

“Excellence beyond Manufacturing”

Annual Report 2020. Executive Summary



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“We are aware that as a contract development and manufacturing organization we produce life saving or life enhancing products for millions of patients worldwide. Our mission is to fulfill this task with the highest quality and delivery reliability at competitive prices.”

PREFACE

Dear Readers,

I am delighted to share the first Annual Report for the Aenova Group with you today.

Without doubt, the year 2020 was extraordinary and unprecedented by many standards, as the pandemic swept across the globe with human death toll and suffering at incredible scale in its wake. It has challenged our way of living, and in particular the robustness of our healthcare systems globally. But at the same time, like any crisis, it has also created opportunities for the pharmaceutical industry and emphasized the vital role that the Aenova Group as the 7th largest Contract Manufacturing and Development Service Organization (CDMO) plays in this ecosystem.

Looking back at 2020, most importantly, the measures implemented in our sites not only ascertained the safety of approximately 4,300 Aenova employees, but we were able to run our operations with very few disruptions such that we could continue to deliver life-saving and life-enhancing drugs to our customers and ultimately patients worldwide.

The transformative work that we had started in 2018 around the three pillars of commercial, operational and organizational excellence has continued to bear fruit, and after a record year in 2019 delivered even better results in 2020, as the company continues to rigorously follow its strategy and reliably delivers on its key strategic initiatives. A few of the achievements include:

86% OTD across the Aenova network

On the operational side, the new Aenova Manufacturing System (AMS), our process and lean management tool to drive operational shopfloor excellence has been implemented at all sites. This not only creates transparency about performance on the store floor, but also allows each operator to contribute to improvements in his or her area in a structured continuous improvement process. At the same time, we have made big strides to debottleneck our operations following the strategy of “full service offering out of each site”. As a result, delivery reliability has steadily increased in 2020 and has now reached the highest value ever at 86% on-time delivery (OTD, Dec. 2020) across the network. And finally, we have successfully closed our unprofitable operations in Berlin.



Striving for efficiency and competence with the new BU structure

Organizationally, we have completed the implementation of our Business Unit structure. This structure allows us to manage our network with more focus, allocate new RFQs better to the most suited site, and manage network capacity more effectively, allocate capital resources more efficiently, roll out change programs faster and benefit from a sharing of best practices in similar sites. With a complete overview of available technologies and capacity utilization, we are able to develop our sites further into specialized providers of service and differentiated technologies. In addition, we filled competence gaps by bringing onboard corporate leadership for Development Services and Tech Transfer, Manufacturing Science and Technology, Continuous Improvement, HSE&S, and Quality Assurance.

How we will live customer centricity in the future

Commercially, we have reorganized our sales and marketing team and created a commercial excellence team (including market intelligence, marketing and sales operations), as well as restructured the sales team into key account management, account maintenance and business development.

Collectively, we are enthusiastic about the momentum we are experiencing, but we also know that we are only at the beginning of this journey which follows the “customer and patient first” mantra, supported by the core values “reliability and excellence in everything we do” and “better every day”.

I am humbled by the dedication and grateful for the commitment that the broader team of c. 4,300 Aenova colleagues have exhibited over the last 12 months despite the pandemic. I am equally grateful to the 400 plus customers, who continue to entrust us with the development and manufacturing of their products, more in 2020 than ever before.

Thank you to all of you.

Jan Kengelbach
CEO Aenova Group



Dear Readers,

Despite the many difficulties and constraints imposed upon the Aenova Group in 2020 due to the global pandemic including the temporary disruption of global supply chains or the need to separate workforces to reduce risk of contagion and keep our colleagues safe, the company has performed more strongly in 2020 in just about any dimension, financially and commercially. As a result, after a record year in 2019, Aenova has posted another record year in terms of sales growth and earnings. The strategy that we embarked upon in 2018 with an entirely new management team and backing from our main financial sponsor, BC Partners, continues to show the results we had planned for. In line with our strategy, in March 2020, we were able to completely refinance the company's balance sheet in a heavily oversubscribed process as well as to secure a capital injection from our shareholders of c. EUR 120 m. With such strong backing and balance sheet, the management team has the means at their disposal to continue its strategy of operational, commercial and organizational excellence while delivering a number of important expansion projects, which will secure growth for many years to come. Above all is the investment in our

Tittmoning high-speed solid manufacturing plant, which will generate 3.5 bn additional annual tablet capacity. Worth mentioning are also the expansion of our sterile ampoule capacities in Gronau, and the full-service offering including two blister lines and one bottle packaging line out of Cornu.

2020 has also shown the impact that the new, now complete, team has had in the various areas, in particular exemplified by the record new business win rate, standing at an unprecedented EUR 109 m. Not only does Aenova outperform the win-rate of its competitors, but it continues to win market share organically, which is a strong customer testimony to the company's ability to be a strategic partner in the human and animal healthcare industry.

But above all, the year has shown the loyalty and dedication of our employees, which is a remarkable achievement, and for which I want to thank every one of them. Due to their hard work, the Group is very well positioned to continue along this trajectory.

Dr. Ewald Walgenbach,
Chairman of the Supervisory Board



THE YEAR IN BRIEF

Excellence beyond Manufacturing

Aenova's motto is: Excellence beyond Manufacturing

In 2020, we continued to implement our strategy, which was designed in 2018 and rests on three pillars, with steadily growing success: Operational excellence, commercial excellence and organizational excellence. At the core of it stands the transformation of the Aenova Group into a manufacturing and development service operator, differentiating by outstanding customer service, industry leading OTD and impeccable product quality flanked by a competent organization and powerful commercial engine.

OPERATIONAL EXCELLENCE

puts manufacturing excellence on the shopfloor and in our supporting processes into focus, makes them measurable and improves them on a continuous basis with the objective of improving our delivery performance, efficiency and productivity.

COMMERCIAL EXCELLENCE

develops our sales team such that it accelerates our growth rates, allows us to expand geographically and from a technology and product lifecycle perspective, but also allows us to ensure the profitability of our existing business.

ORGANIZATIONAL EXCELLENCE

fills competence gaps to become an employer of choice with robust people development and performance management processes.

In 2020, we achieved the following key milestones

Sales development*

+ 4.0%

Adj. EBITDA*

+ 13.8%

New business peak sales

€109 m

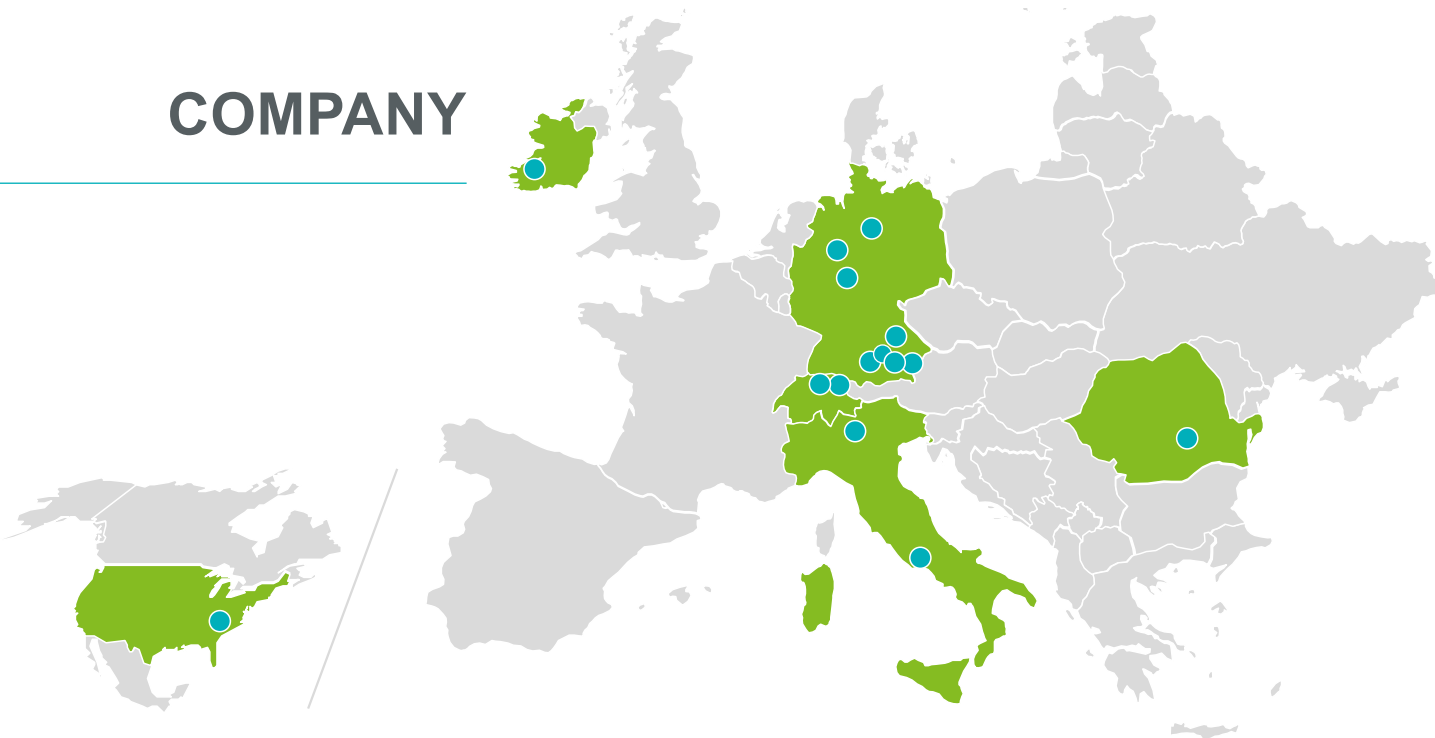
- New organizational structure of Aenova with three stand-alone Business Units and key cross-divisional functions fully implemented
- Implementation of the Aenova Manufacturing System (AMS), a lean manufacturing process and way of working, in all sites
- OTD steadily improved to highest group level in history: OTD 86% (Dec. 2020)
- Closure of the loss making Berlin facility successfully completed and products transferred to other Aenova sites

- Establishment of a new powerful structure for Development & Technology Services to support the transfer-in of record new business wins
- Large growth investment and productivity investments undertaken in a large majority of sites including Tittmoning, Sisseln, Marburg, Gronau, Latina, Carugate, Wolfratshausen, and Cornu
- Refinancing of the capital structure successfully completed

* Pro-forma, excl. Berlin



COMPANY



Capacity

20 bn tablets/capsules
1.5 bn blisters
15 bn softgel capsules
150 m semi-solids/liquids
600 m sterile liquids
(vials, ampoules, syringes)



Global reach

15 manufacturing locations 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 2020*

€740 m



Employees*

~ 4,300

* Pro-forma, excl. Berlin

Many are one: 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 4,300, 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 form, #2 globally for softgel capsules, #1 in Europe in semi-solid dosage form and #1 globally in veterinary products in addition to a leading position in sterile manufacturing.

Aenova services over 400 customers including 12 of the top 20 human health pharmaceutical companies and 6 of the top 10 animal health companies. Aenova enjoys a strong and loyal customer base, with the average customer relationship tenure among the top 20 customers of c. 24 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 was added.

Since 2012, Aenova has been owned by the private equity company BC Partners.

PORTFOLIO & STRUCTURE

A portfolio matching the customer needs

As a “one-stop shop” Aenova offers end to end CDMO services from development, clinical trial supply to commercial, small and large volume manufacturing until packaging services.

With the new Aenova Business Unit (BU) structure, implemented end of 2019 and with fully impact in 2020, Aenova supports its customers with the added value of all of our 15 manufacturing sides without silos and with value-adding synergy effects:

BU SOLIDS



BU SEMISOLIDS & LIQUIDS



BU SOFTGEL CAPSULES

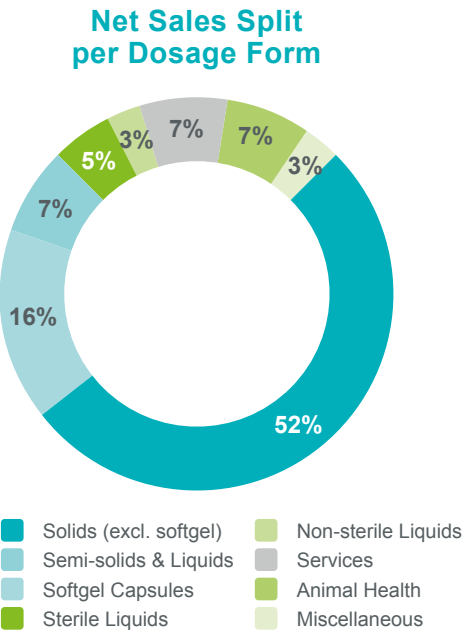


With the Development & Technology Services unit Aenova provides cross-divisional support in the areas of drug product development, analytical development, clinical trial supply management, regulatory support, and tech transfer.

The new organizational structure is accompanied by the setup of new key cross-divisional functions, completed in 2020: Business Development & Strategy, Sales and Marketing, Commercial Excellence, Global Quality, Continuous Improvement, Manufacturing Science & Technology, and Communication & PR support the corporate strategy of the Aenova Group, in addition to the existing corporate functions of IT, Finance, Legal, HR and Strategic Procurement.

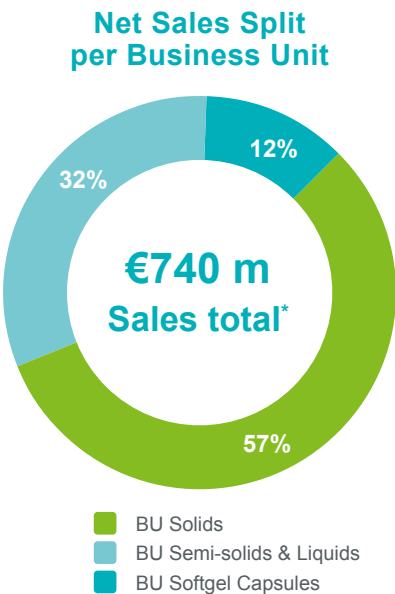
Reasons why customers are choosing Aenova

- 1 One-stop shop and speed to market
- 2 Competitive prices
- 3 Industry Consolidator
- 4 Experience and quality
- 5 Reliable partnership



Aenova is partner of choice for

- High potent active pharmaceutical ingredients (HPAPIs) up to OEB 4 and OEB 5
- Sterile liquids and fill & finish for biologicals
- Small to large volume conventional solids
- Controlled release products e.g. functional coating, polymeric matrices, pellet layering etc.
- Anti-infective products
- Inhalation products
- Products with enhanced bioavailability
- Leading CDMO for animal health worldwide



* Pro-forma, excl. Berlin



OUR MANAGEMENT



CEO Aenova Group
Jan Kengelbach



The new Aenova we have been building together since 2018 strives for excellence and reliability in everything we do to serve our customers and ultimately patients; in short Excellence beyond Manufacturing.

Experience

Interim CEO and interim 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.

Education

MBA from Kellogg School of Management, Chicago, Engineering Science master's degree from the Ecole Centrale Paris, Mechanical Engineering master's degree from the Technical University Munich, Certified Restructuring and Insolvency Advisor (CIRA).



CFO Aenova Group
Ralf Schuler



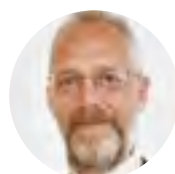
Building forward momentum to facilitate future growth while delivering against short-term goals at the same time is what really counts. We can only achieve this as a team.

Experience

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.

Education

B.A. (Hons) in European Business Studies, Master's degree (M.A.) from Brunel University, London.



SVP BU Softgel Capsules, Managing Director Site Cornu
Michael Ammann



A motivated, professional and diversified management team can reach together every peak. Our peak is our customers and the health of their patients.

Experience

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.

Education

Dipl.-Ing. with further qualifications in the fields of industrial engineering and SME management.



SVP BU Solids, General Manager
Christine Beck



If you want to lead, you can't walk in the footsteps of others.

Experience

Responsible positions in the pharmaceutical and health-care 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.

Education

Master's degree in mechanical engineering, certified SAP consultant.



SVP BU Semisolids & Liquids, General Manager
Florent Bordet



We have built a winning team and a culture of excellence – right people, right place, right time.

Experience

Responsible positions in R&D, Manufacturing, Technical Operations, Site Management and Business Transformation at Catalent. Vice President Operations at Famar.

Education

Pharmacist, Master's Degree in Industrial Pharmacy.



SVP Global Quality
Dr. Macniell Esua



High product quality and patient safety is achieved beyond current practices and standards through advanced technologies, efficient processes, and a high quality culture of employees at all levels of an organization.

Experience

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.

Education

Doctorate in pharmacy, Auditor, qualified as a QP under Art. 22 d. 75/319 EEC.



SVP Sales & Marketing
Dr. Mike Schaefer



At the end, it's all about our customers and the patients behind. Therefore quality and reliability are of utmost importance to us.

Experience

Vice President & General Manager Global Pharma at West Pharmaceutical Services. Head of Key Account Management at R.P. Scherer/Catalent. Various global management positions in the areas of application technology, sales, marketing and product management.

Education

Doctorate in chemistry.



BUSINESS UNIT SOLIDS



From conventional to high potent solids and hormones Aenova meets almost every requirement

Aenova's largest Business Unit is the BU Solids with over EUR 450 m annual sales, over 2,000 FTE, 7 manufacturing sites, 3 development centers of excellence, a capacity of over 20 bn tablets and hard capsules, covering all key solid dosage forms and technologies including anti-infectives, hormones and high potent APIs.

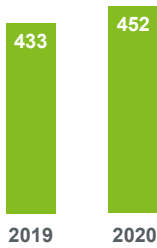
Aenova is the ideal partner for development and production of virtually all types of solid dosage forms and APIs up to OEB 5:

- novel/innovative 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.

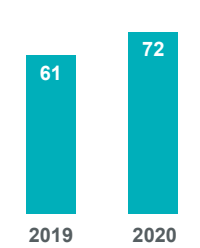
By applying excellent operations processes through modularization and standardization our customers benefit from short lead times, cost effective production, impeccable quality and full transparency:

- full-service manufacturing and supply-chain services are integrated with development, technical transfer and analytical services.
- our customers benefit from our network of manufacturing sites with a yearly output of over 20 bn tablets.

Net sales¹
in € m



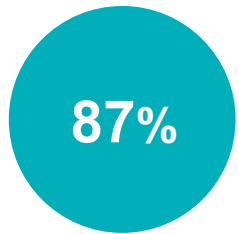
Adj. EBITDA¹
in € m



New peak sales
2020¹



OTD
(Dec. 2020)



Key Events 2020

As a result of continued strong demand, operational improvements and the ramping-up of previously won new projects, BU Solids exhibited further top and bottom line growth in 2020. Revenue increased by 4.5% from EUR 433 m to EUR 452 m, while EBITDA expanded from EUR 61 m to EUR 72 m or 17.8%.

On-time delivery performance continued to increase from 76% to 89% across the BU in the twelve-month period. New business wins achieved record levels at EUR 41 m.

Our key strategic projects continued to progress according to plan. Above all, we laid the groundwork for the EUR 35 m, 3.5 bn tablet capacity expansion in our high volume set-up in Tittmoning, which will become operational at the end of 2021. Likewise, we finalized the plans for the EUR 6.5 m expansion into a new cytotoxic

expansion in Regensburg, which will be constructed throughout 2022 and 2023. We also brought online our new granulation suite in Marburg, and continued to finalize our dry powder inhaler platform in Münster. De-bottlenecking and portfolio complexity reduction have well progressed in Bad Aibling, in particular including the strategic move of establishing a softgel caps packaging hub in Cornu. And finally, we implemented a suite of smart manufacturing operations to increase capacity in Sisseln by over 50%.

In addition, the new Aenova Manufacturing System was introduced in all sites of the BU Solids, which will enable us to further progress on our lean manufacturing journey.

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

BUSINESS UNIT SEMISOLIDS & LIQUIDS



Multiple dosage forms with recently introduced biologics fill & finish capabilities

The Business Unit Semisolids & Liquids with over EUR 250 m annual sales, over 1,600 FTE, 5 manufacturing sites and 4 development centers of excellence for sterile liquids incl. HAPI, lyophilized vials and biologics fill and finish and an installed capacity of over 600 m is highly specialized in technologies focused on aseptic manufacturing and semi-solids.

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 form, 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 a premier solution partner for sterile dosage forms 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

Key Events 2020

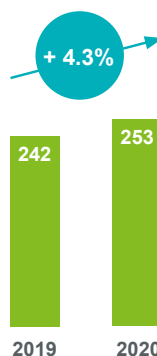
For the BU Semisolids & Liquids, 2020 was not without challenges, but overall, the BU performed in line with previous year.

Revenue increased by 4.3% from EUR 242 m to EUR 253 m, while EBITDA stayed flat at EUR 23 m.

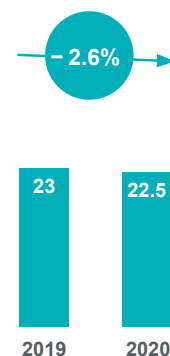
On-time delivery performance continued to increase from 69% to 84% across the BU in the twelve-month period. New business wins achieved record levels at EUR 34 m.

Both our semi-solid sites in Feldkirchen and Carugate performed strongly. While Feldkirchen enjoyed unprecedented growth, Carugate won an unprecedented amount of new projects. In our sterile footprint, there seemed to be no limit to ampoule demand in Gronau, which drove performance upwards, while Wolfratshausen brought online a second cytotoxic vial line for the first time. Latina continued to deliver across its footprint, with strong perfor-

Net sales¹
in € m



Adj. EBITDA¹
in € m



New peak sales
2020¹

€34 m

OTD
(Dec. 2020)

84%

mance in the animal health segment and continued strong demand on our beta-lactam manufacturing capabilities.

Gronau brought online its new high speed ampoule finish line and transformed visual inspections to full automation. Carugate expanded into high speed liquids. In Wolfratshausen, we made good progress in revamping our non-sterile manufacturing area and brought online our second sterile cytotoxic line. Latina started the implementation of incremental large volume film coating capabilities in the beta-lactam area, and most excitingly, we pushed the button on the first portion of the building of a new flexible high-speed 200 m vials/pre-filled syringes plant expansion for biologics fill and finish, which we expect to go online at the end of 2021.

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





BUSINESS UNIT SOFTGEL CAPSULES

More than 35 years of experience for soft gelatin capsules

The Business Unit Softgel Capsules with over EUR 90 m annual sales, over 550 FTS, 2 soft capsule sites and around 15 bn installed capacity drives a dual strategy with a Romanian site for nutraceuticals and a Swiss site for pharmaceutical products.

Aenova has a long experience in the formulation, analytical development and production of softgel capsules for any capsule design, color and size.

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 cost competitive manufacturing site in Cornu/Romania, Aenova offers a complete service for softgel capsules, also in vegan form.

Another part of our business unit softgel capsules is our Greensboro/USA site. We are serving the US and Canadian customers out of this site with bottle and blister products. There we have over 15 years of expertise in packaging fulfilling the US-FDA requirements.

THE NEW AENOVA VEGAGELS®

In 2020 we launched our new vegan softgel capsules. These are based on a technology including seaweed extract and thus meet the needs of consumers who follow a vegetarian or vegan diet or prefer products without animal testing. At the same time, plant-based soft capsule technologies are suitable for special religious food requirements, such as kosher or halal. Vega-Gels® are free of genetically modified organisms, animal materials, gluten and preservatives.

Key Events 2020

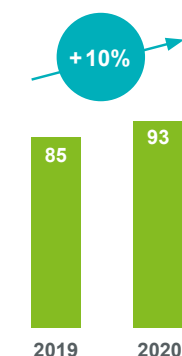
For the BU Softgel Capsules, 2020 was another strong and operationally transformational year.

Revenue increased by 10% from EUR 85 m to EUR 93 m, while EBITDA expanded from EUR 18.5 m to EUR 23.1 m or 24.5%.

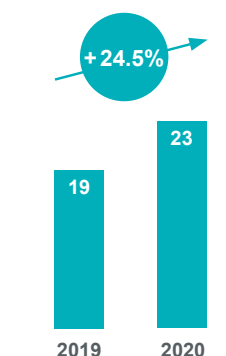
On-time delivery performance stayed at high levels of 95% across the BU in the twelve-month period. New business wins achieved record levels at EUR 30 m.

According to our strategic motto “we pack where we produce”, we managed to establish full service packaging operations in our previously bulk-only site in

Net sales¹
in € m



Adj. EBITDA¹
in € m



New peak sales
2020¹



OTD
(Dec. 2020)



Romania. Within one year only, the team was able to install and start 2 blister lines, which will be followed by a bottle line transfer in 2021. In addition, the site successfully started the new vegetarian softgel technology to capture the growing demand for non-gelatine-based capsules. 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.

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

DEVELOPMENT & TECHNOLOGY SERVICES

Full development and technology service support across the entire product life cycle

Aenova is looking back on a long history of development of pharmaceuticals, going back as early as the late 19th century. We are proud to use our experience and apply sound science as 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
- Analytical development and validation
- ICH stability studies
- Regulatory support for submission or post-authorization changes
- Clinical trial management and preparation of clinical trial supply
- Design of primary secondary packaging configurations

We offer our service from

7 **Development Centers of Excellence**
covering all dosage forms

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

- High potent solids
- Hormones & hormone-likes
- Cytotoxics & cytostatics
- Inhalation products
- Moisture sensitive solids
- Sterile injectables
- Beta-lactam antibiotics
- Designed release
- Improved bioavailability and other

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

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 transfers ensure that we reliably deliver impeccable quality, on time.

The integration and close alignment of Development & Technology Services with our commercial network allows us to provide an “one-stop shop” experience and a seamless transition of projects from development to commercial scale.

KEY FIGURES

- ▶ **145+** Development FTEs
- ▶ **90+** Development projects
- ▶ **56+** Tech. Services FTEs
- ▶ **25+** CTM projects
- ▶ **37+** PhDs
- ▶ **150+** Tech. Transfers

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 animals' sector, we offer unparalleled capabilities for antibiotics in pre-filled syringes in addition to a wide variety of dosage forms.

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.

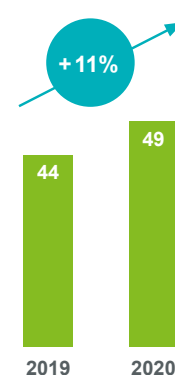
- Anti-infectives
- Parasiticides
- Hormones
- Food supplements
- Conventional APIs
- Packaging
- Services

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

Our Animal Business continued to expand in 2020.

Revenue increased by 11% from EUR 44 m to EUR 49 m. Most importantly, we continued the successful transferring in of our won pipeline, further expanding the offering into chewable tabs as well as anti-infectives.

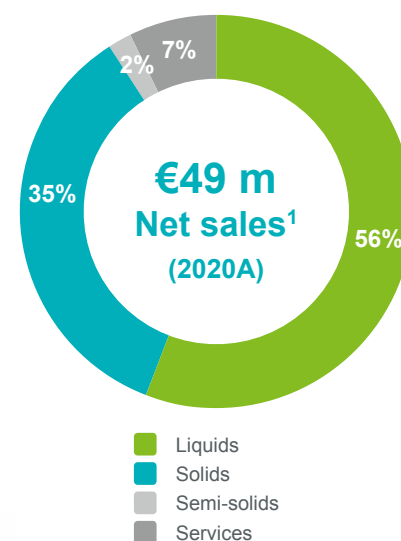
Net sales¹
in € m



KEY FIGURES

- ▶ Animal health is a strategic growth segment
- ▶ Manufacturing capabilities covering almost all dosage forms
- ▶ More than 20-years long standing expertise

Animal Health Sales
by Dosage Form



¹ Numbers are rounded; animal health sales included in respective BU.





AENOVA VALUES

Excellence beyond Manufacturing

At Aenova, we take our corporate values very seriously, they are embedded in our daily operations and behaviours, as well as our performance review process.

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.

CUSTOMERS AND PATIENTS FIRST

As one of the world's largest CDMOs, we are aware of our crucial role in the healthcare industry every day. We pride ourselves on delivering products and services to healthcare customers with the highest quality, cost efficiency, reliability and timeliness that improve and extend patients' lives.

EXCELLENCE AND RELIABILITY IN EVERYTHING WE DO

We strive to be the CDMO of choice for our global customer base and a preferred employer for our highly qualified employees by focusing on excellence and reliability in everything we do.

BETTER EVERY DAY

Aenova stands for continuous and sustainable improvement. Processes, products and services are subject to a "Continual Improvement Process". We invest in modern technologies, competencies and know-how are constantly being developed.

STRONGER AS A GROUP

Across all Aenova Group locations, we bundle competencies and work in a strong "One Aenova" culture. This is how we promote the spirit of continuous improvement, how we live team spirit and how we create added value.

RESPECT, TRANSPARENCY AND HONESTY

Our actions are always characterized by integrity, trust, respect and mutual appreciation and are in accordance with the Aenova Code of Conduct.



OUR EMPLOYEES

Our employees are our greatest asset

Aenova employs around 4,300 people from 58 nations who give their best every day to ensure the safe supply of important and sometimes life-saving medicines to patients worldwide.



Achieving the best results with know-how and experience

Our employees are distinguished by many years of experience in their work environment and are highly trained experts in their field. More than 200 employees in the excellent network of Aenova, especially in the 7 Development Centers of Excellence are scientists or

analysts. Most of the Aenova Group locations are training companies. Thus, we take care of the qualified new generation. We have also received several awards from chambers of commerce for our excellent results.



Exciting tasks, solution-oriented corporate culture, great team! That's what makes Aenova stand out.

What I like about my employer: The intended orientation and development of the company, which strengthens competitiveness and enables a crisis-proof and attractive workplace.

Support, collegiality – that's what I like about Aenova.

That's what I like about Aenova: The trust placed in me and the opportunity to constantly develop and take on more responsibility. Suggestions for improvement are always welcome.

Every day, shop floor meetings are created (...) That is very good communication.

Very strong collegial relationships with much appreciation.

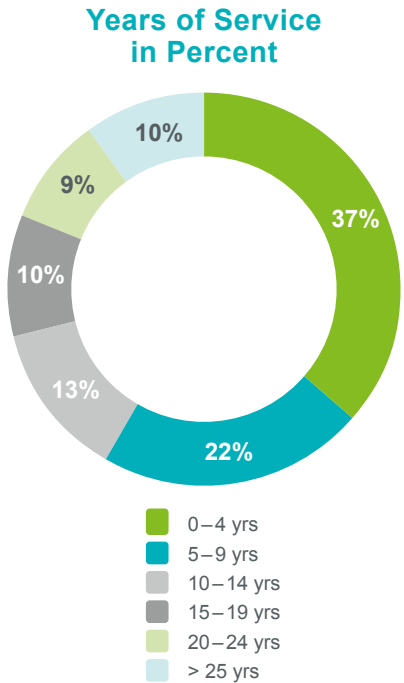
Very open, friendly corporate culture and exciting projects.

An interesting employer!

Patients and employees come first!

Trust and openness are of the utmost importance.

New, exciting challenges every day.



CORPORATE SOCIAL RESPONSIBILITY

Responsible and sustainable

At Aenova, we strive to be a better corporate citizen, a better employer and a better company every day. Our commitment consists of:

HEALTH AND SAFETY

- We are continually investing in relevant certificates, e.g. ISO 45001.
- Our health and safety record is industry leading. We permanently drive initiatives, amongst them behaviour-based safety, holistic risk management, root cause analysis and hazards identification.
- We monitor the full compliance status of our sites over internal corporate HSES audits.
- Our local and corporate Corona Task Forces put employee safety first and guarantee supply continuity.

WORKPLACE

- We do not tolerate any form of discrimination based on gender, race, origin or any other personal characteristics.
- We guarantee equal opportunities to all applicants and employees for their career path within Aenova.
- Diversity is our daily normal: employees from 58 nations are working at Aenova.

ENVIRONMENT

- We continuously reduce our emissions.
- Sites are certified in ISO 14001 (environment), 3 in ISO 50001 (energy).
- We use hydropower energy to be “carbon neutral” and renewable energy generation with solar panels on sites.
- Investments are ongoing for state-of-the-art cogeneration plants.
- There are periodic site energy audits identifying further optimization potentials.

SUSTAINABILITY

- We reached EcoVadis Bronze medal.
- Flawless PSCI (Pharmaceutical Supply Chain Initiative) readiness is shown by client audits.
- We are member of MSC (Marine Stewardship Council).
- We are continuously tracking environmental data via Ecodesk for key clients.
- We work with holistic and systematic quality management systems.

COMMUNITY ENGAGEMENT

- Aenova is committed to social initiatives related to the company's operations and located in the local environment of its production sites.
- In this way, as an internationally active company, we create a close bond to our people as a local employer.



KEY FINANCIALS

Dear Readers,

when I joined Aenova in 2018 we started our journey of becoming a customer centric development & manufacturing service provider to the pharma and healthcare industry. Through consistent focus on our customers' needs, be it in terms of reliability of supply, highest quality standards or a cost competitive offering, we have been able to deliver the best operational result¹ in the company's history in 2020.

On the back of increasing project wins throughout 2019 and 2020 as well as significantly improved delivery performance despite Covid-19 related supply chain challenges, we were able to drive solid revenue growth of 3.6%, thus achieving Sales of EUR 751.6 m. A deliberate reduction of revenue in the food supplement segment and the impacts of a site closure in Berlin were overcompensated by growth in the higher value pharma and OTC segments.

While cost pressure on material supplies increased in the course of the pandemic, rigorous execution on our strategic procurement programmes as well as a favourable mix change contributed to a 160-basis-point-rise in our gross profit margin to 61.9% of Sales. We continued to invest in personnel to support our transformational projects. We also implemented extensive hygiene regulations to maintain safety of our workforce and, in parallel, to secure the required output level. Concurrently, we incurred increased utility costs as well as significant Covid-19 related overhead cost increases, e.g. for personal protection equipment or cleaning. Notwithstanding these challenges, we achieved an EBITDA of EUR 101.3 m which represents an increase by EUR 14.1 m (+16.1%) compared to previous year.

On an adjusted basis, i.e. before non-recurring items such as restructuring cost and incremental Covid-19 related cost, EBITDA increased by EUR 13.2 m to a record EUR 110.4 m² or 14.7% of sales.

Depreciation and amortisation of EUR 71.0 m were lower than previous year (EUR 72.8 m) overall, whereby continued investments in capacity expansion and productivity resulted in an increase of depreciation by EUR 3.4 m while amortisation declined.

In the first quarter of 2020 the company completely refinanced its debt structure. Our shareholders contributed EUR 120 m of cash and converted shareholder loans in the amount of EUR 306 m to equity. The company also recognized a net income of EUR 13.2 m related to an unrealised fair value increase of a derivative embedded



in the financing agreements of First and Second Lien. In total, Net Financial result improved by EUR 31.1 m to EUR -36.5 m.

Net Loss for the year was reduced to EUR -8.7 m, compared to EUR -52.6 m in 2019.

Adjusting for EUR 5.9 m cash outflow incurred in the context of refinancing, the company delivered positive cash flow of EUR 4.9 m, this being supported by tight working capital management.

We could not have achieved this performance without the commitment of our people, nor without the trust extended to us by our customers, shareholders and other stakeholders.

Thank you for your ongoing support as we build the Aenova of the future.

I am confident that by continuing to invest on behalf of our customers and by maintaining disciplined financial management we will continue our journey of enhancing our competitive advantage and driving profitable growth in the coming years. We will work with passion to realize the outstanding opportunities ahead.

Ralf Schuler
CFO Aenova Group

¹ excl. gain on sale of Euro Vital Pharma GmbH in 2018
² excl. gain on sale of Euro Vital Pharma GmbH in 2018



LEARN MORE ABOUT AENOVA

You can find the entire Aenova Group
Annual Report 2020 here

[Investor Relations \(www.aenova-group.com\)](http://www.aenova-group.com)

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