



Annual Report 2021

Executive Summary



Excellence
beyond
Manufacturing



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»As a contract developer and manufacturer behind the major international pharmaceutical and healthcare brands, we always produce for the health and well-being of patients and people worldwide. Our mission is to fulfill this task with the highest quality and delivery reliability at competitive prices. We are dedicated to this with our motto ›Excellence beyond Manufacturing.«

Preface



Dear Readers,

I am delighted to share the Aenova 2021 Annual Report with you.

2021 was a challenging year for many industries, including the pharmaceutical industry. Not unlike many of our customers, suppliers and competitors, we experienced a number of waves of pandemic-induced disruptions, which put our operating model to the test. Looking back, we can proudly say that our operations have responded with resilience, and our transformation program has stayed on track, even if the financial outcome was marginally below the previous year.

Pandemic-related decline in demand

The lack of demand for some of the therapeutic areas, to which the Aenova Group is historically most exposed, such as post-surgery related pain medications or anti-infectives, but also more generally generic and originator drugs, such as traditional cough and cold medication, was very tangible across the board compared to previous year. Additionally, the stockpiling effect on the part of some of our customers in 2020 paired with prolonged lockdown-induced demand softness exacerbated the situation. However, due to the exposure to so many different end markets, various therapeutic areas and the focus on both human and veterinary health, as well as the vast range from high potent prescription drugs to food supplements, the natural hedge in the business served us well. Thus other segments, such as vitamin supplements and in particular veterinary products rose significantly above prior year.

Strategic investments executed

2021 has excited me personally, as our strategic investment plan, such as to transform Aenova into a diversified CDMO of novel technologies and new modalities has progressed very well. In the Business Unit Solids, we are following a meticulous strategy of building new growth platforms in every site. Our new high-speed, high-volume solids production area in Tittmoning was brought

online, construction for our new high potent cytotoxic site expansion in Regensburg has started, the first hot melt extrusion product has been won in Sisseln. In Business Unit Semi-solids & Liquids, we have upgraded all three sterile sites to bio safety level 2, and Latina now boasts a fantastic RTU (ready-to-use) offering for PFS (pre-filled syringes), cartridges and vials to fill and finish future biologics demand. Gronau has launched its first commercial lyophilized product. And in Business Unit Softgel Capsules, the seminal site extensions to include full service packaging are progressing as planned.

New project wins at a record level

As a result of our continued strong performance in on time delivery, and our willingness to expand our technology offering, we have seen record demand for our services in 2021. We were able to close new project deals worth EUR 125 m at a record level, an increase of 14.7% compared to prior year.

Expansion of excellence initiatives – building of a value-based culture

2021 was also a year in which we have continued to lay the framework for a stronger organization, one that attracts and retains talents, and encourages employee engagement at every level. We stand for “Excellence beyond Manufacturing”, and the definition of five core Aenova values (more on this later in the report), describes who we are and how we act.

Before I let you dive into the details of the report, I want to thank all of our customers, for the continued trust they put in us. Above all, I am humbled by the dedication and grateful for the commitment that the broader team of c. 4,200 Aenova colleagues have exhibited over the last 12 months despite the ongoing pandemic.

Thank you to all of you.

Jan Kengelbach
CEO Aenova Group



Dear Readers,

Aenova has achieved key strategic objectives in 2021, even though not every financial target was fully met in 2021. The demand continued to soften well into the first half of 2021, but management's efforts succeeded in mitigating the impact, such that ultimately the financial result was only marginally different from the previous year.

More importantly, however, is the path on which Aenova is moving forward. Delivery performance, quality and new business won all remained at record high levels, such that customers and ultimately patients continue and will continue to benefit from Aenova's strong operational performance. The management team keeps up their focus on expanding the technology offering across all its business units. The majority shareholder, BC Partners, continues to support the company's capital investment programm with a spend of EUR 54 m in 2020. New growth platforms are being built in almost all of the 15 sites, most often with customer demand locked in or customer co-financing, to create a competitive value proposition.

Equally, the company continues to invest an enormous amount of time and effort on designing its culture, moving from a traditional capacity focused CDMO to an innovation and technology driven CDMO. The basis for this

transformation is a focus on personnel development and a value-based culture, such as to mobilize and engage every contributor within the Aenova Group. “Stronger as a group” and “Everyone matters” are those inward focused values that the team is bringing to life, to satisfy its number one value: “Customers and patients first”.

Despite challenging macroeconomic trends, the Aenova Group continues to be well positioned for the future. Its majority shareholder is extremely supportive, its financing well secured, its customer and product base solid and diversified, its pipeline stronger than ever, and the establishment of new growth platforms very encouraging.

As in previous year, the biggest thank you goes to the over 4,200 colleagues who make it happen at the manufacturing line, the lab, the maintenance workshop or any other area that supports the manufacturing and development of pharmaceutical or nutraceutical products for our over 450 customers. Thank you to you all. And to you, dear Reader, enjoy the report.

Dr. Ewald Walgenbach
Chairman of the Supervisory Board

The Year in Brief

Excellence beyond Manufacturing

In 2021, we continued to execute our strategy of “Excellence beyond Manufacturing”, a comprehensive performance improvement approach along the dimensions of operational excellence, commercial excellence and organizational excellence to achieve highest customer satisfaction and best possible outcome for patients.

We also made very meaningful progress on our “differentiation through innovative technology” strategy on our way to position Aenova as a global leading small molecules and large molecules/biologics CDMO with steadily growing success. Our strategy rests on our first and key focused value: “Customers and patients first”.

Operational Excellence

We achieved a reliable and continuous performance in terms of crucial customer success factors in every plant (lead time, OTD/OTIF, no recalls/overdue CAPA) in 2021.

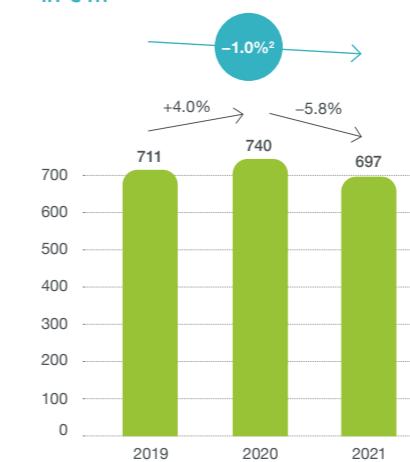
Commercial Excellence

We professionalized our sales team and realized a meaningful progress on commercial excellence roadmap such that we could generate project wins at record high at EUR 125 m vs EUR 109 m the year before.

Organizational Excellence

We empowered our organization to become an employer of choice with our new values and a robust people development and performance management processes. Among others, this resulted in a prestigious recognized employer award in 2021.

Sales development in € m¹



Peak sales wins & win rate in € m, %



In 2021, we achieved the following key milestones

- Despite a decline of revenue of –5.8%¹, our EBITDA margin¹ still increased from 15.1% to 15.3%, achieving the highest EBITDA margin in the Group’s history.
- Expansion and productivity investments were completed in a large number of sites:

- + Expansion of production capacity for **solid dosage forms** at the **Tittmoning** site to up to 10 billion tablets per year. The new production building with an investment sum of EUR 35 m covering more than 3,100 square meters has been completed, the cleanroom interior has been finished and the production equipment has been brought in. The new building was commissioned in the fall of 2021.
- + Massive expansion of capacities for **solids production in the area of high potent, cytotoxic products** (up to OEB 5) at the Regensburg site with an investment of EUR 10 m. The building preparations started in 2021, the foundation stone for the new building will be laid in the first quarter of 2022, and GMP-compliant production is planned for 2023.
- + New **sterile fill and finish plant for vials, PFS and cartridges also for biologics** at the Latina site in Italy with an investment of almost EUR 20 m. The first customer project is won.
- + Expansion of capacities for the **sterile production of up to 100 million ampoules and vials** per year at the Gronau site. The investment was EUR 5.5 m.
- + Capacity expansion in the **production of high potent bulk for softgel capsules** and expansion of packaging capacities at the Kirchberg site in Switzerland with an investment of EUR 8 m.
- + Capacity expansion at the Bad Aibling site with a new blister packaging line for 40 m additional blister packaging with an investment of EUR 2.5 m.

€107 m

Adj. EBITDA¹

€125 m

New peak sales wins

89%

OTD*

62%

Reduction CAPA overdue

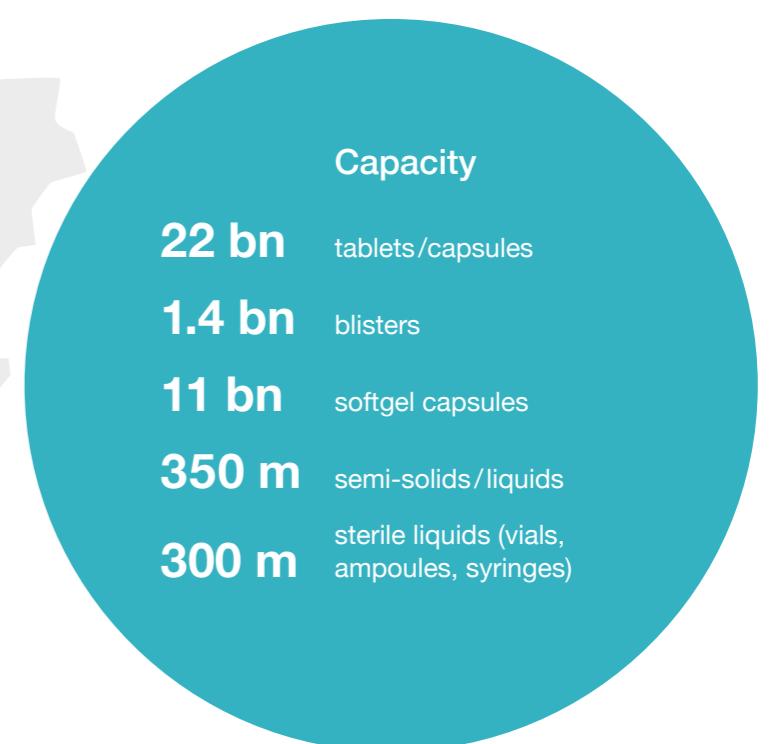
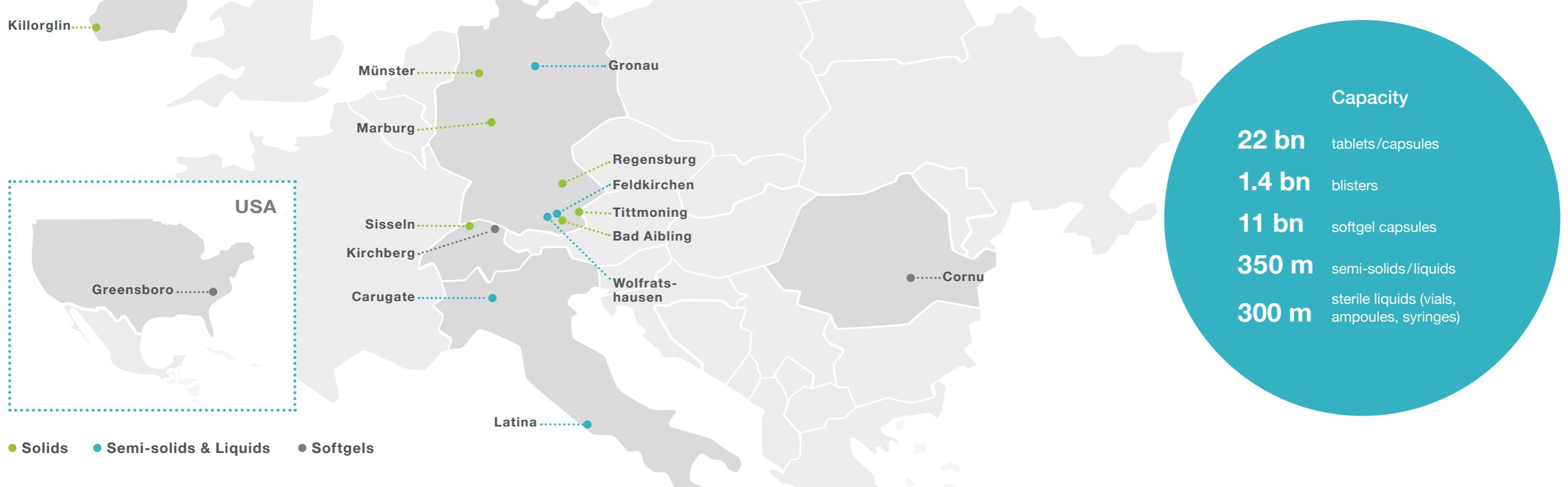
¹ Pro-forma, excl. Berlin

* On-time delivery, annual average

¹ Pro-forma, excl. Berlin

² The number in the top arrow represents CAGR 2019 – 2021. The numbers in the bottom arrows represent year-on-year change 2019 to 2020, and 2020 to 2021, respectively.

Company



Aenova at a glance

The Aenova Group is a leading global contract manufacturer and development services provider for the pharmaceutical and healthcare industry. Our services include end-to-end manufacturing and development of all dosage forms and potency levels (ranging from nutraceuticals to high-potency) out of 15 sites in Europe and the US.

With our comprehensive know-how, many years of experience, well-trained staff of c. 4,200 employees, innovative technologies and highest quality standards we are a reliable, long-term partner to pharmaceutical and consumer health care customers around the world, both in the human and veterinary healthcare market.

Aenova is the #1 CDMO in Europe for solid dosage forms, #2 globally for softgel capsules, #1 in Europe in semi-solid dosage forms and #2 globally in veterinary products in addition to a leading position in sterile manufacturing.

Aenova services over 450 customers including 12 of the top 20 human health pharmaceutical companies and almost all of the top 20 animal health companies. Aenova enjoys a strong and loyal customer base, with the average customer relationship tenure among the top 20 customers of c. 25 years.

Aenova was created 2008, as a merger of pharmaceutical companies Dragenopharm and Swiss Caps, forming the nucleus of the Group. In 2012, the Temmler Group was acquired, and at the beginning of 2014 Haupt Pharma Group was added. Since 2012, Aenova has been owned by the private equity company BC Partners.



Global reach

15 manufacturing sites worldwide, delivering into 80+ countries

Manufacturing Footprint

14 EU sites,
1 US site,
10 sites Pharma
FDA approved,
2 sites Food FDA

Product Types

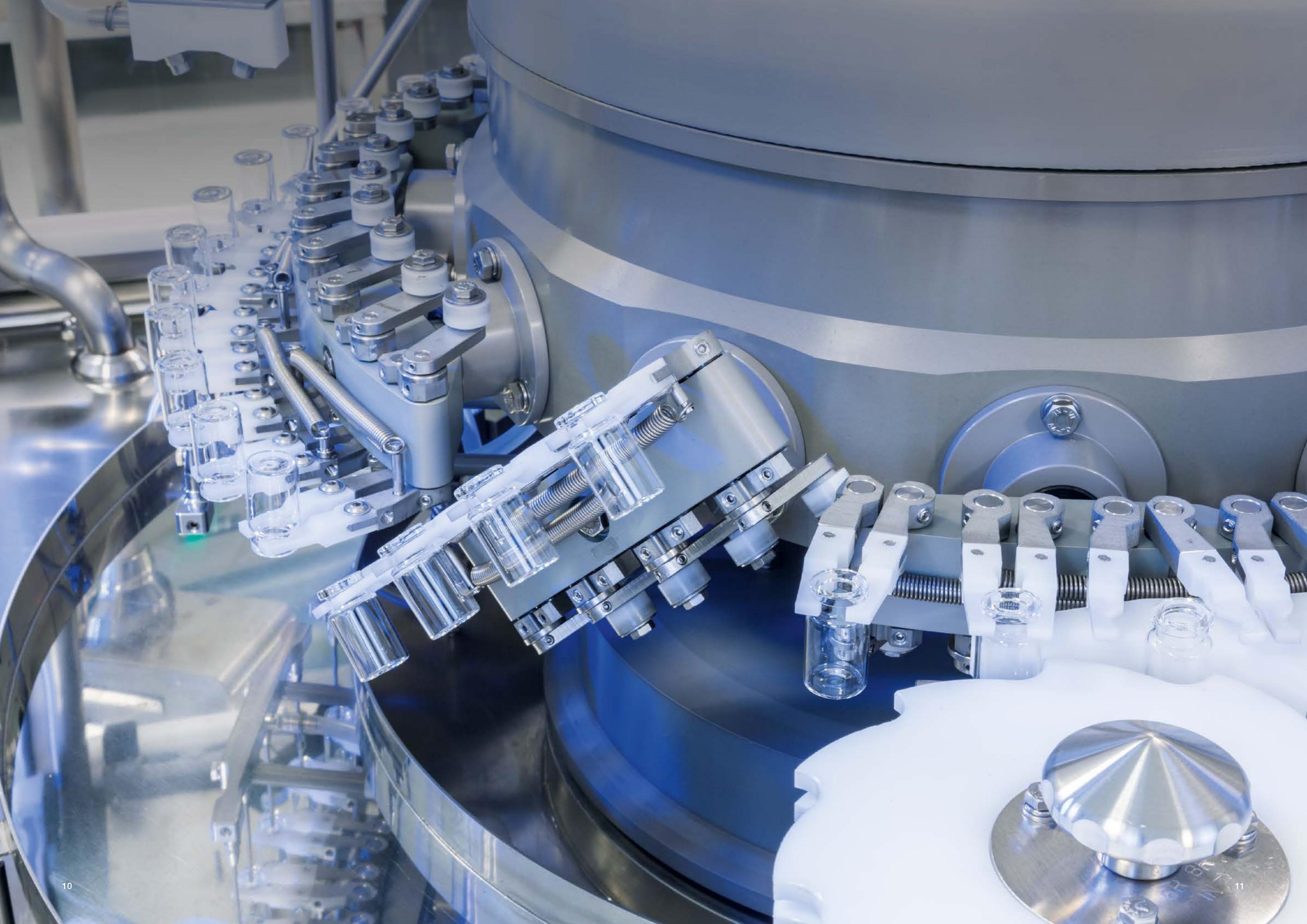
Rx (originator and generics products), OTC, Food supplements, Cosmetics, Animal health

Net Sales 2021

€ 697 m

Employees

~ 4,200



Portfolio & Structure

One-stop CDMO for all customer needs

As a “one-stop shop” Aenova offers end to end CDMO services of all dosage forms and manufacturing technologies from development, clinical trial supply to commercial, small and large volume manufacturing until packaging services. The offering includes small and large molecules.

With its Business Unit (BU) structure, Aenova supports its customers with the added value of all of our 15 manufacturing sites without silos and with value-adding synergy effects.

With a strong Development and Manufacturing Science & Technology team Aenova provides cross-divisional support in the areas of drug product development, analytical development, clinical trial supply management, regulatory support and technical transfer.



BU Solids

All key solid dosage forms and technologies incl. anti-infectives, hormones & high potent APIs. Packaging



BU Semi-solids & Liquids

Sterile & non-sterile technologies incl. oral and topical liquids, creams, ointments, vials, ampoules, lyophilized vials, sterile powder for injections, prefilled-syringes



BU Softgel Capsules

Pharmaceutical (incl. high potent APIs) and OTC products, VegaGels® and neutraceuticals

Reasons why customers are choosing Aenova

1

One-stop Shop

2

Competitive Prices

3

Industry Consolidator

4

Experience and Quality

5

Reliable Partnership

Specialized Centers of Excellence to provide best service experience

Our 15 sites are specialized by dosage form and technology offering to best meet customer needs in terms of innovative technologies, accelerated time to market and most cost efficient manufacturing.

- One-stop shop for the whole life cycle of the product from development, scalable to commercial production
- End-to-end services related to the manufacture of the product from active ingredient to packaging, labeling and serialization
- “We pack where we produce” as part of our one-stop shop strategy
- “Plant in plant” offering to support an agile time to market approach for our customers
- Center of Excellence strategy for every Aenova site, with innovative novel technologies out of every site

Net sales split per Business Unit



Net sales split per dosage form & Animal Health



Differentiated technologies for innovative products

We are expanding into new technologies and innovative solutions. In this way, we are meeting the increased demand for special products, such as sterile fill & finish, high potent active ingredients, orphan drugs, enhancement of bioavailability and special applications:

- Fill & finish of vaccines & biologics
- Oral disintegrating tablets
- Sustained release tablets & capsules
- Tablets with different release profiles/ encapsulated mini-tablets (EMT)
- Multi-unit pellet system (MUPS)
- Bulk lyophilization for high potent APIs
- Chewable VegaGels® and Pharma VegaGels®
- Micro softgel capsules
- Dry powder inhaler platform (DPI)/ low dose/ micro-dosed capsule filling
- Hot melt extrusion
- Special oncology treatments like “Nibs” and “mAbs”

Aenova Corporate Functions and Site Heads



Business Unit Solids



Premier provider of all conventional and specialty dosage forms from development to commercial production

Aenova's largest Business Unit is the BU Solids with EUR 409 m annual sales, over 1,900 FTE, 7 manufacturing sites, 3 development centers of excellence, a capacity of over 22 bn tablets and hard capsules, – covering all key solid dosage forms and technologies including anti-infectives, hormones and high potent APIs.

Aenova is the ideal partner for development and production of virtually all types of solid dosage forms and APIs up to OEB 5:

- Novel/innovative NMEs (new molecular entities) as well as mature solid dose drug products in bulk production as well as packaging
- 'Customer's manufacturing plant at Aenova' offering the benefit of our modern, globally certified plants

By applying excellent operations processes through modularization and standardization our customers benefit from:

- Short lead times
- Cost effective production
- Impeccable quality
- Full transparency

Full-service manufacturing and supply-chain services are integrated with development, technical transfer and analytical services.

Net split per product type



- Tablets 72%
- Hardgel Capsules 14%
- Effervescent Tablets 8%
- Pellets 1%
- Other 4%

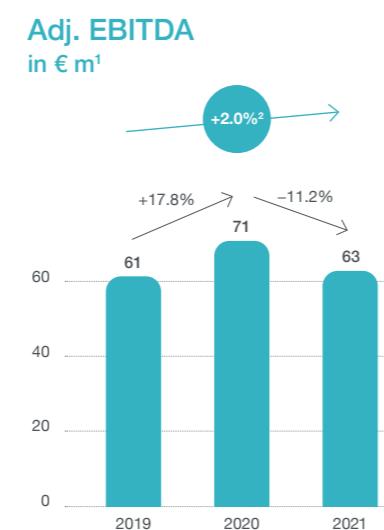
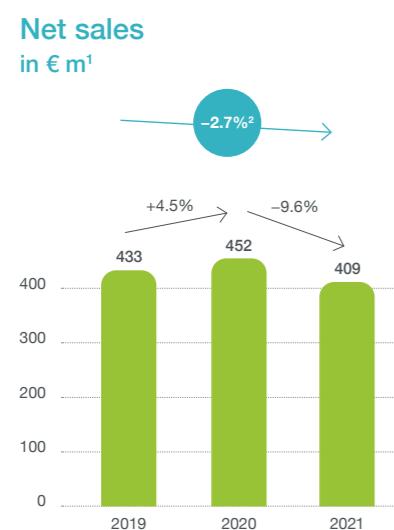
New peak sales wins 2021

€48 m

OTD*

89%

* Annual average



Key Events 2021

Due to the stock-building of many products by customers in the first Covid year 2020, production requirements decreased in 2021. Revenue of BU Solids declined by 9.6% from EUR 452 m to EUR 409 m, while EBITDA reduced from EUR 71 m to EUR 63 m or 11.2%, to some extent due to the transfer of packaging services previously in BU Solids to Cornu, BU Softgel Capsules.

On-time delivery performance stayed on the high level of 89% across the BU as annual average. New business wins achieved high levels of EUR 48 m in 2021, up from EUR 41 m in 2020.

Our key strategic projects continued to progress according to plan. Above all, we have started operations with the EUR 35 m, 3.5 bn tablet capacity expansion in our high volume plant in Tittmoning.

Likewise, we started the realization of the EUR 10 m expansion into a new cytotoxic extension in Regensburg, which will be constructed throughout 2022 and 2023.

We finalized our dry powder inhaler platform in Münster.

Within our "Fit4Future"-project in Bad Aibling we installed a new blister line and increased efficiency.

In Sisseln we implemented a new development pilot plant which will go live in 2022 and installed new sustainability measures. Sisseln is now a carbon free site. We have also introduced vendor managed inventory models in our Sisseln site to improve the competitive advantage of our customers in global markets.

¹ Numbers are rounded; BU financials are not consolidated (i.e. include intercompany sales). Adj. EBITDA: EBITDA before non-recurring items. Sales excl. services.

² The number in the top arrow represents CAGR 2019 – 2021. The numbers in the bottom arrows represent year-on-year change 2019 to 2020, and 2020 to 2021, respectively.

Business Unit Semi-solids & Liquids



#1 in Europe for semi-solids with market leading capabilities in sterile and non-sterile liquids

The Business Unit Semi-solids & Liquids with EUR 234 m annual sales and over 1,600 FTE comprises 5 manufacturing sites and 2 development centers. The portfolio encompasses sterile dosage forms (liquid vials, ampoules, pre-filled syringes, lyophilized vials and aseptic filling of powders, including fill & finish of biologics and of oncology products) as well as non-sterile liquids (oral, nasal, topical) and semi-solids (cream and ointments in tubes, jars and sachets, suppositories).

Semi-solids & non-sterile liquids

Aenova has extensive expertise and state-of-the-art -development laboratories and production facilities to develop and commercially manufacture semi-solid products and non-sterile liquids.

From topical formulation, oral liquid, vaginal or rectal dosage forms, Aenova can offer a broad range of solutions that will meet the needs of our customer's pharmaceutical product, medical device or cosmetic product.

Sterile technologies

Aenova is striving to be a premier solution partner for sterile dosage forms expanding into biologics fill & finish and vaccines with 3 FDA approved facilities offering high quality injectables for human health and animal health products.

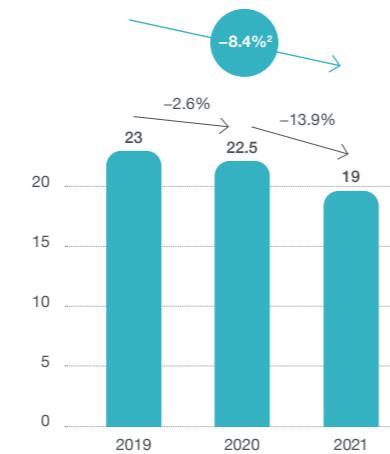
Our sterile services include specialized capabilities for:

- Beta-lactam antibiotics (penicillins, cephalosporins)
- Intra-mammary syringes for animal health products
- Cytotoxics
- Fill & finish of biologics into vials and pre-filled syringes

Net sales
in € m¹



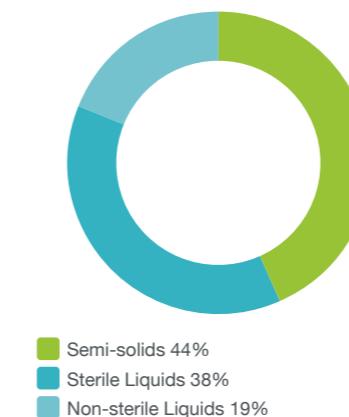
Adj. EBITDA
in € m¹



¹ Numbers are rounded; BU financials are not consolidated (i.e. include intercompany sales). Adj. EBITDA: EBITDA before non-recurring items. Sales excl. services.

² The number in the top arrow represents CAGR 2019 – 2021. The numbers in the bottom arrows represent year-on-year change 2019 to 2020, and 2020 to 2021, respectively.

Net split per product type



New peak sales wins 2021

€48 m

OTD*

85%

* Annual average

Key Events 2021

For the BU Semi-solids & Liquids, 2021 was not without challenges, especially in view of the pandemic-related circumstances.

This is mostly due to lower demand for the OTC, medical device and cosmetic segments of the non-sterile dosage forms which are predominantly non-essential products as well as for the commoditized part of the injectable business (ampoules). Furthermore, our quality upgrade project in Wolfratshausen led to some disruptions.

Revenue decreased by 7.5% from EUR 253 m to EUR 234 m, EBITDA declined by 13.9 % from EUR 22 m to EUR 19 m. On-time delivery performance stayed on the high level of 85% across the BU as annual average. We achieved new peak sales wins worth EUR 48 m.

At our Latina site we significantly expanded our sterile fill and finish (F&F) capacity with the new state-of-the-art aseptic production area which features a completely new, flexible high-speed line for vials and pre-filled syringes (PFS) as well as a brand new compounding area. The area created for the filling of biologics such as BSL1 and BSL2 vaccines was an investment of EUR 16 m. The first project for pre-filled syringes product development was won. The new area provides capacity for more than 80 million vials and over 180 million pre-filled syringes, targeting vaccines and biologics. Further capacity expansions to a total of up to four high-speed filling lines are also being planned.

In addition, the expansion of our sterile Penicilline capacity and the implementation of new coating capabilities for Penicilline solids started.

At our Gronau site we increased our capacity for sterile production to 100 million ampoules and vials including new, fully automatic optical inspection with an investment of EUR 5.5 m. We completed also the validation for the first lyophilized products in the company and we reached the BSL2 certification for development and production of biologics according to the Biological Substances Ordinance (german law, GenTG§7).

At our Gronau and Wolfratshausen sites we started working on Annex 1 readiness, which will be completed by end 2024.

At our Wolfratshausen site we renewed and expanded the non-sterile liquid bulk production and qualified all our cytotoxic sterile product portfolio on a new isolator line. The pipeline of sterile injectables has also strongly increased at the sites (both for non-cytotoxic and cytotoxic vials).

At our Carugate site we have started the installation of a new high speed non-sterile liquid line, which will be completed in summer 2022, and developed a record pipeline of Tech Transfers.

Business Unit Softgel Capsules



#2 globally for soft gels with a focus on “high-end” pharma and “one-stop shop” softgel capsules

The Business Unit Softgel Capsules with EUR 100 m annual sales, over 550 FTS, 2 soft capsule sites and around 11 bn installed capacity drives a dual strategy with a Romanian site for nutraceuticals & OTC and a Swiss site for pharmaceutical products. According to our “one-stop shop” strategy the BU Softgel Capsules offers all technologies around soft gel capsules incl. VegaGels, blister and bottle packaging, serialization, laser & ink printing, film coating and analytic services.

With development and manufacturing capacities including high potent active pharmaceutical drugs at our Center of Excellence in Kirchberg/Switzerland and OTC and consumer healthcare products at our manufacturing site in Cornu/Romania, Aenova offers a complete service for softgel capsules in any formulation and any capsule design, color and size, also in vegan form.

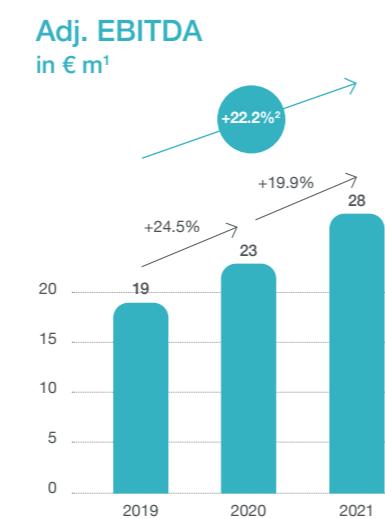
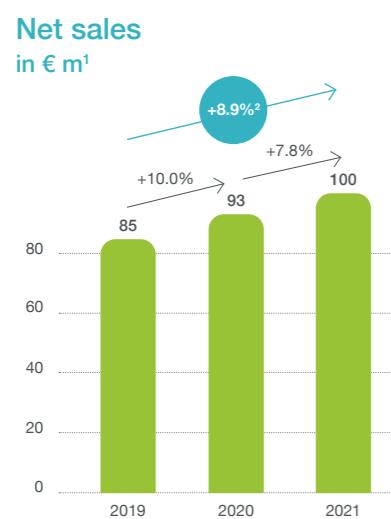
Another part of our Business Unit Softgel Capsules is our Greensboro/USA site. As a strategic distribution hub for our European customers, we are serving the US and Canadian market and customers out of this site with bulk and bottle and blister packed products. There we have over 15 years of expertise in packaging fulfilling the US-FDA requirements not only for soft gel products.

The new Aenova chewable Vegagels®

In 2021 we launched our new chewable vegan softgel capsules. The chewable softgel capsules, available in various flavors and colors, are based on the vegan Aenova VegaGels® and are filled with omega-3 DHA fatty acids from microalgae. They are easy to take, e.g. for children or persons who have difficulty swallowing, and fulfill the needs of consumers who follow a vegetarian or vegan diet or prefer products without animal testing. The market introduction of the pure vegetable omega-3 softgel capsule, is a joint project with partners.

The new Aenova pharma Vegagels®

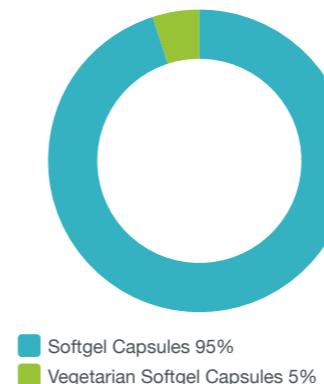
The raw material for the shell of the Aenova VegaGels® Pharma is a GMP approved supply. This is the basis for manufacturing pharmaceutical product. All VegaGels® Pharma raw materials are from vegetarian resources. The high temperature resistance of the VegaGels® makes it possible to fill the capsule with a 70 °C warm medicine, which opens new applications for the pharmaceutical form of softgel capsules.



¹ Numbers are rounded; BU financials are not consolidated (i.e. include intercompany sales). Adj. EBITDA: EBITDA before non-recurring items. Sales excl. services.

² The number in the top arrow represents CAGR 2019 – 2021. The numbers in the bottom arrows represent year-on-year change 2019 to 2020, and 2020 to 2021, respectively.

Net split per product type



New peak sales wins 2021

€29 m

OTD*

95%

* Annual average

Key Events 2021

For the BU Softgel Capsules, 2021 was another strong and operationally transformational year.

Revenue increased by 7.8% from EUR 93 m to EUR 100 m, while EBITDA expanded from EUR 23 m to EUR 28 m or 19.9%.

On-time delivery performance stayed at high levels of 95% across the BU as annual average. New business wins achieved high levels at EUR 29 m.

According to our strategic one-stop shop offer we managed to establish full-service packaging operations in our previously bulk-only site in Romania. In Cornu, we started up a new jar filling line that can fill up to 14 million plastic jar or glass bottles per year. We are packing around 12% of the produced soft gel capsules directly by us at the moment. This gives to our customers a much shorter lead time.

In addition, the site successfully expanded the new vegetarian softgel technology to capture the growing demand for non-gelatine-based capsules. Also we produced chewable VegaGels® with algae-based omega-3.

In our high potent site in Kirchberg, we continued to expand our high potent offering, attracting further demand on the back of reorganizing our development service operations. Additionally we developed new probiotic softgel capsules for the health of the gut flora with formulations based on a dedicated shell combined with suitable fill mass enhancers. The new capsules are easy to swallow, the capsule content can be adapted to special needs and further ingredients. Taste, color, and size are customizable.

At our site in Greensboro, we implemented pharmaceutical packaging and serialization especially for the US market demand.

“ Pohl Boskamp

We are looking back at over 20 years of intense and fruitful collaboration with Swiss Caps AG, Member of the Aenova Group. “

“ Douglas

We have always considered Swiss Caps AG, Member of the Aenova Group, as a partner more than a supplier. ”

Development & Technology Transfer



Full service for development and technology transfers across the entire product life cycle

Aenova is looking back on a long history of development of pharmaceuticals, going back to the time as early as the late 19th century. We are proud to use our experience and excellent network of scientists, as well as constant delivery of innovative solutions as a basis of our work – for our clients, and ultimately for a better life of patients in need.

Our offer for pharmaceutical development spans the whole product life cycle, covering:

- Formulation and process development (pre-clinical to launch)
- Analytical development and validation
- ICH stability studies
- Regulatory support for submission and post-authorization changes
- Clinical trial management and preparation of clinical trial supply
- Design of primary and secondary packaging configurations

We know that quality, speed to market and on-time delivery are key to success of our clients. Our systematic processes for development and technology transfer projects ensure that we reliably deliver impeccable quality, on time.

We offer our service from

7 Development Centers of Excellence
covering all dosage forms

15 locations with Technology Services on site
for seamless tech transfer and product life-cycle management

Key Figures 2021

- > 200 Technology Transfers
- > 100 Development Projects
- > 110 Product Lifecycle Management Projects
- > 170 Development & Tech Transfer FTEs

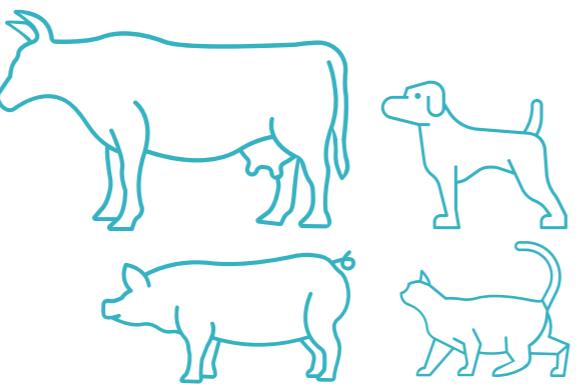
Our Centers of Excellence cover all conventional applications and are specialized for development of

- High potent solids and sterile liquids (incl. hormones & hormone-like APIs, cytotoxics & cytostatics)
- Inhalation products
- Complex solids
- Sterile injectables (small molecules and biologics)
- Beta-lactam antibiotics
- Designed release
- Improved bioavailability and other

The integration and close alignment of Development & TechTransfer Services with our commercial network allows us to provide a “one-stop shop” experience and a seamless transition of projects from development to commercial scale. With this we offer highest standards in project timelines, risk control and resource efficiency.

Animal Health

Farm and companion animals



#1 global CDMO for animal health

Aenova is the world's leading CDMO for animal health. With 9 manufacturing sites approved for veterinary products, we offer end to end services from development to packaging for wide variety of pharmaceuticals for companion and farm animals.

In the farm animal sector, our capabilities for antibiotics in pre-filled syringes in addition to a wide variety of dosage forms are unparalleled.

In the area of companion animals, we have unique capabilities for anti-parasitic products and offer dosage forms for the treatment of different acute and chronic diseases: pain, dermatology, infections and others.

Main therapeutic areas we offer:

- Anti-infectives
- Parasiticides
- Hormones
- Food supplements
- Conventional APIs
- Biologics

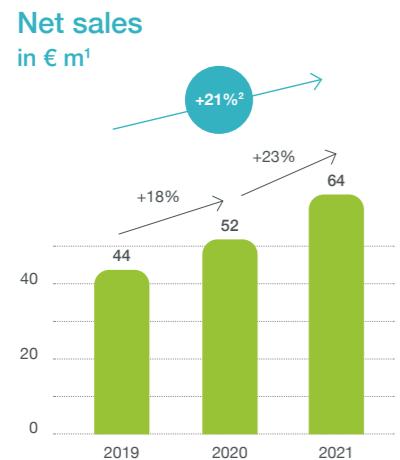
Our sites of course work in compliance with cGMPs, they are EU certified and approved by the US FDA.

Our animal business continued to expand in 2021.

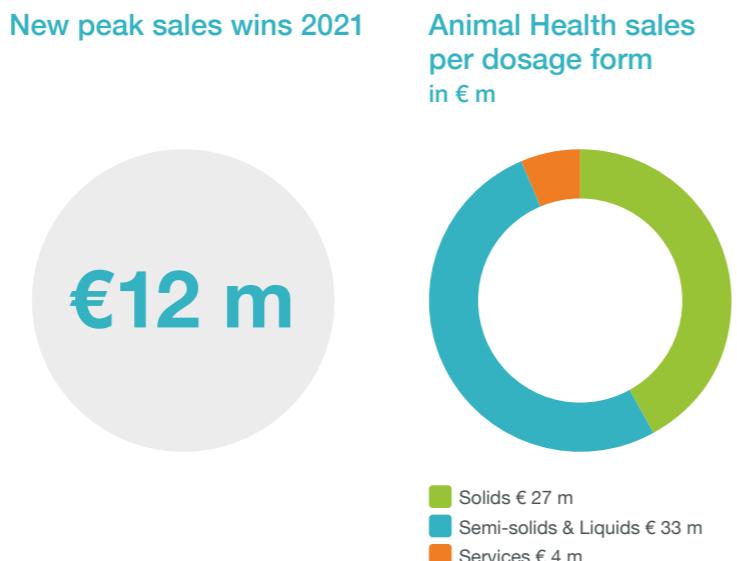
Revenue increased by 23% from EUR 52 m to EUR 64 m. Most importantly, we continued the successful transfer in of our won pipeline, further expanding the offering into chewable tabs as well as anti-infectives.

Key Figures 2021

- CDMO partner of almost all top 20 animal health companies worldwide
- Global market coverage of all main countries (US, EMEA, LATAM, Asia, RoW)
- Manufacturing capabilities for almost all dosage forms for animal health
- 9 manufacturing sites for animal health



New peak sales wins 2021



¹ Numbers are rounded; including AH Service sales; Animal Health sales included in respective BUS.

² The number in the top arrow represents CAGR 2019 – 2021. The numbers in the bottom arrows represent year-on-year change 2019 to 2020, and 2020 to 2021, respectively.



Our Aenova Values

Be a role model. Live our values.



Customers and patients first



Everyone matters



Excellence and reliability



Better every day



Stronger as a group



Corporate Culture

Value based company culture strengthens excellence mindset

As Aenova, a value-driven and compliance-oriented corporate culture is essential to us. Only on this basis can we live up to our claim of “Excellence beyond Manufacturing”.

And while these 5 core Aenova Values signify how we want to behave, we also established a new Code of Conduct, which provides a framework as to how we must behave. Both have been rolled out successfully in the second half of 2021 and thereafter.

With everything we do, we are acutely aware that our manufacturing services ultimately affect the well-being of millions of patients around the world. As the contract development services provider and manufacturer behind many major international pharmaceutical and healthcare brands, we embrace this responsibility and hold ourselves accountable to the highest standards.

Code of Conduct

Each of our employees is expected to follow this set of standard rules in terms of their professional decisions. The Code of Conduct associates the applicable national and international laws and regulations with our understanding of good governance to foster integrity, respect, transparency and honesty. It is our Code of Conduct. It's our guideline for how to behave in dealings with customers, suppliers, other business partners, and especially with employees. It provides us with a directional framework on how to implement and live up to our values during our everyday work.

Aenova Values

The foundation of our corporate culture is captured in our shared Aenova Values.

Our Values define who we are, how we serve our customers and how we at Aenova want to interact and work together according to our claim, “Excellence beyond Manufacturing”.

Customers and patients first

As one of the largest CDMOs in the world we are acutely aware that our products and services are life-saving or -enhancing and need to be delivered on time, with the highest quality and to full customer satisfaction.

Everyone matters

We create a work environment where employee satisfaction, learning and engagement are continuously high and improving. We appreciate the contribution of every team member, develop our colleagues, and share credit.

Excellence and reliability

We think in terms of solutions, not problems and go the extra mile when needed. We take ownership and pride in our products and services, and always deliver the best job we can.

Better every day

We change the status quo and take initiatives to transform who we are. We lead by example and take our colleagues with us on this journey. We recognize that change includes making mistakes and learn from them to continuously improve.

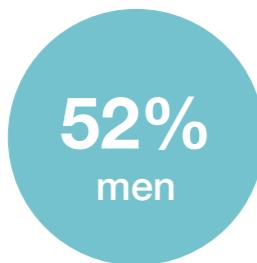
Stronger as a group

We recognize that the team is always stronger than the individual. We encourage teamwork and open communication, and allow good and bad news to be shared.

Human Relations

Our employees are our greatest asset

Aenova employs around 4,200 people from 53 nations who give their best every day to ensure the safe supply of important and sometimes life-saving medicines to patients worldwide.



Excellent know-how, experience and utmost commitment

Our employees are distinguished by many years of experience in their work environment and are highly trained experts in their field. The successful mix of different age groups and professional backgrounds brings together great experience, creative spirit and agility.

More than 200 employees in our Aenova network are scientists or analysts. We provide training to qualify the next generation of professionals. We have also achieved several awards from local chambers of commerce for outstanding formation results.

New competence model links strategy and values

To be successful in the short and medium term, modern companies need not only a strategy and goals derived from it, but also guidelines for implementation, in short the “what and how”.

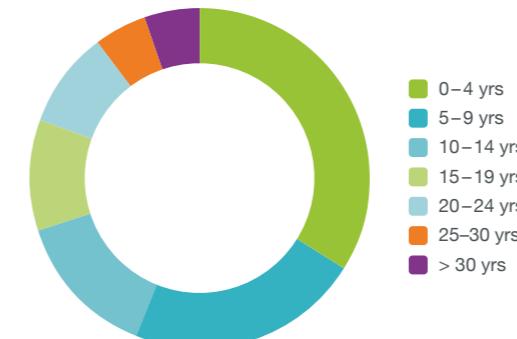
With the values, we at Aenova have now also defined the how: how do we deal with each other, how do we communicate, what do employees focus on in their daily actions, namely our customers and patients?

In order to anchor the “what and how” holistically in the organization, we have developed a competence model. This contains the competencies that are necessary in Aenova to achieve our common goals in the sense of excellence and reliability in the future and thus to ensure long-term entrepreneurial success.

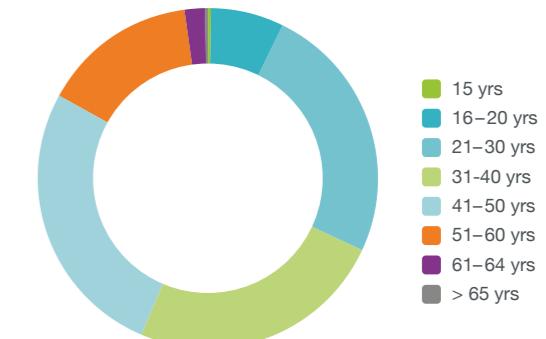
Based on the competence model, we have developed new tools and processes in 2021:

- Feedback & target processes
- Management trainings
- Group-wide onboarding process

Years of service by age group



Age structure



Our main achievements

In 2021, we launched many initiatives for a value-based and development-oriented corporate culture, which will be further rolled out and expanded in the coming years. This will ensure that we can position Aenova as an employer of choice in the competitive market for talent.



Aenova among Germany's best employers

In the study “Germany’s Best Employers”, Aenova receives the rating “Company with very high attractiveness” in the category “Industry”. More than 800,000 citizens in Germany were surveyed about a total of almost 4,000 companies – including Aenova. The study results were published at the end of 2021 in the newspaper WELT, among others. The Aenova Group performed very well in the “Industry” category of this survey and received the “Employer with Very High Attractiveness” award, which is the highest rating granted in the study.

Aenova signed Diversity Charter

The diversity of society is increasingly shaping the world of work. Companies can only be successful today if they recognize, promote and know how to take advantage of this diversity. After all, the different skills and talents of all employees opens up opportunities for innovative and creative solutions.

Aenova has signed the “Diversity Charter”, a voluntary commitment to diversity. Through this self-commitment, the Aenova Group underlines its commitment to an appreciative and inclusive working environment for all employees – regardless of, for example, their age, ethnic origin, nationality, gender identity or religion.



Corporate Social Responsibility

Responsible and sustainable

At Aenova, Corporate Social Responsibility (CSR) is an integral component on our journey to achieve our claim “Excellence beyond Manufacturing”. We are operating on a global scale, and as a global corporate citizen in the healthcare manufacturing industry, we are aware that our operations impact ecosystems, communities and workplaces, marketplaces, and supply chains alike. We therefore strive to operate in a sustainable, compliant, and socially responsible manner. At Aenova, we strive to be a better corporate citizen, a better employer and a better company every day.



Solar panels at our Cornu site

Aenova becomes Participant of UN Global Compact

Aenova supports the principles and goals of United Nations Global Compact, to which more than 19.000 companies worldwide already belong. Since 2021, Aenova is Participant of UN Global Compact.

The CSR program of Aenova is based on our support for the 10 UN Guiding Principles for Human Rights, Labour Standards, Environment and Anti-Corruption.

Aenova's commitment to the UN Global Compact highlights the importance of human rights, labor standards and environmental protection in the company's medium to long-term orientation.



Our commitment consists of:

Health and safety

- We are continually investing in relevant certificates, e.g. ISO 45001.
- We rolled out the identification of hazards and near misses in our quest to continually improve our accident rate.
- We permanently drive initiatives, amongst them behavior-based safety, holistic risk management, root cause analysis and hazards identification.
- We monitor the full compliance status of our sites by means of internal corporate HSES audits.
- Our local and corporate Corona Task Forces put employee safety first and guarantee supply continuity.
- We rolled out and trained key documents (e.g. on the topics of lock out/tag out, workplace risk assessment, occupational health, explosion protection) to further improve the safety level at our sites
- As a positive proof of our actions, we went from an LTIR (Lost Time Injury Rate) of 2 in 2020 to 1,3 in 2021 (81 to 53 lost time injuries).
- Our health and safety record is industry leading.

Workplace

- We do not tolerate any form of discrimination based on gender, race, origin or any other personal characteristics. Therefore, Aenova joined the initiative “Charta der Vielfalt”, a German initiative to advance the recognition, appreciation and inclusion of diversity in the workplace.
- We guarantee equal opportunities to all applicants and employees for their career path within Aenova.
- Diversity is our daily normal: employees from 53 nations are working at Aenova.
- To implement and comply with these principles, we introduced and rolled out the Aenova HR Guiding Principles Policy in 2021.
- In 2021 we were awarded as Employer of Choice in the study “Germany’s Best Employers” of the renowned German newspaper “WELT”.

Environment

- In 2021, we provide comprehensive Greenhouse Gas Emissions Scope 3. Scopes 1 and 2 had already been reported for several years.
- We continuously reduce our industrial emissions, whether it be in the form of solids, liquids or gases.

- 6 Aenova sites are certified in ISO 14001 (environment), 2 in ISO 50001 (energy).
- We use hydropower energy and renewable energy generation with solar panels on sites on our path to “carbon neutrality”.
- 1 Aenova site is already fully carbon free.
- 4 Aenova sites have state-of-the-art cogeneration plants with further plants being considered for investment.
- 4 Aenova sites are equipped with solar panels, expansion at further locations is upcoming.
- 5 Aenova sites provide biological or physiochemical wastewater treatment.
- 2 Aenova sites put e-car charging stations in place so far.
- Periodic on-site energy audits regularly identify further potential for optimization.

Sustainability

- We are member of MSC (Marine Stewardship Council).
- We are continuously tracking environmental data via Ecodesk for key clients.
- PSCI (Pharmaceutical Supply Chain Initiative) readiness is shown by client audits.
- We are member of MSC (Marine Stewardship Council).
- Periodic internal reporting and monitoring of KPIs relevant for ESG, to ensure alignment and awareness/knowledge at all levels, with derived actions.
- We work with holistic and systematic quality management systems.
- In the external EcoVadis assessment, we achieved the silver medal for 2022 for the significant improvements in 2021.

Community Engagement

- As a global company with a large number of local production sites, we want to make our commitment felt locally. Our subsidiaries are long standing and deeply rooted in the local environment and can make a significant contribution to local social engagement.
- This long-standing tradition is based on the often close links between the sites and local communities and is shaped by local characteristics, such as co-operation with workshops for the disabled, scientific institutions and sports clubs. As Aenova Group, we support this diversity of social commitment.

Our Management



CEO Aenova Group

Jan Kengelbach

Experience and Education Previously CFO at Aenova. Partner with BC Partners in London, the private equity-led majority shareholder of the Aenova Group. Director at AlixPartners. Managing Director and CFO of the Byrd Hoffman Water Mill Foundation. Strategy consultant with McKinsey & Co. Engineering Science master's degree, Mechanical Engineering master's degree, MBA, Certified Restructuring and Insolvency Advisor (CIRA).



SVP BU Solids, General Manager

Christine Beck

Experience and Education Responsible positions in the pharmaceutical and healthcare industries as well as in the food and chemical industry. Head of Global Supply Chain in the food industry. Management of a large chemical production plant. Master's degree in mechanical engineering, certified SAP consultant.



CFO Aenova Group

Ralf Schuler

Experience and Education CFO of SURTECO SE's paper business unit. Various management positions within Elster Group, most recently as Executive Vice President Finance & Administration in charge of the international gas measurement and control business. Managing Director of Elster GmbH. B.A. (Hons), Master's degree.



SVP BU Semi-solids & Liquids, General Manager

Florent Bordet

Experience and Education Responsible positions in R&D, Manufacturing, Technical Operations, Site Management and Business Transformation at Catalent. Vice President Operations at Famar. Pharmacist, Master's Degree in Industrial Pharmacy.



SVP BU Softgel Capsules, Managing Director Site Cornu

Michael Ammann

Experience and Education Various managerial positions at Swiss Caps since 1997, one of the core cells of the Aenova Group. During his various activities in the food and pharmaceutical sector, he has gained the necessary knowledge for solid dosage forms and packaging and can also refer to extensive international experience. He has headed the Cornu site in Romania since 2009. Dipl.-Ing. with further qualifications in the fields of industrial engineering and SME management.



SVP Global Quality

Dr. Macniell Esua

Experience and Education Various management positions in multinational companies in the pharmaceutical industry, including quality assurance, quality control, manufacturing, pharmaceutical development and global compliance management. Chief Compliance Officer of the Corden Pharma Group. Doctorate in pharmacy, Auditor, qualified as a QP under Art. 22 d. 75/319 EEC.



SVP Corporate HR

Tim Bauer

Experience and Education Various international managerial HR positions in production companies. MD HR with Schwarz Produktion. Vice President Human Resources with Vetter Pharma. Director Management and Organizational Development at Sky Deutschland. Leading project manager at Kienbaum Management Consultants. Master's Degree in Industrial and Organizational Psychology.

Key Financials



Dear Readers,

We are looking back at a challenging year. While we were able to win new business at a record level of EUR 125 m (2020: EUR 109 m), end-market demand for parts of our portfolio was slow as a result of the Covid-19 pandemic. Combined with overstocking at our customers' level which occurred already in 2020 and delays of new product ramp-ups this resulted in a reduction of Aenova Group revenues to EUR 696.8 m, or -7.3% compared to prior year.

Despite the year-on-year decline in sales we realized an EBITDA of EUR 110.0 m which represents an increase by 8.5% versus 2020. The divestment of a minority stake in a logistics company as well as the sale of a property in Germany contributed to the positive outcome.

By means of systematic portfolio management and pricing as well as tight cost management overall, we achieved an EBITDA adjusted for non-recurring effects of EUR 106.6 m (2020: EUR 110.4 m). Adjusted EBITDA margin increased from 14.7% in 2020 to 15.3% in 2021.

In July 2021 we modified our financing whereby we increased the First Lien loan by EUR 125 m. We were able to reduce the interest rate by 50 basis points, and the term was extended by one additional year to March 2026. The high-interest payment-in-kind loan ("Second Lien") of EUR 117.7 m was repaid in full. The related book value adjustment (EUR +20.5 m) as well as income from the valuation of derivatives embedded in the loan agreement (EUR +5.9 m) resulted in a significant improvement of our financial result to EUR -26.2 m (2020: EUR -36.5 m).

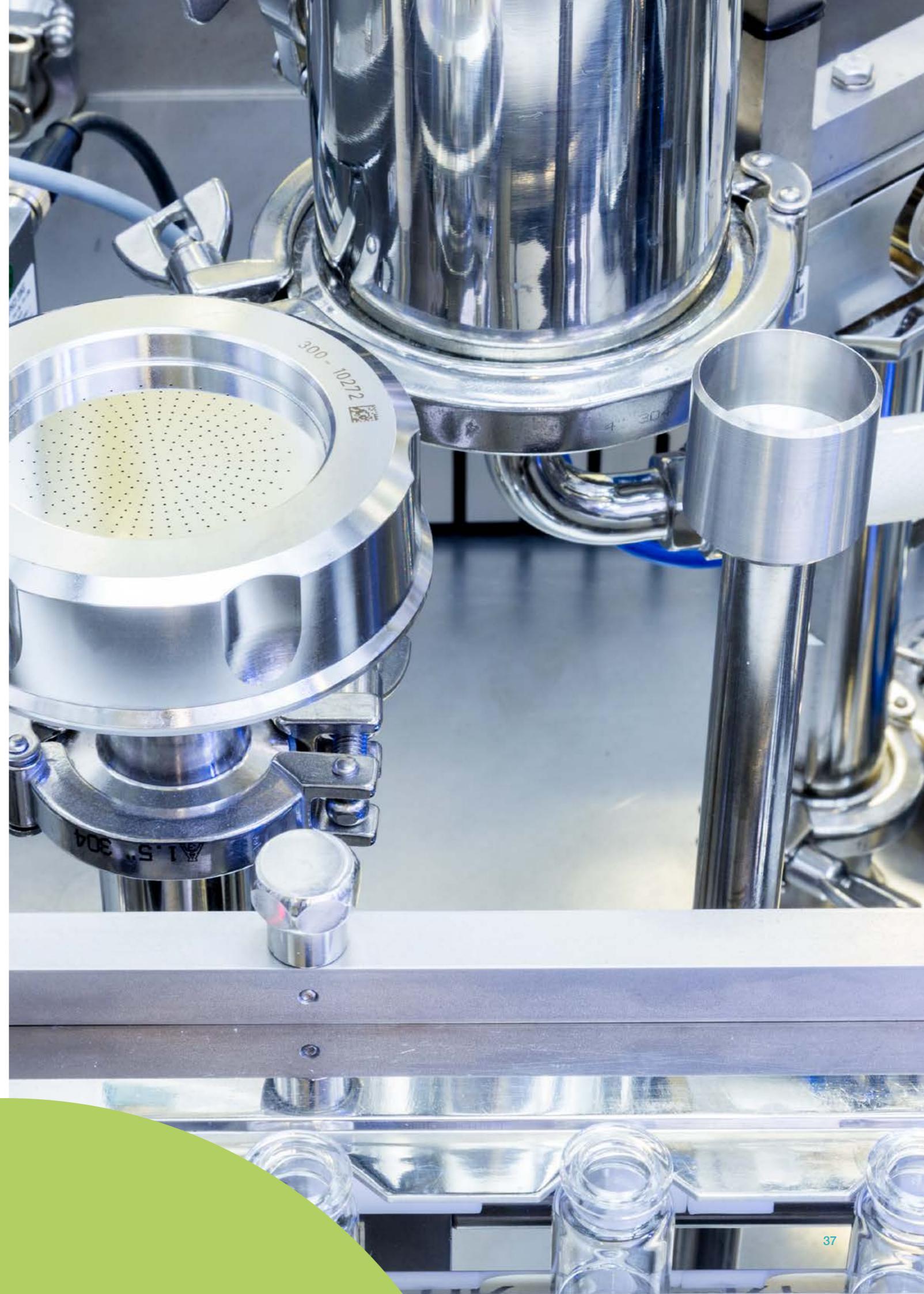
In the financial year 2021, we achieved a consolidated Net Income of EUR 15.6 m, compared with a Net Loss of EUR -8.7 m in 2020. We are pleased to have achieved this result given the headwinds we faced at the top-line.

The cashflow from operating activities amounted to EUR 82.0 m in 2021. The reduction versus prior year by EUR -6.8 m resulted mainly from increased tax payments. As we continued to execute on our expansion projects, e.g. in our Latina and Tittmoning plants, we invested EUR 56.8 m in fixed assets (2020: EUR 42.2 m). Considering the cash flow from financing activities of EUR -40.2 m, we ended the year with a positive change in cash and cash equivalents of EUR 3.0 m.

Our people have continued to show full commitment and remarkable flexibility to take us through the pandemic and to maintain a high service level vis-à-vis our customers in spite of many challenges in our supply chains. Thanks to all of you for that.

As we continue our journey of investing in innovation, productivity and in our people, I am confident that Aenova is well positioned to further enhance its offering, not only in its traditional footholds but also with regard to expanding into new modalities.

Ralf Schuler
CFO Aenova Group



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