediate implementation of measures, the problem was quickly identified and systems were restored. Production downtime and the resulting damage was kept within limits.

Changes in the Board of Directors and the Executive Committee

In connection with the scheduled retirement of Dr. René Imwinkelried, Global Head Technical Operations and a member of the Executive Committee since 2012, at the end of 2020 and the acquisition of the two production sites in Spain, responsibility for global Technical Operations in the field of Drug Substances and Drug Products was split. At the beginning of 2021, Irene Wosgien took on responsibility for Drug Substances, and Marcel Imwinkelried at the beginning of October 2021 for Drug Products, which until then had been managed by CEO Wolfgang Wienand on an interim basis. Marcel Imwinkelried joined Siegfried Group from Novartis at the beginning of 2021.

There are also going to be changes in the Board of Directors. Reto A. Garzetti, a Board member since 2011, and Ulla Schmidt, the former German federal minister of health who was appointed to the Board in 2016, will not stand for reelection at the 2022 General Meeting of Shareholders. The Board of Directors decided to propose the election to the Board of Dr. Alexandra Brand and Dr. Beat Walti. Dr. Alexandra Brand, a German citizen and chemist, joined Syn-

Board of Directors and the Executive Committee we would like to thank our nearly 3500 employees at eleven sites worldwide for this. This is an excellent foundation on which to continue our company's success story together.

The Success Story Continues

The conditions for this are promising and better than ever before. Contract manufacturing for the pharmaceutical industry is and remains an attractive growth market. By means of the acquisition of the two sites in Spain, the Siegfried Group is now one of the leaders in the CDMO industry. This positions the company well to play an active role in the progressing consolidation of the industry. We are confident and will do everything in our power to grow even closer to our vision in the current year, namely to become one of the global leaders in our industry with the strongest team and the most competitive network.

Increase in Sales and Profitability Expected in the Current Year and Ongoing Investments in Future Profitable Growth

Siegfried expects sales growth in the high single-digit to low double-digit percentage range for the current year. In addition, Siegfried expects the core EBITDA margin to exceed the 20 percent threshold in 2022, subject to exchange rate fluctuations and unforeseen consequences of the ongoing coronavirus pandemic. In the medium-term, Siegfried expects a further increase in sales and profitability, and therefore plans to invest in additional development and production capacity in the coming years. Overall, Siegfried expects annual CapEx spend in the low teens percentages of sales.

We would like to thank you, dear shareholders, for your loyalty toward our company and your support, and we look forward to mastering the challenges lying ahead of us and take advantage of our opportunities.

“Despite the numerous challenges, Siegfried Group looks back on a successful year. This was possible only due to the large commitment and strong cohesion within the Group, and the excellent teamwork among all of our employees.”

Siegfried was awarded an “A” rating. In order to further advance the implementation of the various ESG initiatives, a cross-functional Corporate Sustainability Board was established in 2021 with CEO Wolfgang Wienand as sponsor, which will report regularly to the Executive Board and the Board of Directors on the status of work and progress.

Decisive Crisis Management in Special Situations

2021 was the second year of the global pandemic. COVID-19 posed major challenges for the company and its employees, par-

genta in 2015 and has worked in senior positions there. Dr. Beat Walti is a partner in the Zurich-based firm of lawyers, Wenger & Vieli AG. He is chairman of the board of trustees of the Ernst Göhner Stiftung. He was elected to the Swiss Federal Parliament in 2014.

Employees as the Basis for Success

Despite the numerous challenges, Siegfried Group looks back on a successful year. This was possible only due to the large commitment and strong cohesion within the Group, and the excellent teamwork among all of our employees. In the name of the



Dr. Andreas Casutt
Chairman



Dr. Wolfgang Wienand
Chief Executive Officer



Vaccine Filling

Vaccine filling for BioNTech at our Hameln site with effect from mid-2021 represents a significant contribution to the fight against the corona pandemic. Implementation of the project in a tight timeframe was a large organizational and logistical challenge, which we successfully mastered as a global team and in close cooperation with BioNTech. This fills us with pride.

In May 2021, Siegfried also announced support for Novavax in the commercial aseptic filling of their coronavirus vaccine candidate.



New Sites in Spain

The integration of our new Spanish sites, Barberà del Vallès and El Masnou, into the Siegfried network proceeds according to schedule. The transformation to a CDMO represents a big step with corresponding changes, both culturally and with regard to the business model. Thanks to the close cooperation in project teams across the sites we have already reached some important intermediate goals.

The establishment of the Center of Excellence is an investment in the continued development of both sites and their employees. This is a clear commitment to the two sites in Barcelona and to closer customer proximity and service in the area of Drug Products.



Online Report
report.siegfried.ch



On our Online Report you will find further information on various topics relating to the year 2021.

The Year 2021 in Review

Share price CHF

800

700

600

500

400

300

200

100

845.1

Publication of 2020 annual results in million CHF

The Siegfried Group reports growth in sales and margins for 2020.



Addition to the Executive Committee

With effect from 1 January, Irene Wosgien joins Siegfried Group's Executive Committee as Chief Operating Officer Drug Substances.



Finalization of acquisition

Siegfried successfully finalizes the acquisition of two pharmaceutical production sites from Novartis in Spain.



Support vaccine filling for Novavax

Siegfried announces support for Novavax in commercial filling of its innovative coronavirus vaccine candidate NVX-CoV2373.

388.1

Publication of half-year result 2021 in million CHF

Siegfried increases first-half 2021 sales and earnings.



Virtual Annual General Meeting

Siegfried again carries out its annual general meeting in virtual format and decides to distribute CHF 3.00 per registered share.

Placing of senior bonds

Siegfried places senior bonds on the Swiss capital market in the amount of CHF 200 million.

Cyberattack

Siegfried falls victim to a cyberattack on its IT systems. Following interruptions across the entire network, production was ramped up rapidly and the results of the cyberattack overcome soon.



Corona

The corona pandemic kept Siegfried busy throughout the year. Despite the aggravated circumstances and many restrictions, business activities could always be maintained thanks to extensive protective measures.

Jan – Feb

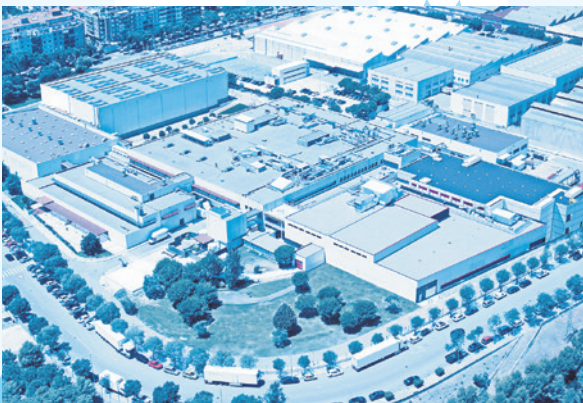
March – Apr

May – Jun



Filling BioNTech vaccine

Commercial filling of the innovative mRNA coronavirus vaccine BNT162b2 (“Comirnaty”) for the German pharmaceutical company BioNTech at the Hameln site was successfully started on schedule.



Center of Excellence

Start of establishing the planned Center of Excellence for high-quality development services in the area of Drug Products plus extensive investment in laboratories and pilot plants at both Spanish sites, Barberà del Vallès and El Masnou.



Addition to Executive Committee

With effect from 1 October 2021, Marcel Imwinkelried is appointed Chief Operating Officer of Technical Operations Drug Products and joins the Executive Committee of the Siegfried Group.

1102.4

Sales
in million CHF

31 December 2021

Member of
Dow Jones
Sustainability Indices

Powered by the S&P Global CSA

Dow Jones
Sustainability Index

Siegfried joins the Dow Jones Sustainability Index (DJSI) Europe for the first time, a distinction for its commitment to and implementation of sustainable business practices.



UN Global Compact

Siegfried announces its membership in Global Compact Network Switzerland & Liechtenstein.

Profitable Growth – Sales above CHF 1 Billion

Key Figures Overview	2021	2020
Net sales (million CHF)	1 102.4	845.1
Core gross profit (million CHF)	239.3	177.5
Core gross profit margin (%)	21.7%	21.0%
Core EBITDA (million CHF)	207.2	149.4
Core EBITDA margin (%)	18.8%	17.7%
Core EBIT (operating result) (million CHF)	124.4	94.3
Core EBIT margin (%)	11.3%	11.2%
Core net profit (million CHF)	95.3	72.5
Core net profit-margin (%)	8.6%	8.6%
Non-diluted core earnings per share (CHF)	22.66	17.50
Diluted core earnings per share (CHF)	21.95	16.90
Cash flow from operating activities (million CHF)	119.7	114.8
Free cash flow (million CHF)	6.5	45.7
Investment in property, plant and equipment and intangible assets (million CHF)	113.4	69.1
	31.12.2021	31.12.2020
Equity (million CHF)	688.2	733.2
Total assets (million CHF)	1 669.2	1 242.3
Equity ratio (%)	41.2%	59.0%
Employees (number of FTEs)	3 432	2 532



Online Report

report.siegfried.ch/figures



More about financials



Information for investors

Change CHF (LC)	
+30.5% (+30.3%)	
34.8%	
38.8%	
32.0%	
31.4%	
29.5%	
29.9%	
4.3%	
–85.8%	
64.0%	
Change	
–6.1%	
34.4%	
35.5%	



CFO Commentary on the Financial Result

Profitable growth and increase in margins

Siegfried continued to grow profitably in the 2021 business year, increasing net sales to 1102.4 million Swiss francs. This is the first time in its long history that the Group has achieved sales of more than one billion Swiss francs.

The two important foreign currencies, the euro and the US dollar, moved in different directions against the Swiss franc in the year under review: the euro, which gained in importance with the acquisition in Spain, appreciated slightly against the Swiss franc. The US dollar, on the other hand, depreciated against the Swiss franc. Overall, the effect was small but slightly positive. In local currency, the growth compared to the previous year was +30.3%, in Swiss francs 30.5%.

Core gross profit increased to 239.3 million Swiss francs, corresponding to a slight improvement in the core gross profit margin from 21.0% in the previous year to 21.7% in the year under review.

Core EBITDA (CHF 207.2 million, +38.8%), Core EBIT (CHF 124.4 million, +32.0%) and Core net profit (CHF 93.6 million, +29.0%) developed very positively. Core EBITDA and Core EBIT again grew relatively stronger than sales compared to the previous year. This was reflected accordingly in an increase in margins: the core EBITDA margin was 18.8% (previous year: 17.7%). The core EBIT margin (11.3%) also increased compared to the previous year (11.2%).

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 2021, 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, integration costs related to the acquisition in Spain and restructuring costs. All expenses in connection with the cyber attack and the fraudulent payments were not corrected in the Core figures. These are fully included in the Core figures.

Strong Growth of core Gross Profit Margin and core EBITDA

Sales of 1102.4 million Swiss francs are composed of 656.0 million Swiss francs Drug Substance and 446.4 million Swiss francs Drug Product sales. Both businesses contributed to the growth, although Drug Products growth was significantly higher due to the acquisition of the two pharmaceutical manufacturing sites in Spain and the vaccines business.

Core gross profit increased to 239.3 million Swiss francs. The core gross profit margin increased to 21.7%.

Core marketing and distribution costs were slightly higher than in the previous

year at 16.3 million Swiss francs. In research and development, an important area for Siegfried, costs of 40.4 million Swiss francs were incurred, an increase in absolute terms compared to the previous year, but practically at the previous year's level in relation to sales. Administration and general costs at core level amounted to CHF 62.2 million, higher than the previous year.

Other income was slightly higher than the previous year at 4.1 million Swiss francs.

In total, Core EBITDA amounted to 207.2 million Swiss francs, which corresponds to a Core EBITDA margin of 18.8% and a significant increase of +38.8% compared to the previous year.

Higher Core Net Profit

Core financial expenses were slightly higher than in the previous year at 4.9 million Swiss francs. This was due to the new senior bonds placed in May 2021, which are carried as debt in contrast to the repaid hybrid bond, and the syndicated loan, which was more heavily utilized as a result of the acquisition. It results in a significantly higher core net profit of 95.3 million Swiss francs, an increase of 31.4% compared to the previous year.

Operating Cashflow, Free Cashflow and Cashflow from Financing Activities

At 210.7 million Swiss francs, operating cash flow before changes in net working capital was significantly above the previous

francs. At the end of the year, net debt in relation to core EBITDA was 1.97. The equity ratio was 41.2%. Thus, even after the latest acquisition, the Siegfried Group continues to have the necessary debt capacity to finance further growth steps.

Proposal of Par Value Repayment to the General Assembly

At the Annual General Meeting on April 13, 2022, the Board of Directors will propose to the Shareholders to reduce the par value of a share from 21.20 Swiss Francs by 3.20 Swiss Francs to 18.00 Swiss Francs and to distribute the amount of the reduction in par value of 3.20 Swiss Francs instead of a dividend.

Dr. Reto Suter
Chief Financial Officer

“Sales of 1102.4 million Swiss francs are composed of 656.0 million Swiss francs Drug Substance and 446.4 million Swiss francs Drug Product sales.”

year's level (153.4 million Swiss francs). In the area of net working capital, trade accounts receivable and also trade accounts payable developed favorably in the year under review; there was an increase in inventories, in particular from the build-up of safety stocks. In total, cash flow from operating activities amounted to 119.7 million Swiss francs, a slight increase of 4.3% compared to the previous year.

As announced, investments in property, plant and equipment and intangible assets were higher than in the previous year at 113.4 million Swiss francs. This results in a free cash flow of 6.5 million Swiss francs.

In May 2021, the company successfully placed senior bonds in the amount of 200 million Swiss francs on the Swiss capital market. The bonds were issued with a maturity of 5 years and a coupon of 0.20%. The issuance was for general corporate purposes, including the early refinancing of the hybrid bond of 160 million Swiss francs, which was repaid on October 26, 2021.

Other Financial Key Figures

At year-end, Siegfried had CHF 72.6 million in cash and cash equivalents. Outstanding loans amounted to CHF 480 million. Thus, net debt amounted to 407.4 million Swiss



Efficient Network around the Globe

As a leading CDMO, the Siegfried Group builds on a finely tuned global development and production network of eleven sites in seven countries on three continents, both in the area of Drug Substances and Drug Products. Within this network, the function/role and core competence as well as the optimal technology portfolio of each site is defined.



			With Siegfried since	Number of permanent employees	Competencies
Zofingen ^{HQ}	Switzerland	DS	1873	634	Active pharmaceutical ingredients (API), Intermediates, Controlled Substances
Pennsville	USA	DS	1928	205	Active pharmaceutical ingredients (API), Intermediates, Controlled Substances
Hal Far	Malta	DP	2007	155	Solid oral dosage forms
Irvine	USA	DP	2012	133	Sterile filling
Nantong	China	DS	2013	250	Active pharmaceutical ingredients (API), Intermediates
Hameln	Germany	DP	2014	495	Sterile filling
Evionnaz	Switzerland	DS	2015	394	Active pharmaceutical ingredients (API), Intermediates
Minden	Germany	DS	2015	343	Active pharmaceutical ingredients (API), Intermediates, Controlled Substances
St. Vulbas	France	DS	2015	136	Active pharmaceutical ingredients (API), Intermediates
Barberà del Vallès	Spain	DP	2021	515	Solid oral dosage forms
El Masnou	Spain	DP	2021	377	Sterile filling



Products



APIs and Intermediates

Siegfried's chemical expertise centers on the development and production of active pharmaceutical ingredients and intermediates. Our global network in this field includes sites in North America, Europe and Asia. This enables our customers to benefit from synergies and flexible solutions tailored to their specific needs.

Active pharmaceutical ingredients (APIs) are used in the production of a medication. APIs are the key ingredient of a finished 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.

Services



Exklusive 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:

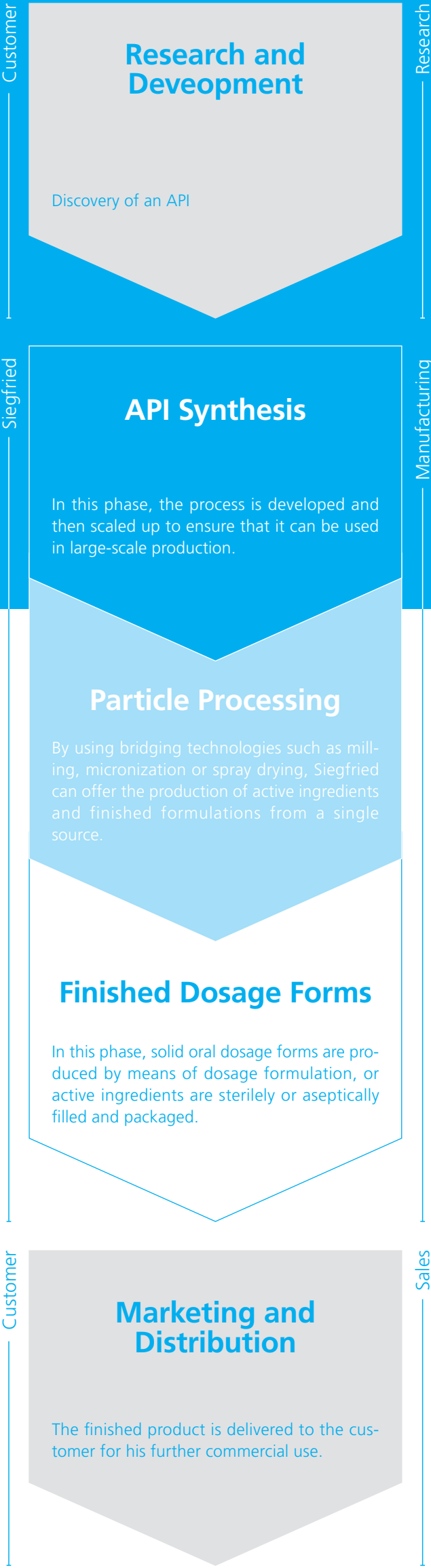
- **Process and chemical development:** We develop genuinely scalable, cost-effective and robust pharmaceutical manufacturing processes, appropriate to our customers' products' market needs.
- **Analytical development:** For effective and robust processes Siegfried applies requisite analytical parameters 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.

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.

From the API to the Finished Product

As a fully integrated pharmaceutical company, Siegfried is today one of the few suppliers that can carry out both the development of active ingredients and finished formulated drugs under one roof. This combination of experience and know-how is unique in the CDMO market.



Drug Substances
Drug Products



Products



- **Solid oral dosage forms:** Siegfried offers a specific range of pharmaceutical development and production of solid dosage forms (tablets and capsules) for the global market. The offer ranges from cGMP-compliant scaling-up and production of clinical trial material to mass production and packaging of finished products. These include highly potent substances used in oncology, for example.
- **Sterile und aseptic filling – Injectables:** Siegfried's capabilities in this area include filling of small molecules, biologics and vaccines, including cold chain management and distribution. Formats offered include vials, ampoules and filled syringes.
- **Ophthalmics:** As an expert in sterile ophthalmic formulations, Siegfried is an expert in filling sterile ointments, gels, suspensions and solutions into tubes, pre-filled syringes, cartridges and vials.
- **Inhalative products:** Siegfried manufactures capsules for inhalation applications for medical devices for the treatment of respiratory diseases under controlled conditions.

Services



Contract Development and Manufacturing

Our Services in the area of Drug Products 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.
- **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.

Licensing

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.

“We Shall Continue to Increase Sales in the Coming Years”

Interview with Wolfgang Wienand, Chief Executive Officer of the Siegfried Group

Wolfgang Wienand, you consider the 2021 reporting year to be historic. What is so exceptional about the year?
Without a doubt, the 2021 financial year may be described as historic. For the first time, Siegfried Group reports sales of over one billion Swiss francs. This is an important milestone which I set for us when I was appointed CEO in 2019. Of course, this is not only about the numerical threshold as such. It implies, moreover, that we have joined the leading players in our industry earlier than expected.

This group of leading players includes no more than six companies. What does it mean for the future? What is Siegfried’s potential in this market?
The CDMO market continues to be very fragmented. In my eyes, market consolidation has only just started, and I am convinced that it will pick up in the years to come. If we wish to maintain our position, we must continue to grow, either organically by means of investments in our global network, or by means of acquisition. This is the aim of our “Evolve” strategy which continues to apply. With a view on the strength of our team, I feel confident that this strategy will lead us to success. We aim to play an active role in this consolidation, and we have all of the necessary requirements.

The growth step in the year under review was made with the acquisition of the two Novartis sites in the vicinity of Barcelona. Both joined the Drug Products division and, as a result, the volume of sales handled by each of Siegfried’s divisions has shifted toward Drug Products. Is that of any significance for you?
This is less about an improved quantitative balance between the two divisions than about having achieved critical size in Drug Products with a total of five sites worldwide. We can now make our customers a very attractive and flexible offer by means of the newly available differentiating technologies and the additional capacities in Barberà del Vallès and El Masnou while also creating economies of scale. In order to take full advantage of this strength we decided to reinforce our development competencies and development capacity in the field of Drug Products and establish a Center of Excellence for these activities in Barcelona. This is a large investment of great significance to us.

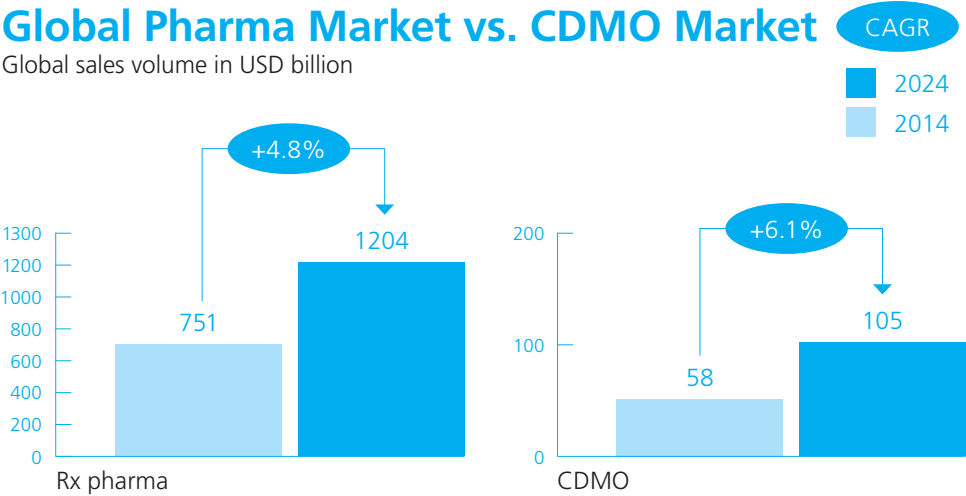


Siegfried increased its margin in 2021 despite corona, the elaborate and demanding integration of two sites with some 1000 employees, a cyber-attack and an internal fraud case. How did you manage that?

Indeed, expanding our margin under the given assumptions is not a given. Corona remained omnipresent in the year under review, and it complicated our production activity owing to higher absentee rates and some delays in the global supply chain, especially during the first and second quarters. Dealing with the cyberattack made heavy demands on us, including myself. Naturally, the connected production outages and the internal fraud case burdened our income statement. The fact that we grew despite these setbacks, also organically, in other words, without the contribution of acquisitions while increasing our margin, is proof of our attractive and healthy product portfolio and the competitiveness and resilience of our team. This stands for the hard work and discipline shown by our employees.

It seems that the five values which you identified for Siegfried are well entrenched in the company. How important are they for you?

Very important! Although Siegfried looks back on a long tradition – we will soon celebrate our 150th anniversary – over three quarters of our employees joined the Siegfried family less than ten years ago, and the 1000 colleagues in Spain only one year ago. For us as a company, this means new countries, new languages and new cultural backgrounds in our teams.
In order to successfully cope with such fast growth, a company must be in a position to build identity fast and develop a strong feeling of togetherness. This presupposes clarity concerning who we are, where we are going together, and defining the rules for friendly and successful cooperation. In other words: Mission, Vision and robust shared Values. This is what our five Siegfried values live up to. Moreover, the entire company understands and accepts them. Remember, “Sustainability” is also one of Siegfried’s five key values. With this value we associate the demand on ourselves to take entrepreneurial decisions in such a way that they will stand the test of time and provide success. This encompasses the manner in which we manage our company, take into consideration our social responsibility and handle natural resources. We are making steady progress here.



Mission Vision Values

Proof of this is the first-time inclusion of Siegfried in the Dow Jones Sustainability Index Europe.

At the end of this interview, let us return to sales. Where do you expect further growth, and what is the role of vaccination filling?

Sales will grow clearly over the coming years. The growth rate will depend on the requirement level for COVID vaccines. And, as always, there are other factors that play a role, such as the exchange rate. Despite the importance and the pride we take in our important contribution in the field of COVID vaccines, I always keep in mind our other fields of business, which are healthy and growing. For the current year, I see our organic growth in local currencies in the high single-digit to low double-digit percentage range at a core EBITDA margin of above 20 percent. And, of course, we will keep our eyes open for attractive acquisition targets and act consistently, if required.



Our mission and vision as well as our corporate values form the foundation for Siegfried’s self-image and thus for the success of the company.

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.”



The video with CEO Wolfgang Wienand can be found on our Online Report.



Excellence

“We excel in everything we do”



Passion

“We deeply care about what we do and how we do it”



Integrity

“We act responsibly, reliably, respectfully and live up to our own standards”



Quality

“We do it right first time”



Sustainability

“We do not only think about tomorrow, but far beyond”

Global Value Awards

Winner of the Global Value Awards 2021



Global Value Awards

The “Value Awards” as part of the “Great Workplace” initiative represent the new global basis for recognizing and honoring outstanding achievements and exemplary behavior – in accordance with our corporate values. They were awarded for the first time in 2021.

The Value Awards are divided into four categories:

Value Kudos allow employees on all levels to personally acknowledge individual accomplishments and contributions of colleagues, inspiring positivity and deeper connections that strengthen our culture and encourage us to live up to our values.

Value Awards recognize exemplary individual or team behavior and work throughout the year.

Site Value Awards are selected at the end of the year from the Value Awards honored during the year and are of outstanding nature and impact to the entire site.

Global Value Awards finally highlight the most outstanding work and behavior with relevance for Siegfried as a group, which are selected from the Site Value Awards and Value Awards honored in the Corporate Functions.

The fact that all 2021 Global Value Awards went to teams and cross-site projects underscores the importance and strength of the Siegfried network.

#strongestteam
#mostcompetitivenetwork



Excellence

Packaging Efficiency Project Malta



John Jones
Head of Operations, Malta

Some years ago, the Malta site started on an improvement journey using the methodology of Mini Business Units (MBU). Through cross-functional engagement and collective team spirit, the entire site worked tirelessly to contribute toward a record revenue achievement. Especially the multidisciplinary Level 2 team accelerated their efforts last year, relentlessly driving focused and aligned implementation by creating an environment, in which they challenged each other, set clear priorities, and shared clear expectations. This resulted in improved plan adherence, on-time and in-full delivery of raw materials and technical material, but also on-time shipments and aligned internal processes. One of the biggest achievements is the fact that our team has almost doubled the output of the packaging lines at the Malta site. All of these efforts eventually led to a site revenue in 2020, which exceeded the budget by about 50%. Thanks to this, we were also able to supply the large quantities of Candesartan that were in demand on the market due to the nitrosamine issue with Valsartan. We had to step up operations in order to supply the market with volumes that seemed unreachable. However, we succeeded, and we are proud of this. Our team has proven that with a multidisciplinary approach, dedication and collaboration we can achieve excellence in our organization, creating value for our customers. This award means a lot for the team and, especially, for me, as we managed to reach and exceed what seemed to be a tough challenge. Recognition of this achievement made the outcome from the project more valuable to all members of the team.



Passion

I-850 Project Minden / Zofingen



Günter Kirchhoff
Planning and Maintenance Manager, Minden



Silke Simon
Project Manager, Minden

Based on a call for tender for a comprehensive contract manufacturing project concerning an innovative API used in the treatment of hyperkalemia, an interdisciplinary team was formed consisting of R&D Zofingen, Project Management (Minden/Zofingen) and Technical Operations Minden. The team verified the process under laboratory conditions for transfer to Minden for technical trials. As it was about a new technology (large-scale emulsion polymerization), the team had to develop a feasibility study in a short period of time, as well as an extended basic engineering study in Minden, and a basic engineering package for a plant to be erected in Minden including cost estimate and a tight schedule. Simultaneously, corresponding contracts (Construction & Investment Agreement, Manufacturing & Supply Agreement) were negotiated and concluded. Siegfried's solution came out on top against all of its competitors. The challenge was successfully met owing to the close and seamless cooperation between the teams from Zofingen and Minden and the passionate commitment of all team members. The gratifying achievement in the project was that all the specified targets were met in a very short time. This was possible only thanks to the extraordinary commitment shown by our colleagues from Zofingen and Minden and their close cooperation. The challenges of the project forged a close bond between the two teams. We are very proud that this achievement was honored by the Global Passion Award.



Integrity

On-Site COVID-19 Testing
Evionnaz / Zofingen



Andreas Kirsch
Expert Lab Technician Analytics, Zofingen

When the COVID-19 pandemic hit us at the beginning of 2020, we were unprepared for it. The new situation gave rise to insecurity and, at times, anxiety. We had to adjust to coping with the restrictions while making every effort to protect our employees and maintain operations. Each one of us had to take on responsibility for ourselves, but also for the people in our private and professional surroundings. In Zofingen and Evionnaz, we started at an early stage to train colleagues to implement COVID tests internally and locally. This allowed us to provide our employees with fast and easy access to testing, to recognize potential infections at an early stage, and thereby increasing the level of safety for all of us. Moreover, it relieved the pressure on doctors’ offices. Our teamwork was great, characterized by a high willingness to help and extremely high flexibility shown by its members. Each member saw the bigger picture and acted beyond the boundaries of their departments, always keeping in mind the overall aim. Comprehensive testing helped to maintain production and, in insecure times during which one may have felt a little helpless, to provide reassurance for team colleagues and their families. In addition to a high level of commitment, taking on this additional task required willingness, conviction and courage. Although the challenges in terms of organization and logistics were big, they were successfully mastered by the team. The numerous and very grateful responses from our colleagues showed that we were right to take on responsibility. We are happy to have received recognition for the tremendous effort made by our team, and we are proud to have made an important contribution toward coping with the pandemic.



Quality

Nitrosamine Compliance Team

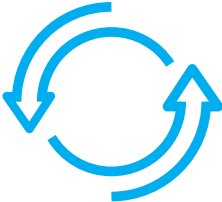


Enno Schweinberger
Head Global Quality Management DS, Zofingen



Beatrice Harder
Head Regulatory Affairs Site Zofingen, Zofingen

In 2018, carcinogenic nitrosamines were discovered in a drug against hypertension developed by a Chinese manufacturer. When similar cases appeared in products by other companies, regulatory authorities – including the European Medicines Agency, EMA – requested all holders of an authorization to market the drug to assess the possibility of nitrosamines in their products. At Siegfried, this triggered a sling of activities. Within a short period of time, a multidisciplinary team of colleagues from all sites and various departments was put together. The challenges consisted in keeping pace with the rapidly changing requirements of the authorities, creating a process, and building up the knowledge to implement risk evaluation within short deadlines. We divided the wide range of tasks among various workstreams, permitting us to implement more than 270 risk assessments within a period of six months while maintaining the ambitious time frame. It was a comprehensive and challenging project with a global effect. The team consisted of over 50 colleagues from each Siegfried site and from 10 different departments. Thanks to the high quality of the risk evaluations and the timely delivery to customers, Siegfried proved to be a reliable partner, which significantly contributed toward customer satisfaction. The award shows a high regard for our large commitment and represents a big motivation for successfully dealing with further challenges in the future. We very much appreciated the internal cooperation as much as the recognition by our customers and the authorities. It was a valuable experience for everyone involved.



Sustainability

Blue Sky registration
Nantong / Zofingen



Sara Da Ros
Project Manager, Zofingen

The aim of the “Blue Sky Registration Campaign” project between Zofingen and Nantong was the successful introduction of a second generation process for an exclusive product. This is Siegfried Nantong’s largest and best-selling product. The global and multidisciplinary team consisting of colleagues from Nantong and Zofingen lived up to its name, “Blue Sky”: it grew beyond its limits far into the blue sky. It created a more efficient process with less waste, higher earnings and better performance. The new production process was developed and scaled up in Zofingen followed by the know-how and process transfer to Nantong with a subsequent registration campaign in the Nantong pilot plant. The project has distinguished itself by close cooperation and outstanding communication among the transfer teams and the two sites. The successful introduction of the second generation process ties the product to the company long-term and allows to implement continuing customer management. Consequently, the Nantong site can secure good capacity utilization, which it can expand, if required. As Siegfried’s global project manager, I am extremely pleased about the award because we performed as a team and have been awarded jointly. Mastering a project across several sites requires the outstanding commitment by everyone involved. I witnessed closely how the team grew and how each individual was prepared to walk the extra mile in accordance with our slogan “the strongest team”.

Siegfried's Commitment to Sustainability

In 2021, we were again very active in the area of sustainability and also developed further organizationally in addition to other topics. We called into life the Corporate Sustainability Board, an interdisciplinary body that coordinates and pools our sustainability activities. Owing to the significance of the topic of sustainability for Siegfried – sustainability has been one of our company's five core values since 2019 – I am myself a sponsor of this body, which will report to the Board of Directors on its activities and progress made.

Siegfried will soon look back on a 150-year history, which we are committed to and which we aim to continue and develop. Sustainability and sustainable management are not a burdensome duty for us. Rather, "Sustainability" and "Integrity" represent two of our five corporate values and represent the basis for our daily work and our entrepreneurial activity. We are thus expressly committed to sustainable corporate management:

We are pleased to confirm that Siegfried continues to support the aims of the UN Global Compact as set out by the United Nations in the year 2000 and advocates environmental protection, the protection of human rights, compliance with labor standards, and the fight against bribery and corruption. To this effect, we have launched initiatives and projects company-wide to

advance the aims of the UN within our sphere of influence. In this document we describe our annual progress and commit ourselves to continue these efforts in the future.

As reported earlier, Siegfried has in the past years launched numerous efforts and initiatives, resulting in progress and success in the area of sustainability, and which we continued in 2021. And I am very pleased to report that our efforts are being recognized by external parties and independent institutions. In addition to certifications such as the ISS ESG Rating and the MSCI ESG Rating, Siegfried 2021 has also been included in the Dow Jones Sustainability Index Europe. We look upon this as confirmation of our activity and a request to forge ahead. At Siegfried we are well aware of our responsibility and the different expectations of our stakeholders, also and especially in the regulatory area, and we act accordingly.

On this basis, we approach the next steps with confidence: In 2022, in a structured process, we shall review the issues identified as essential for Siegfried in 2016 and integrate internal and external stakeholders. In the area of SHE (Safety, Health & Environment), we adjusted the organization and shall introduce a global function "Global Head SHE" in 2022. This will give due consideration to the significance of the area and the topic at hand for our global organi-

For the Siegfried Group, the focus in the area of sustainability is on compliance and quality, social responsibility, safety, health, and environmental protection, as well as its role as a responsible employer.

zation. Furthermore, we continue to work toward our ambitious goal of reducing Siegfried's CO₂-footprint by 50 percent by 2030 (compared to 2020, on a revenue adjusted basis).

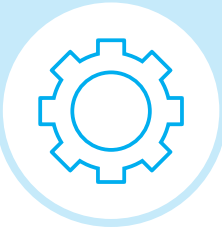
We are proud of what we have achieved so far while aware that that there is still a lot to be done.



Dr. Wolfgang Wienand
Chief Executive Officer



Highlights



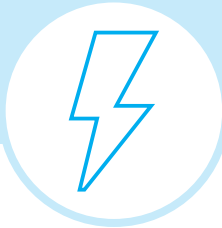
Cross-functional Corporate Sustainability Board set up, sponsored by CEO and supervised by BoD



Joining the United Nations Global Compact



Inclusion in the Dow Jones Sustainability Index Europe



ISO Certification Hameln (Energy management, ISO 50 001)



Interview with Luca Dalla Torre, General Counsel, Chairman of the Sustainability Committee

What is the significance of sustainability at Siegfried?

Sustainability is one of Siegfried's five corporate values and an important aspect of its corporate management. Siegfried was founded nearly 150 years ago, and we spare no effort to ensure success for the company in the coming years and continue to play an important role in the production of drug substances and drug products. What we do is important – for our customers, for many patients worldwide and finally also for society as a whole. For this to succeed it is imperative that our company produces sustainably and acts wisely. Today, this is more important than ever.

How do you aim to accomplish this?

At Siegfried, ESG factors have enjoyed priority for many years. For instance, since a long time at all sites we have recorded data of relevance to the environment in the areas of energy management, CO₂ emissions, water consumption and waste management. Within the parameters of numerous projects we work on improving these indicators with regard to environmental compatibility. We started early to account for our activity in this area in a comprehensive sustainability report in accordance with recognized international GRI guidelines.

In order to do even more justice to sustainability, we took a further step last year

and established a Corporate Sustainability Board. This committee headed by me acts under the patronage of our CEO and is controlled by the Board of Directors. The Corporate Sustainability Board is organized cross-functionally and combines all central functions of the company.

What are the concrete goals followed by the new organization?

The main concrete goal is the reduction of our CO₂ footprint. Siegfried aims to reduce its CO₂ emissions by 50 percent adjusted for revenue by 2030. Moreover, Siegfried commits to introducing and implementing long-term measures consistent with the net-zero goal concerning greenhouse gas emissions to limit global warming to 1.5°C.

A further goal is the development of a comprehensive sustainability strategy, which we will represent in a new reporting mechanism in the 2022 sustainability report. Toward this goal, a project has already been launched which will discuss the topic of sustainability in greater depth in an interdisciplinary circle of participants.

Has the new organization had any success yet?

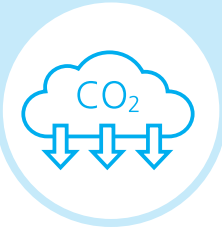
In the year under review, based on a comprehensive deficit analysis, we addressed various topics that have shown initial success. They included, for instance, embed-

ding the sustainability analysis in investment projects, introducing a new integrity codex for suppliers, and joining the United Nations Global Compact Program.

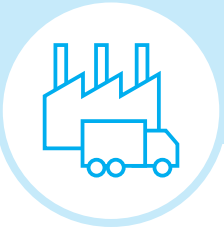
Encouragingly, Siegfried was accepted for the first time in the Dow Jones Sustainability Index Europe. This recognition means a lot to us, and it shows that we are on the right track. .



Luca Dalla Torre
General Counsel, Chairman of the Sustainability Committee



Reduction of carbon footprint by 50% until 2030 compared to 2020 (normalized against sales) and implementation of long-term measures in line with the GG net zero target for 2050 to limit global warmth to 1.5° Celsius



Introduction of Siegfried's supplier integrity commitment



Sustainability Report
report.siegfried.ch



Net sales 
million CHF

Net sales in 2021 reached
1102.4 million Swiss francs.

Increase: **+30.5 %**

1102.4

207.2

Core EBITDA 
million CHF

Core EBITDA in 2021 amounts to
207.2 million Swiss francs.

Increase: **+38.8 %**

Core net profit 
million CHF

Core net profit in 2021 amounts to
95.3 million Swiss francs.

Increase: **+31.4 %**

95.3

Visit our
Online Report:

report.siegfried.ch



Online
Report



Corporate
Governance



ExeCom
Videos

About this Annual Report

In addition to highlighting Siegfried’s business performance 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 differentiated understanding of how Siegfried incorporates these issues into its corporate strategy and of progress achieved in this regard in the course of the year. The report appears in English and German language.

Scope
We report on the 2021 financial year ending 31 December 2021. The future-oriented topics dealt with in the report represent an exception. Siegfried’s Annual Report appears annually and was last published in March 2021, both in a printed version and as PDF on our corporate website. The next report will come out in the spring of 2023.

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 2021 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.

Editor
Christa Brügger, Jonas Müller

Concept, layout, realization
Hej GmbH, Zurich

Illustrations
Kornel Stadler, Bern

Lithography
Roger Bahcic, Zurich

Publicingsystem
ns.publish by Multimedia Solutions AG

Realization and Prepress
NeidhartSchön AG, Zurich

Print
ZT Medien AG, Zofingen

Siegfried Holding AG
Untere Bruehlstrasse 4
CH-4800 Zofingen
Switzerland
Phone + 41 62 746 11 11
Telefax + 41 62 746 12 02

www.siegfried.ch

expect more

