



30. March 2020

## COVID-19 Update March 2020

Dear Customer,

As we are navigating through an unprecedented global crisis, I would like to address you personally to inform you what the Aenova Group is doing to manage through the COVID-19 pandemic. We have two very simple objectives: First and foremost, to protect the health and safety of our colleagues and their families, and second, to fulfill our role as a critical supplier of essential medications including those to mitigate the symptoms of COVID-19 to patients and healthcare customers like you around the world.

In order to achieve these goals, we started to put countermeasures in place to contain the risk of contagion already on February 5, 2020. Naturally, these countermeasures have evolved as the crisis continues to unfold. They include:

- Extremely restricted access to our sites including no (physical) customer visits, no visits from authorities unless critical, no visits from staff from other sites, no admission of contractors or consultants unless critical to maintain operations, and truck deliveries only with face masks
- Postponement of all non-essential activities at the sites
- Social distancing and very limited assembly (including closures of canteens, limited access to changing rooms, no physical internal meetings)
- Enablement of home office and remote working for anyone who can do so
- Shift separation to create redundancy in the workforce (i.e. no overlap between shifts and no switching of shifts so that in the case of contagion a distinct portion of the workforce can be quarantined while others can continue to come to work)

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- Flexible shift patterns and opening hours to enable workers to manage family constraints such as childminding during extended periods of school closures
- Additional hygiene training and increased cleaning frequency in the sites including contingency plans to disinfect after contamination.
- Application for “essential” status from local authorities to continue to work, all of which have been granted thus far
- Strict rules to self-isolate for anyone who could have been in contact with an infected person at full pay

We have put in place a COVID-19 Task Force, led by our SVP of Quality, Macniell Esua, who coordinates our response, enables best-practice sharing across the sites and supports the manufacturing operations. This team meets daily and briefs the CEO daily. In addition, each site has a crisis management team in place to respond on a day-to-day basis.

**So far, this approach has enabled us to operate all our 16 manufacturing sites with limited disruption.** Many of you have asked whether we can continue our operations, and the answer so far is clearly “yes”. However, this will depend mainly on three factors going forward:

First, we depend on a large and complex global supply chain and given that raw materials are often by definition in the dossiers single-sourced, the supply of certain APIs or their transport routes are likely to be negatively impacted, which could result in the increase of lead time or delayed deliveries. Our strategic procurement team is working resolutely on securing the supply of materials to anticipate those potential shortages, and we will inform you accordingly through our Customer Service Teams and Key Account Managers if such shortages arise.

Second, we depend on the ability of our workers to come to work. This could be negatively impacted by high illness rates in a site upon contagion. We believe that the measures we have put in place should reduce that risk to a minimum, and so far, even in our two sites in Italy, arguably the most affected country to-date in Europe, we continue to operate.

Third, we depend on local governments to allow us to operate. So far, we have been deemed an “essential player” in the healthcare industry by all governments. We do not expect that to change, but ultimately, we cannot control it.

Finally, a word on the financial impact of the COVID-19 crisis on the Aenova Group. As many of you have heard already, the Aenova Group has completed a full refinancing on March 6, 2020. The new agreement with lenders provides



Aenova with a covenant-lite structure and robust balance sheet for the next five years and the net leverage ratio of 4.5x will provide the company with ample flexibility to invest in growth and its operations over the next few years. Debt investor demand for the €440m senior tranche in syndication was strong and led to an oversubscription of over two times. **In summary, our financial position and liquidity is robust to weather the crisis.**

We will work tirelessly and relentlessly on maintaining our operations through the crisis to be your reliable partner of choice. Over the last two years, we have embarked on a journey to position the company as a true manufacturing service provider to the pharmaceutical and healthcare industry, committed to outstanding quality, delivery reliability and a customer service mentality. In February 2020, we have achieved the highest on-time delivery performance in the company's history.

In closing, I wish you, your colleagues and your families all the best, above all good health, as we are managing through this to collectively emerge even stronger than before. We continue to be extremely grateful for the existing and new business with which you are entrusting us.

Kind regards,

Jan Kengelbach

CEO Aenova Group