Siegfried

Progress Report
2024

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Sustainability Across our Network
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Visit our Investor Relations Portal for more information
siegfried.ch/investors/reports

Letter to the Shareholders

Marcel Imwinkelried
Chief Executive Officer

Dr. Andreas Casutt
Chairman

Dear Shareholders

In 2024, Siegfried continued its trajectory of profitable growth, more than offsetting substantial headwinds. Siegfried's performance was driven by strong underlying business with above-market growth, supported by strong customer demand from existing and new small and large customers.

What we have achieved in 2024 →

"The Siegfried team once again delivered on its targets, continuing its journey of profitable growth fueled by strong underlying business."

Dr. Andreas Casutt

The profitability on all levels was protected and increased, through efficiency, active portfolio management and a sharp focus on operational excellence across all manufacturing sites. The strategy EVOLVE+, presented in October 2024, with an increased focus on Commercial, Development and Operational Excellence as well as value-accretive M&A builds on this momentum and its execution already shows rapid progress across all dimensions.

Net sales in 2024 reached CHF 1,294.6 million, an increase of 3.0% in local currencies and 1.8% in CHF (2023: CHF 1,271.5 million). The Drug Substances cluster contributed CHF 891.9 million, an increase of 4.5% in local currencies (3.7% in CHF), more than offsetting destocking and topline effects from portfolio management. Despite the phasing out of significant vaccine business, sales in Drug Products amounted to CHF 402.7 million in line with the prior year in local currencies (–0.1%) and –2.1% in CHF, with increased momentum particularly at the Barcelona sites.

Core EBITDA increased to CHF 285.6 million, up 4.5% (2023: CHF 273.3 million) and Core EBIT amounted to CHF 200.9 million (4.7%) both exceeding the prior year's figures. This resulted in an expanded Core EBITDA margin of 22.1% (2023: 21.5%). Core net profit rose significantly to CHF 158.9 million (24.0%).

Operating cash flow came in at CHF 168.8 million (2023: CHF 208.6 million). Significant progress was made in managing net working capital (NWC), with nearly CHF 60 million in cash released from inventories. This effect was offset by later revenue recognition and an extraordinary increase in paid income taxes. Siegfried continued to invest in its future, with investments in property, plant, equipment, and intangible assets slightly higher than in the previous year at CHF 180.8 million (2023: CHF 137.1 million), representing 14.0% of net sales. Consequently, free cash flow amounted to negative CHF 11.6 million.

On December 31, 2024, cash and cash equivalents amounted to CHF 38.8 million, and with non-current financial liabilities of CHF 490.1 million this resulted in a net debt position of CHF 451.3 million and a net debt-to-core EBITDA ratio of 1.58. The equity ratio stood at 50.7%. Siegfried maintains substantial financial capacity to support future growth.

Based on these results, the Board of Directors will propose to increase the distribution to shareholders by CHF 0.20 to CHF 3.80 per share at the Annual General Meeting on April 10, 2025. As in prior years, this distribution will be made by way of a reduction in the par value of each share. The Board of Directors will also propose a 1:10 share split in order to enhance liquidity and to facilitate the participation in employee share purchase programs.

Targeted Investments to Drive Growth

In 2024, Siegfried again made targeted investments in its global network to meet the current and future customer demand.

In July 2024, Siegfried completed the acquisition of a CDMO specializing in early-phase development and manufacturing services in Grafton, Wisconsin (US). This acquisition strengthens Siegfried's Drug Substances offering in both capabilities and geographic presence. In August, a state-of-the-art quality control lab was opened in Minden, enhancing operational efficiency and preparing the site for the upcoming large-scale production plant, which will generate first revenues this year. In November, Siegfried DINAMIQS inaugurated cutting-edge laboratories, an important step towards strengthening Siegfried's position in the cell and gene therapy market. These labs are part of a 2,500m² cGMP viral vector manufacturing facility, scheduled to be operational by the end of 2025. Also in November, the new global R&D Center for Drug Substances was opened in Evionnaz, significantly expanding Siegfried's R&D capacities to drive development excellence and future growth.

Rapid progress on executing the strategy EVOLVE+

In October 2024, Siegfried presented its updated strategy EVOLVE+ that builds on the momentum created by the previous strategy EVOLVE. The strategy EVOLVE+ aims to strengthen Siegfried's position as a leading Contract Development and Manu-

"I am particularly pleased with the rapid progress we are making on the execution of our strategy EVOLVE+. With this momentum, and the winning spirit of our team, we are well-positioned to capitalize on the long-term trends of our industry and strengthen our position as a leading CDMO of the pharmaceutical industry."

Marcel Imwinkelried

facturing Organization through a sharper focus on Commercial, Development, and Operational excellence, as well as pursuing value-accretive M&A. Siegfried is advancing rapidly in the execution of this strategy and shows significant progress across all dimensions.

Continued strong commitment to sustainability

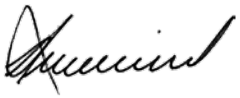
In 2024, Siegfried actively advanced its sustainability efforts through several key initiatives. In Q3 2024, Siegfried submitted science-based greenhouse gas reduction targets for validation by the Science Based Targets Initiative and began developing a roadmap for site decarbonization. Additionally, Siegfried launched projects to decarbonize the production of its highest-emission product in collaboration with the customer and introduced product carbon footprint calculations as a service. The company also engaged with customers to conduct detailed ecological footprint analyses and collaborated with equipment suppliers to enhance data collection. Siegfried made strong progress in reducing its environmental footprint, with 87% of its electricity coming from renewable sources and an absolute carbon emissions reduction of 45.7% since 2020. The company maintained all its sustainability distinctions, including membership in the Dow Jones Best-In-Class Europe Index (formerly Dow Jones Sustainability Index Europe) for the fourth consecutive year, a low-risk rating from Sustainalytics and ISS Prime and MSCI "AA" distinctions.

Outlook for 2025

For 2025, Siegfried expects a sales growth in the mid-single-digit percentage range in local currencies and a core EBITDA margin above 22%. Positive mid-term outlook confirmed: Continued profitable growth above market (excl. M&A).

Dr. Andreas Casutt
Chairman

Marcel Imwinkelried
Chief Executive Officer



The Year 2024 in Review

Grafton Acquisition

Siegfried acquires an early-phase CDMO in Wisconsin (US) to strengthen its drug substances service offering

CEO Transition

Marcel Imwinkelried appointed as new CEO

July

619.9

in CHF million net sales

Siegfried continues to grow and increase profitability in H1 2024

Lab Opening in Minden

Siegfried opens new quality control lab in Minden to improve operational efficiency and ready the site for completion of new production plant

August

Strategy EVOLVE+

Siegfried holds its first Capital Markets Day at its site in Barberà del Vallès, and announces strategy EVOLVE+

October

Siegfried DINAMIQS opens new lab in Zurich, strengthening offering in the biologics space

Siegfried opens new global R&D Center for Drug Substances in Evionnaz

Siegfried submitted near term and net zero CO_2 emission reduction targets to SBTi for validation

SCIENCE BASED TARGETS

November

S&P Dow Jones Indices

Siegfried confirmed in the Dow Jones Best-In-Class Europe Index (formerly Dow Jones Sustainability Index Europe) for the fourth consecutive year

1294.6

in CHF million

Net sales in 2024

December

Financial Summary

1294.6

+1.8%

Net sales (in million CHF)

Net sales in 2024 reached CHF 1294.6 million.

285.6

+4.5%

Core EBITDA (in million CHF)

Core EBITDA in 2024 reached CHF 285.6 million.

200.9

+4.7%

Core EBIT (in million CHF)

Core EBIT in 2024 reached CHF 200.9 million.

158.9

+24.0%

Core net profit (in million CHF)

Core net profit in 2024 amounts to CHF 158.9 million.

	2024	2023	Change CHF (LC)
Net sales (million CHF)	**1 294.6**	**1 271.5**	+1.8% (+3.0%)
Core gross profit (million CHF)	**329.1**	**320.4**	2.7%
Core gross profit margin (%)	25.4	25.2	
Core EBITDA (million CHF)	**285.6**	**273.3**	4.5%
Core EBITDA margin (%)	22.1	21.5	
Core EBIT (operating result) (million CHF)	**200.9**	**191.9**	4.7%
Core EBIT margin (%)	15.5	15.1	
Core net profit (million CHF)	**158.9**	**128.1**	24.0%
Core net profit-margin (%)	12.3	10.1	
Non-diluted core earnings per share (CHF)	36.87	30.24	21.9%
Diluted core earnings per sharee (CHF)	36.60	29.80	22.8%
Cash flow from operating activities (million CHF)	168.8	208.6	–19.1%
Free cash flow (million CHF)	**–11.6**	**71.8**	–116.2%
Investment in property, plant and equipment and intangible assets (million CHF)	180.8	137.1	31.9%

	31.12.2024	31.12.2023	Change
Equity (million CHF)	**979.9**	**838.1**	16.9%
Total assets (million CHF)	**1 933.7**	**1 861.5**	3.9%
Equity ratio (%)	50.7	45.0	
Employees (number of FTEs)	3 886	3 684	5.5%

Financial Commentary 2024

Siegfried reports continued profitable growth fueled by strong underlying business

For 2024, Siegfried reports continued profitable growth, fueled by strong underlying business more than offsetting substantial headwinds. Net sales increased to CHF 1,294.6 million, reflecting a 1.8% rise in CHF. The euro and the US dollar both depreciated during the year, with the euro accounting for 47% of net sales, depreciating by 2.0% against the Swiss franc, while the US dollar, representing 12% of net sales, fell by 2.0%. Growth at constant exchange rates was 3.0%. Regarding the distribution of net sales throughout the year, the first and second halves remained consistent with previous years (H1:H2 approximately 48%:52%). However, compared to 2023, we observed a higher number of sales in the final quarter of the year.

Despite the phase-out of the profitable vaccine business, profitability improved. Core gross profit reached CHF 329.1 million, with a Core gross profit margin of 25.4%, slightly above the previous year's at 25.2%.

Core EBITDA stood at CHF 285.6 million (+4.5%), and Core EBIT amounted to CHF 200.9 million (+4.7%), both exceeding the prior year's figures. Core net profit rose significantly to CHF 158.9 million (+24.0%). This was reflected in the corresponding margins: the Core EBITDA margin was 22.1% (previous year: 21.5%), Core EBIT margin was 15.5% (previous year: 15.1%), and Core net profit margin was 12.3% (previous year: 10.1%).

By excluding extraordinary expenses and income transparently, the Core results provide an accurate assessment of Siegfried's operational performance across different periods.

In 2024, only minor adjustments were made to Swiss GAAP FER results, all related to pension obligations from foreign pension plans. Adjustments were made to reflect changes in the technical interest rate and the composition of the liabilities portfolio (CHF –1.4 million). Additionally, CHF 3.0 million in interest expenses from these foreign pension plans were reclassified as financial expenses.

Dr. Reto Suter
Chief Financial Officer

> **"Despite the phase-out of the profitable vaccine business, profitability improved."**

Strengthened Cost Management and Operational Efficiency

Operating expenses are impacted annually by extraordinary or non-recurring events, making an analysis based on Core figures more appropriate. Operational excellence, efficiency, and stringent cost control remained key priorities in 2024 and will continue to be so moving forward. While we have strategically expanded in key areas, these additional costs have been offset by efficiency improvements elsewhere.

Total Core operating expenses including operating income amounted to CHF 128.2 million in 2024, or 9.9% of net sales. This represents an absolute and relative decrease from the previous year (2023: CHF 128.5 million; 10.1%) and a minimal increase in absolute terms compared to 2023.

Core marketing and sales expenses were CHF 18.1 million, slightly lower than in the prior year (2023: CHF 19.4 million). Core research and development, a crucial driver of customer engagement, stood at CHF 41.1 million, slightly lower than the prior year (2023: CHF 43.4 million). Core administrative and general expenses rose to CHF 78.7 million (2023: CHF 70.7 million). Approximately CHF 4 million of this increase was due to the implementation of a new transfer pricing model and the reallocation of IT costs from COGS to administrative expenses.

Other income increased to CHF 9.7 million (2023: CHF 5.0 million).

Optimized Financial Management

Core financial expenses, including CHF 3.0 million in non-cash interest from European pension obligations, decreased to CHF 11.7 million (prior year: CHF 12.5 million) despite a higher utilization of the revolving credit facility. The two hybrid convertible bonds (total CHF 80.0 million) were converted into equity during the year, generating approximately CHF 30 million in equity value. Foreign exchange differences were significantly reduced to CHF 3.5 million (2023: minus CHF 12.8 million), despite market volatility, thanks to the implementation of new hedging technology.

As a result of the introduction of a new transfer pricing system, income tax expenses decreased significantly.

Operating Cash Flow, Free Cash Flow, and Financing Activities

Operating cash flow stood at CHF 168.8 million, lower than the previous year (2023: CHF 208.6 million). Significant progress was made in net working capital management, with nearly CHF 60 million in cash released from inventories. This effect was offset by later revenue recognition and a notable increase in paid income taxes (a one-time effect from COVID-related profits) negatively impacting this year's operating cash flow. Free cash flow amounted to CHF –11.6 million (2023: CHF 71.8 million).

Siegfried continued to invest in its future, with investments in property, plant, equipment, and intangible assets slightly higher than in the previous year at CHF 180.8 million (2023: CHF 137.1 million), representing 14.0% of net sales. Consequently, free cash flow amounted to negative CHF 11.6 million.

Other Key Financial Figures

At year-end, Siegfried held CHF 38.8 million in cash and cash equivalents. Non-current financial liabilities totalled CHF 490.1 million, resulting in a net debt position of CHF 451.3 million and a net debt-to-Core EBITDA ratio of 1.58. The equity ratio stood at 50.7%. Siegfried Group maintains substantial financial capacity to support future growth initiatives.

Proposal for Par Value Repayment to the General Assembly

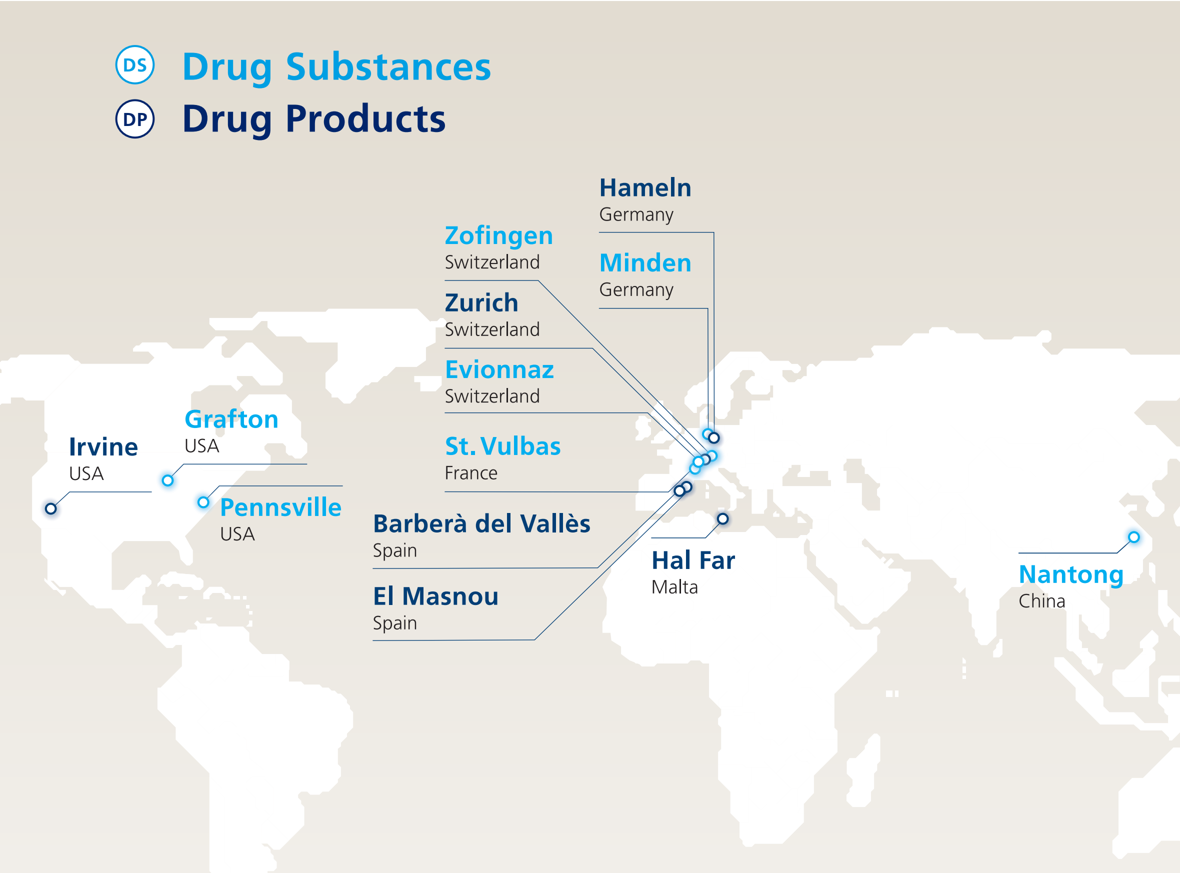
At the Annual General Meeting on April 10, 2025, the Board of Directors will propose a reduction in the par value of each share from CHF 11.00 to CHF 7.20, distributing the CHF 3.80 reduction per share in place of a dividend.

Dr. Reto Suter
Chief Financial Officer

Business and Strategy

Our Global Network

Siegfried counts on a global network of 13 facilities in seven countries on three continents for the production of active pharmaceutical ingredients and intermediates (Drug Substances) as well as finished dosage forms (Drug Products)



More information about our sites
www.siegfried.ch/locations

			Siegfried since	Employees*	Competencies
Zofingen HQ	Switzerland	DS	1873	750	Active pharmaceutical ingredients (API), Intermediates, Controlled Substances
Pennsville	USA	DS	1928	183	Active pharmaceutical ingredients (API), Intermediates, Controlled Substances
Hal Far	Malta	DP	2007	173	Solid oral dosage forms
Irvine	USA	DP	2012	185	Sterile and aseptic filling
Nantong	China	DS	2013	258	Active pharmaceutical ingredients (API), Intermediates
Hameln	Germany	DP	2014	579	Sterile and aseptic filling
Evionnaz	Switzerland	DS	2015	408	Active pharmaceutical ingredients (API), Intermediates
Minden	Germany	DS	2015	529	Active pharmaceutical ingredients (API), Intermediates, Controlled Substances
St. Vulbas	France	DS	2015	176	Active pharmaceutical ingredients (API),Intermediates
Barberà del Vallès	Spain	DP	2021	483	Solid oral dosage forms
El Masnou	Spain	DP	2021	497	Ophthalmics
Zurich	Switzerland	DP	2023	26	Viral vectors
Grafton	USA	DS	2024	85	Early-phase development

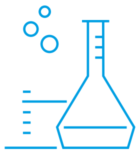
* Headcount

Our Business Model

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



Clients

Research and Development

The research-based pharmaceutical company discovers an active ingredient and develops a laboratory process and formulation.

Siegfried

API Synthesis

Siegfried develops the production process (synthesis) in the laboratory. It is then scaled up to ensure that it also works on a larger and industrial scale.

Particle Processing

Bridging technologies such as milling, micronization and spray drying enable Siegfried to provide an end-to-end offering from a single source.

Finished Dosage Forms

Siegfried produces finished drugs from the APIs and packages them: in solid form (tablets, capsules); semi-solid (ointments, gels); liquid (sterile filled).

Clients

Marketing and Distribution

The finished product is marketed and used.

Drug Products

Our Offering

With our integrated approach, we offer a complete suite of contract development and manufacturing services, from early-phase development to commercial production.

Drug Substances

Active Pharmaceutical Ingredients (API), the key to healing

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 treatment effect.

Exclusive Synthesis
Custom API manufacturing for individual clients.

Portfolio Offering
Broad portfolio of non-exclusive APIs as well as pharma-grade substances, such as caffeine used in pharmaceutical and nutritional applications.

Drug Products

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.

Steriles
Fill and finish in vials, ampoules, cartridges and pre-filled syringes.

Ophthalmics
Sterile ointments, gels, suspensions and solutions.

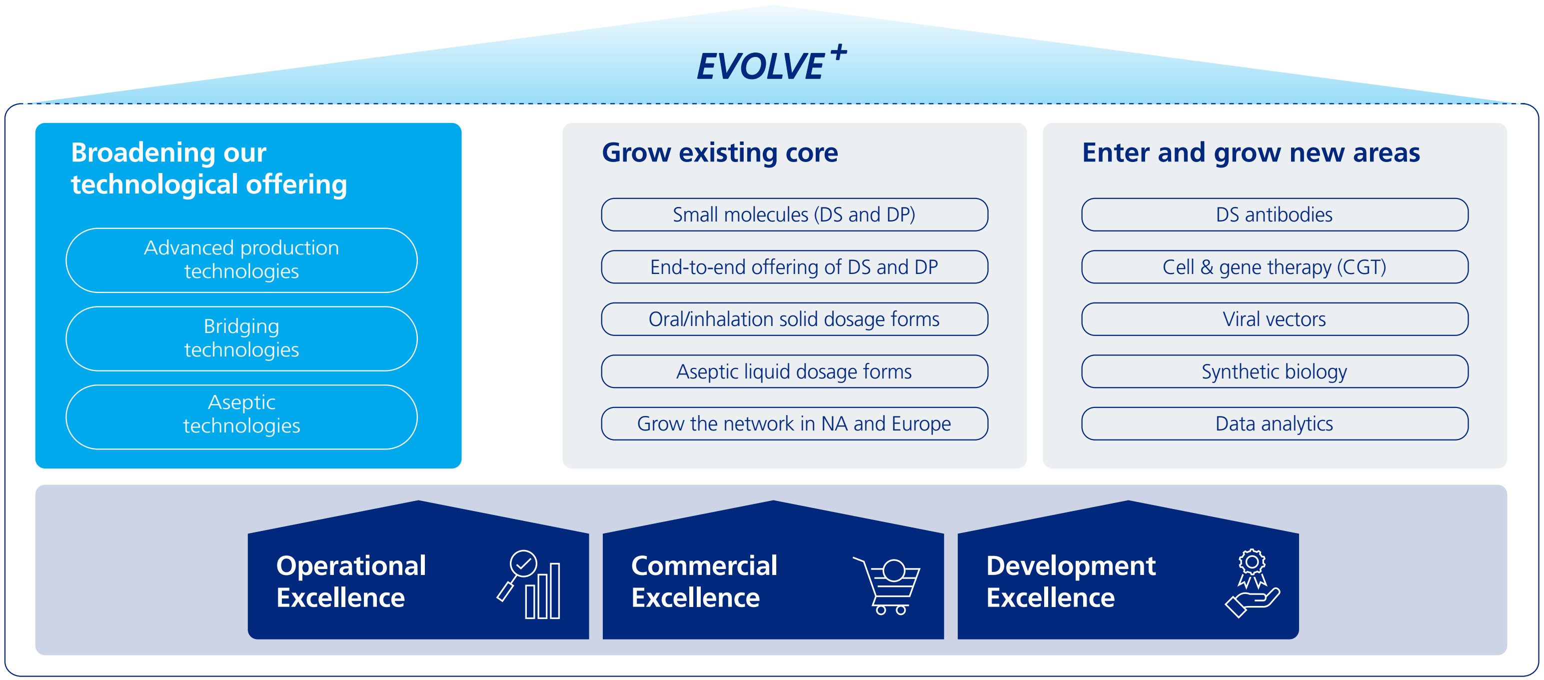
Inhalation Products
Capsules in medical devices for inhalation applications.

Oral Solid Dosage Forms
Tablets and capsules.

Viral Vectors
AAV and Lentiviruses for gene therapy.

Our Strategy EVOLVE+

With EVOLVE+, we further strengthen our position as one of the leading suppliers to the pharmaceutical industry. It positions Siegfried to capitalize on the long-term industry trends, paving the way for continued profitable growth. The strategy builds on the success of its predecessor, EVOLVE, which focused on achieving critical scale for the core business and expanding into adjacent areas.



Key Focus Areas
Broadening range of technologies and services, enhancing ability to support customers from early development to commercial production.

Accelerating profitable growth through sharper focus on Commercial, Development, and Operational excellence.

Expanding core business and scaling new areas to strengthen capabilities and reach of global network.

Pursuing value-accretive M&A as a catalyst for growth across all levels of business.

Marcel Imwinkelried
Chief Executive Officer

Chief Executive Officer Marcel Imwinkelried on Siegfried's journey in 2024 and its priorities in the year to come.

2024 was another successful year for Siegfried. How would you summarize it?

The Siegfried team once again delivered on its targets, continuing its journey of profitable growth fueled by strong underlying business. These results reflect our team's dedication and pursuit of excellence. Beyond our day-to-day operations, we made targetted investments to support future growth, including the acquisition of an early-phase CDMO in the US and the inauguration of three state-of-the-art lab facilities across our network. With this momentum, and through executing on our EVOLVE+ strategy, we are well-positioned to capitalize on the long-term trends of our industry and strengthen our position as a leading CDMO of the pharmaceutical industry.

How will Siegfried's EVOLVE+ strategy help continue this momentum in 2025 and beyond?

EVOLVE+ builds on the success of our EVOLVE strategy, which was instrumental in Siegfried's growth and profitability in recent years. It reinforces our position as a leading global, integrated provider of development and manufacturing services. The strategy focuses on four key areas:

1. Broadening our range of technologies and services, enhancing our ability to support customers from early development to commercial production.
2. Accelerating profitable growth through a sharper focus on Commercial, Development, and Operational excellence.

"With EVOLVE^{+}, we aim to sustain our growth trajectory, to remain an employer of choice for industry talent and to deliver value to our shareholders."

3. Expanding our core business and scaling new areas to strengthen the capabilities and reach of our global network.
4. Pursuing value-accretive M&A as a catalyst for growth across all levels of our business.

With EVOLVE^{+}, we aim to sustain our growth trajectory, to remain an employer of choice for industry talent and to deliver value to our shareholders.

You became Siegfried's CEO in September 2024, what can you tell us about yourself that we won't find in your CV?

I grew up in Valais, surrounded by towering mountains, stunning glaciers, and flowing rivers – a setting that inspired my passion for mountaineering. To date, I've climbed to the summit of 4000-meter peaks 19 times. These experiences taught me invaluable lessons: the importance of focus and ambition, the ability to navigate risks, and the power of teamwork – relying on and leveraging each person's strengths to achieve success.

On a more personal note, my wife and two of my four daughters have diabetes. Their reliance on timely access to life-saving medicine fuels my deep commitment to the healthcare industry. It's what drives me every day and has kept me passionate about this field for decades.

"Since joining Siegfried in 2021, I've had the privilege of witnessing the dynamic spirit, exceptional talent, and strong global network that make this company a standout in the CDMO industry."

Since joining Siegfried in 2021, I've had the privilege of witnessing the dynamic spirit, exceptional talent, and strong global network that make this company a standout in the CDMO industry. Leading Siegfried into its next chapter of growth is an exciting opportunity and I look forward to working together with my team to shape Siegfried's successful future.

What makes Siegfried a sustainability leader in the CDMO industry?

Siegfried stands out as a sustainability leader in the CDMO industry by embedding sustainability into its core values and operations. In 2024, we advanced initiatives to reduce water and energy use, enhance safety, and submitted greenhouse gas (GHG) reduction targets to the Science Based Targets initiative.

We uphold the principles of the UN Global Compact, as a member company since 2022, and are consistently recognized with top-tier ESG ratings. This includes our inclusion in the Dow Jones Best-In-Class Europe Index (formerly Dow Jones Sustainability Index Europe) for four years, and GOLD or SILVER EcoVadis ratings at all sites. These achievements reflect our unwavering commitment to sustainability leadership.

Where do you see further opportunities for growth in the CDMO market?

We see significant growth opportunities across all segments we operate in, particularly in the small molecules segment and through the accelerating outsourcing trend.

Small molecules still dominate the development pipeline, comprising 55% of phase 3 candidates and the largest share of FDA approvals. Combined with their strong role in the USD 150 billion CDMO market – growing 7–8% annually and nearly 50% driven by small molecules – this presents a scalable opportunity for Siegfried to expand its market share.

Additionally, with 80% of new drug candidates coming from small- and medium-sized pharma, many of which lack manufacturing capabilities, demand for high-quality CDMOs like Siegfried continues to grow.

With our strategy EVOLVE^{+}, which is geared towards capitalizing on these opportunities, we are set to outpace market growth across all our segments.

Sustainability

Our Sustainability Journey

Sustainability is one of Siegfried's corporate values. How is this reflected in day-to-day operations?

At Siegfried, sustainability is deeply embedded in our daily operations through a clear strategy, robust governance framework and measurable targets. Central to this effort is our Corporate Sustainability Board (CSB), established in 2021, which is responsible for overseeing ESG issues and implementing our sustainability strategy. This cross-functional team reports semi-annually to both the Executive Committee on operational ESG issues and the Board of Directors on strategic matters.

Siegfried's sustainability strategy, which shapes our daily actions and decisions, is guided by three key pillars: environmental sustainability, customer collaboration, and fostering integrity, culture, and people. We strive to improve operational efficiency and reduce our ecological footprint through continuous efforts to optimize energy use and minimize waste. In collaboration with our customers, we develop innovative, sustainable products and solutions that align with shared goals for a greener future. Internally, we prioritize building a values-driven workforce, fostering a culture of integrity, and creating a collaborative environment that empowers our team to thrive.

Sustainability is also integrated into our remuneration policy, with ESG-related targets embedded in our short-term incentive plan. These targets encompass environmental goals like recycling and waste management, social objectives such as health and safety initiatives and employee training, and governance priorities including supply chain integrity and ESRS reporting. ESG performance accounts for up to 15% of the incentive weighting, demonstrating its importance in driving our corporate objectives.

By combining structured governance, a strategic sustainability framework, and measurable targets, Siegfried ensures sustainability is not just a corporate value, but a guiding principle in our everyday actions.

What were the key achievements related to sustainability at Siegfried in 2024?

A significant milestone in 2024 was the submission of Siegfried's greenhouse gas (GHG) reduction targets to the Science Based Targets initiative (SBTi). By 2033, Siegfried aims to reduce Scope 1 and 2 emissions by 66.89% (from 2020 levels), decrease key Scope 3 emissions by 32.5% (from 2022 levels), and ensure that 85% of its suppliers adopt science-based targets by 2029. Looking ahead, the company is committed to achieving net-zero emissions across its value chain by 2050, targeting a 90% reduction in Scope 1, 2, and key Scope 3 emissions (from 2022 levels). These ambitious targets are currently under review by SBTi, with validation expected in early 2025.

Complementing this commitment, Siegfried launched several initiatives to drive decarbonization. This included developing a comprehensive site decarbonization roadmap, collaborating with customers to decarbonize the production of its most impactful product, and offering product carbon footprint calculations as a service. We also partnered with customers for detailed ecological footprint analyses and engaged equipment suppliers to improve data collection. Specific site-level measures, such as installing over 6,800m² of solar panels at the Barberà del Vallès site, are actively reducing energy consumption and GHG emissions.

These efforts were recognized with Siegfried maintaining all its sustainability distinctions, including being named a member of the

Luca Dalla Torre
Chief Legal and Sustainability Officer

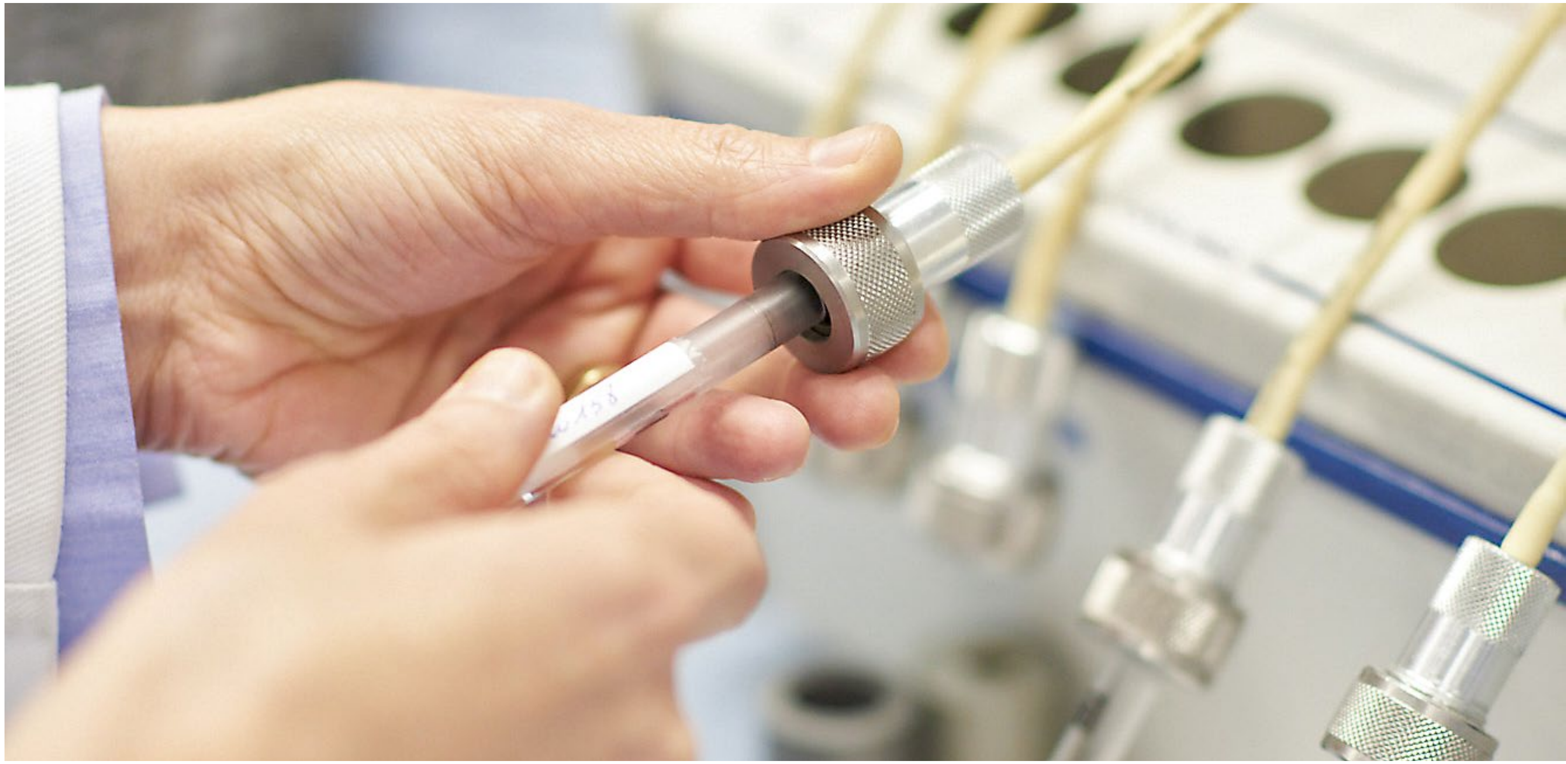
Dow Jones Best-In-Class Europe Index (formerly Dow Jones Sustainability Index Europe) for the fourth consecutive year and receiving a low-risk rating from Sustainalytics and Morningstar.

How will Siegfried continue this momentum in 2025?

In 2025, we are committed to advancing our decarbonization roadmap across both our drug substances (DS) and drug products (DP) sites. This includes exploring innovative technologies, such as high-temperature heat pumps, green hydrogen, and biogas solutions. We aim to further expand the use of renewable electricity to cover all remaining sites and work to reduce the carbon footprint of supplied steam.

Collaboration will also play a key role in our efforts. We plan to engage with customers, suppliers, and industry networks to monitor product carbon footprints and prioritize actions within our product and raw material portfolio. These initiatives are integral to achieving meaningful reductions and supporting our broader sustainability goals.

Like all companies subject to the Corporate Sustainability Reporting Directive, we are preparing internally to adopt the European Sustainability Reporting Standards for the 2025 reporting period.



Our Distinctions

S&P Dow Jones Indices

Member of
Dow Jones Best-In-Class Europe Index

Morgan Stanley Capital International ESG Rating

MSCI ESG RATINGS AA

Carbon Disclosure Project

CDP DRIVING SUSTAINABLE ECONOMIES

EcoVadis Rating

GOLD | Top 5% ecovadis Sustainability Rating SEP 2024

Science-Based Target Initiative

SCIENCE BASED TARGETS

Sustainalytics/Morningstar

MORNINGSTAR

Sustainability Highlights

–8.1%

Energy Consumption (vs. 2021)

Total energy consumption was reduced by 166 terajoules (TJ) compared to 2021.

–45.7%

Carbon Emissions since 2020 (absolute, Scope 1&2)

Total carbon emissions have been reduced by 60.1 kT CO_2eq compared to 2020.

–32%

Total Lost Time Accidents (LTIFR)

The number of lost working days was reduced by 60% compared to last year.

87%

Renewable Energy

538 Terajoules (TJ) electricity consumption came from renewable energy sources.

Sustainability Across our Network

Malta: Cutting CO_2 with Heat Recovery Upgrade

Siegfried Malta replaced all three of its chillers and introduced a new heat recovery system to replace the liquified petroleum gas (LPG) hot water boiler. This upgrade reduced CO_2 emissions by 425 tons annually, improved global warming potential from 1430 to just 7, and achieved savings of €140 000 per year on LPG usage.

Evionnaz: Introducing Exoskeleton Technology to Reduce Workplace Injury

Workplace risk assessments were conducted at the Evionnaz site and identified opportunities to improve ergonomics in finishing, warehouse, production, and sampling areas. After testing exoskeletons and involving employees in the selection process, over 100 team members were equipped with ergonomic support. This CHF 100 000 investment enhances comfort, reduces fatigue, and prevents injuries, creating a safer work environment.

Barberà del Vallès: Combatting Drought Conditions with On-site Water Well

At Siegfried Barberà del Vallès, a feasibility study explored the use of an on-site water well, which could help address drought conditions in the Barcelona area. The well will provide approximately 25 000 – 30 000 m³ of water per year, covering nearly 30% of the site's total annual water consumption. The completed study has already received permits from local authorities and implementation will start in 2025.

Minden: Utilizing Sustainable Steam

Siegfried Minden entered a five-year contract with KAVG, the waste incineration company serving the Minden district. KAVG supplies steam generated from its operations, meeting approximately 75% of our site's total steam demand. This partnership highlights our commitment to sustainable and efficient resource utilization.

Nantong: Reducing Pollution and Waste

Siegfried Nantong has made significant strides in reducing waste and pollution through innovative initiatives. By the end of December, the site incinerated 422 tons of waste solvent, generating 3338 tons of steam in the process, and successfully recycled 574 tons of solvents. Additionally, through wastewater recirculation reusing purified water production wastewater for scrubbers and repurposing steam condensate to feed boilers, the site reduced municipal water consumption and wastewater discharge by an impressive 42 800 tons. These efforts underscore Siegfried's commitment to environmental sustainability and operational efficiency.

Cautionary Statement regarding Forward-Looking Statements

This Annual Report contains certain forward-looking statements identified by words such as "believes", "expects", "anticipates", "projects", "intends", "should", "seeks", "estimates", "future" or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward looking statements contained in this Annual Report, among others: (1) pricing and product initiatives of competitors; (2) legislative and regulatory developments and economic conditions; (3) delay or inability in obtaining regulatory approvals or bringing products to market; (4) fluctuations in currency exchange rates and general financial market conditions; (5) uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of clinical trials or research projects, unexpected side-effects of pipeline or marketed products; (6) increased government pricing pressures; (7) interruptions in production; (8) loss of or inability to obtain adequate protection for intellectual property rights; (9) litigation; (10) loss of key executives or other employees; and (11) adverse publicity and news coverage. The statement regarding earnings per share growth is not a profit forecast and should not be interpreted to mean that Siegfried's earnings or earnings per share for 2025 or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Siegfried.

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