SKAN Group AG
Presentation of the HY 2023 Financial Results

22 August 2023

Disclaimer

THIS PRESENTATION AND ITS CONTENTS ARE CONFIDENTIAL AND ARE NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES OF AMERICA, CANADA, AUSTRALIA, JAPAN OR ANY JURISDICTION WHERE SUCH DISTRIBUTION IS UNLAWFUL.

This presentation (the "Presentation"), contains information regarding SKAN Group AG (the "Company") and each of its subsidiaries and affiliates (the "Group"). The information and opinions contained in this Presentation do not purport to be comprehensive and are provided as at the date of this Presentation or as of the date specified herein. Certain financial information (including percentages) in this Presentation may have been rounded according to commercial standards. As a result, the aggregate amounts may not correspond in all cases to the aggregated amounts of the underlying (unrounded) figures appearing elsewhere in this Presentation.

The financial information presented herein has been prepared in accordance with Swiss GAAP FER. Certain financial data included in this Presentation consists of non-Swiss GAAP FER financial measures. These non-Swiss GAAP FER financial measures may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with Swiss GAAP FER. In addition, certain financial information contained herein has not been audited, confirmed or otherwise covered by a report by independent accountants and, as such, actual data could vary, possibly significantly, from the data set forth herein. None of the Company, the Group, and any other person is under any obligation to update or keep current the information contained in this Presentation or to correct any inaccuracies which may become apparent, and any opinions expressed herein are subject to change without notice.

Statements made in this Presentation may include forward-looking statements. These statements may be identified by the fact that they use words such as "anticipate", "estimate", "should", "expect", "guidance", "project", "intend", "plan", "believe", "will", "could" and/or other words and terms of similar meaning in connection with, among other things, any discussion of results of operations, financial condition, liquidity, prospects, growth, strategies or developments in the industry in which we operate. Such statements are based on management's current intentions, expectations or beliefs and involve inherent risks, assumptions and uncertainties, including factors that could delay, divert or change any of them. Forward-looking statements contained in this Presentation regarding trends or current activities should not be taken as a representation that such trends or activities will continue in the future. Actual outcomes, results and other future events may differ materially from those expressed or implied by the statements contained herein. Such differences may adverse ly affect the outcome and financial effects of the plans and events described herein and may result from, among other things, changes in economic, business, competitive, technological, strategic or regulatory factors and other factors affecting the business and operations of the company. Neither the Company nor any of their subsidiaries or affiliates are under any obligation, and each such entity expressly disclaims any such obligation, to update, revise or amend any forward-looking statements, whether as a result of new information, future events or otherwise.

Further, this Presentation may include market share and industry data obtained by the Company from industry publications and market surveys. The Company may not have access to the facts and assumptions underlying the numerical data, market data and other information extracted from public sources and neither the Company, the Group, nor any of their respective directors, officers , employees, shareholders, affiliates, agents and advisers are able to verify such information, and assume no responsibility for the correctness of any such information.

This Presentation does not constitute or form part of, and should not be construed as, an offer or invitation or inducement to subscribe for or otherwise acquire, any securities of the Company, nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Group, nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. This Presentation does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"). Neither the Company nor any other member of the Group has registered or intends to register any securities under the Securities Act or the securities laws of any state or other jurisdiction of the United States.

THIS PRESENTATION IS NOT AN INVITATION TO PURCHASE SECURITIES OF THE COMPANY OR THE GROUP.

Agenda

1. Overview of HY 2023	Thomas Huber (CEO)
2. Financial Results HY 2023	Burim Maraj (CFO)
3. Outlook 2023	Thomas Huber (CEO)
4. Questions and discussions	

Highlights of the first half year

Order Intake in CHF million	Net Sales in CHF million
175.3	139.7
-33.4%(1)	+15.6%(1)

EBITDA in CHF million	EBITDA-Margin as % of Net Sales
18.6	13.3
+74.1%(1)	+4.5pp(1, 3)

Investments in CHF million	Order Backlog in CHF million
10.2	384.6
-35.1%(1)	+6.8%(2)

- → Record high order backlog and book-to-bill ratio at 1.3 provide good visibility.
- → Order intake normalized at a continued high level in the first six months of 2023. Overall, the order pipeline remains well-filled.
- → Double digit net sales growth within guidance.
- → EBITDA significantly increased compared to the same period last year. EBITDA-Margin withing guidance.
- → EBIT more than doubled from CHF 5.9 million to CHF 12.4 million.
- → Total investments of CHF 10.2 million mainly related to Pre-Approved Services project.

(1) Changes compared to 1st half 2022
(2) Changes compared to 31.12.2022
(3) Percentage points

Both segments progressing well




Equipment & Solutions

- The segment has driven the strategic initiatives to develop integrated process systems and increase the level of equipment standardization.
- For the standardization initiative, a dedicated team has been assigned. Both projects are developing according to plan.
- SKAN spent again around 7 percent of Group sales on these initiatives as well as general research and development.

Services & Consumables

- Stake in Aseptic Technologies increased by 5 percent to 85 percent at the beginning of May 2023. According to the agreement with co-owner Wallonie Entreprendre, SKAN will take over a further 5 percent by 2026 at the latest.
- Good progress with the Pre-Approved Services project, which will contribute to the expansion of the services business in the future.

New drugs increase consumption of AT-Closed Vials®

SKAN

Five AT filled drugs on the market:

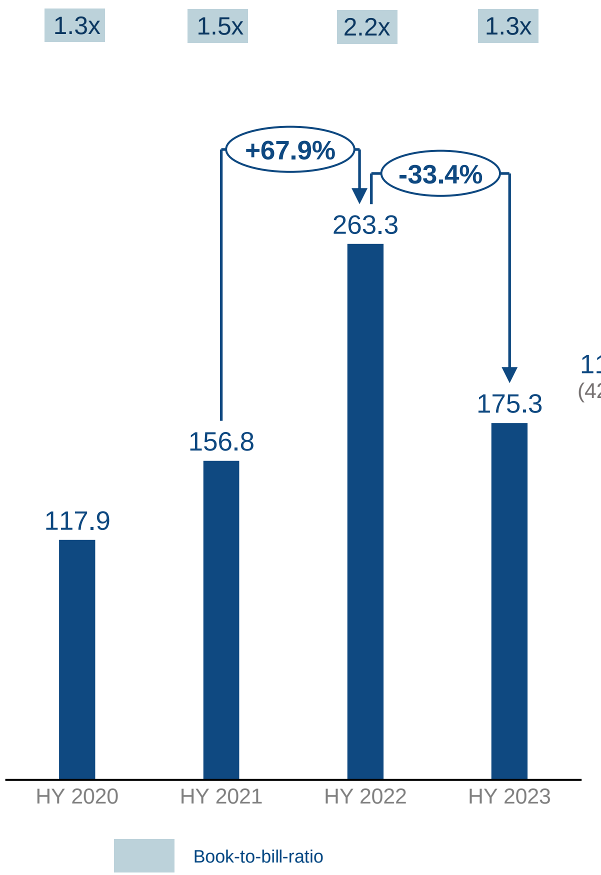
Customer	Product area	Phase
Daiichi-Sankyo	Oncolytic virotherapy for brain cancer	Japan ✓
Boehringer Ingelheim	Cartilage repair for veterinary applications	EU ✓
Janssen Oncology (Pharmaceutical Companies of Johnson & Johnson); Legend Biotech	Lentivirus used for the production of a drug against multiple myeloma	USA, Australia, EU, UK, Japan ✓
Atara Bio	Monotherapy for the treatment of Epstein-Barr virus	EU ✓
Krystal	Treatment of wounds in patients with dystrophic epidermolysis bullosa in collagen type VII alpha 1 chain gene	USA ✓

- Besides the expansion of the installed equipment base, which requires maintenance, requalification and spare parts, the volume in the Services & Consumables segment was driven by higher sales of AT-Closed Vials®.
- This confirms the expectation that the commercialization of new drugs increases the consumption of AT-Closed Vials®.
- There are now five drugs on the market that are filled using the closed vial solution of Aseptic Technologies. The development pipeline of drugs is in the range of approximately 400 active ingredients.
- Besides the sale ready-to-fill closed vials also the demand for AT production equipment increases.

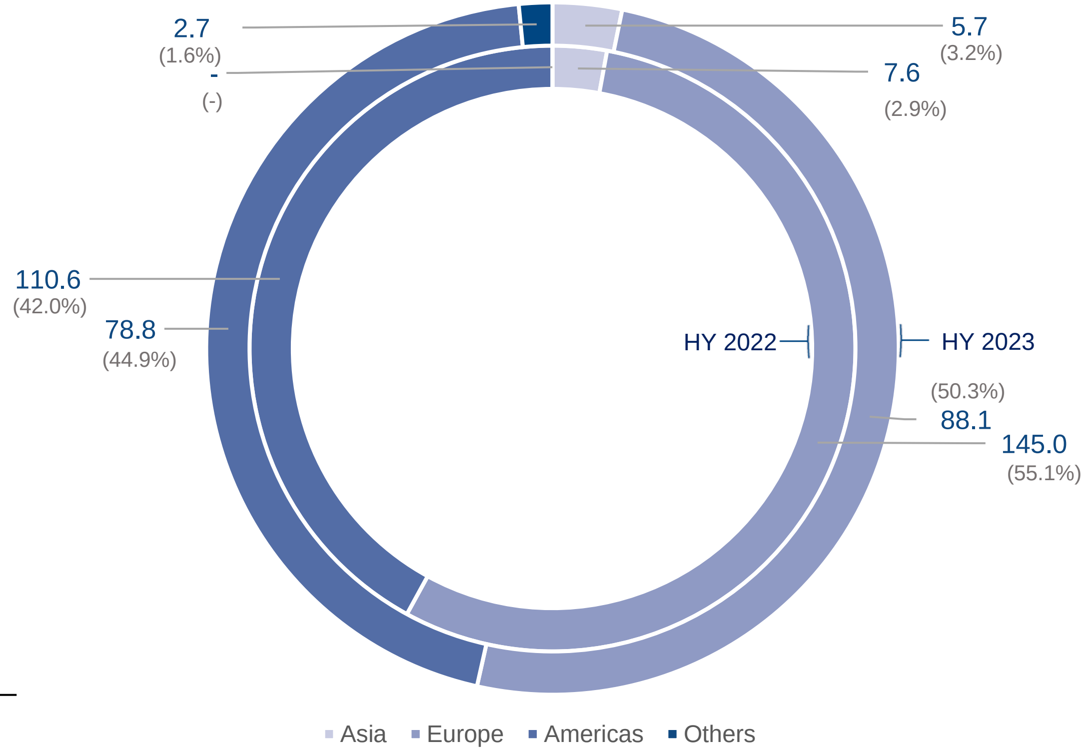
Agenda

Order intake momentum has stabilized at a high level

Order intake
(CHFm)



Order intake by regions
(CHFm)



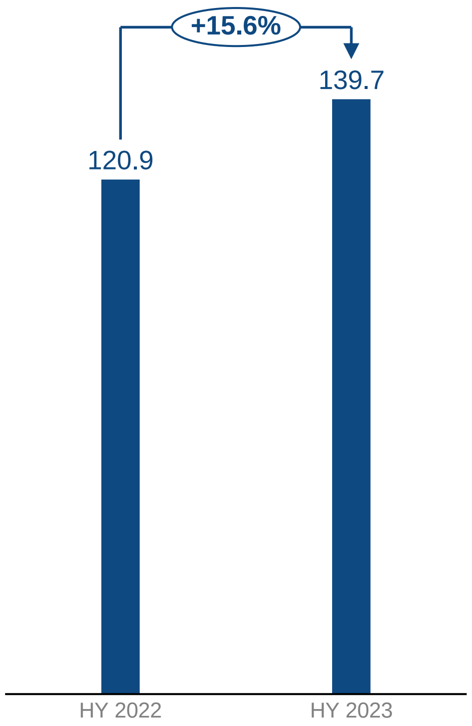
Comments

- **Despite the decline, demand has stabilized at a high level and is in line with our internal forecasts and expectations.**
- With a **book-to-bill ratio of 1.3x**, the order pipeline remains well-filled.
- Europe (50.3%) and Americas (44.9%) remain the main markets. Asia stabilized at 3.2%.
- The trend towards reshoring, involving the relocation of drug production from Asia to Western Europe and North America, fortifies our growth strategy.

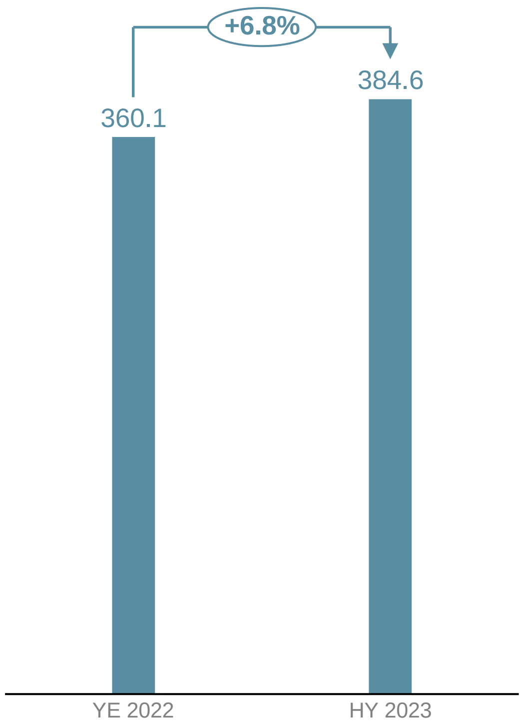
Note: Rounding differences may occur.

Robust growth in net sales and record order backlog

Net sales
(CHFm)



Order backlog
(CHFm)



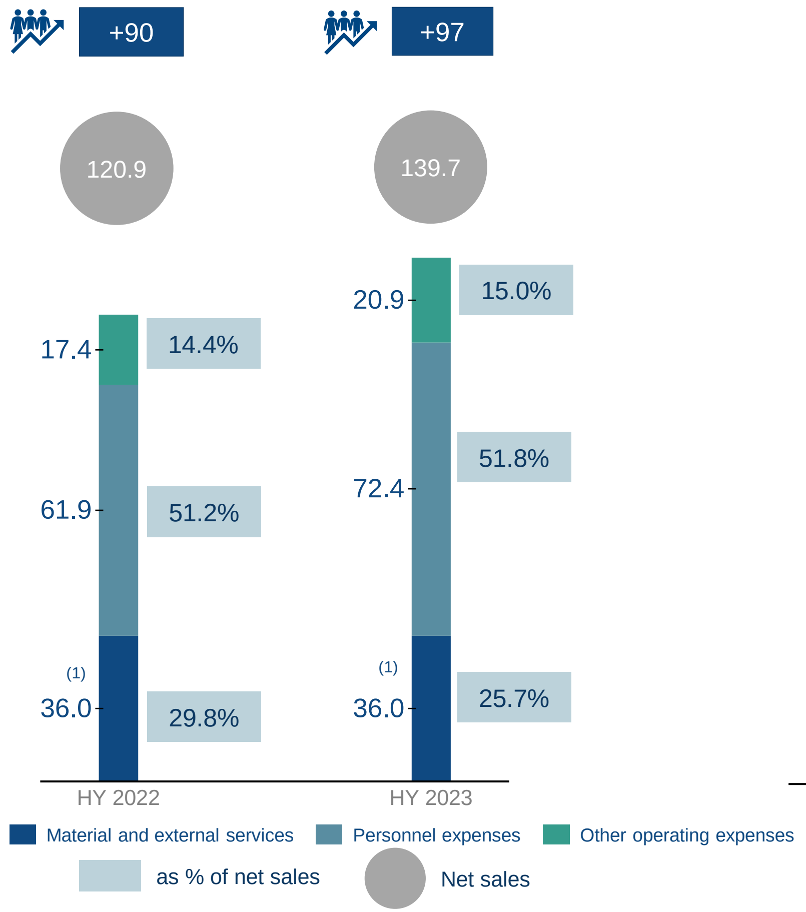
Comments

- **Net sales grew by +15.6% y-o-y**
- Adjusted for constant exchange rates (CER), **growth reached around 18.7%, positioning it at the upper end of our guidance range.**
- Both segments contributed to the growth rate, where S&C grew on a faster pace with 19.5% compared to 14.3% for E&S.
- The order backlog has surged **to a new record of CHF 384.6m, providing us with a solid foundation for planning and ensuring stability in our equipment business for the next two years.**

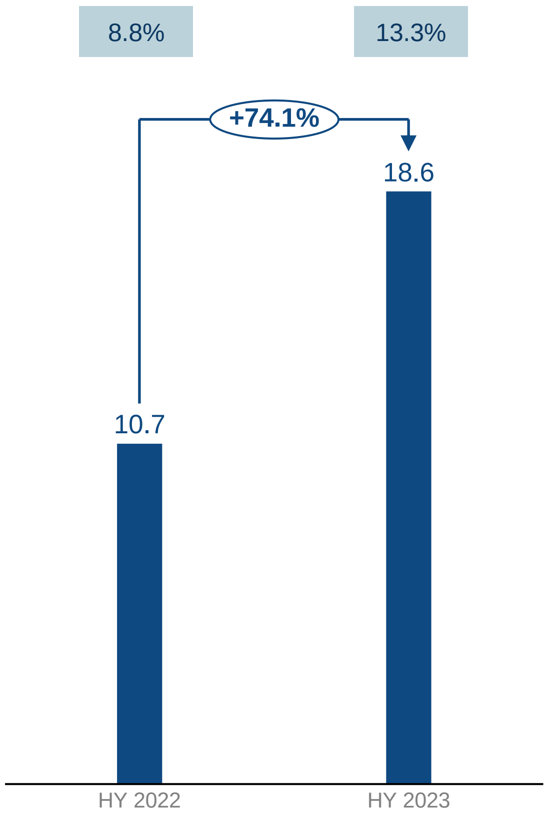
Note: Rounding differences may occur.

Effective cost control and substantial margin expansion

Expenses
(CHFm)



EBITDA
(CHFm and margin in %)



Comments

- EBITDA grew 74.1% to CHF 18.6m in, corresponding to an EBITDA margin of 13.3%.

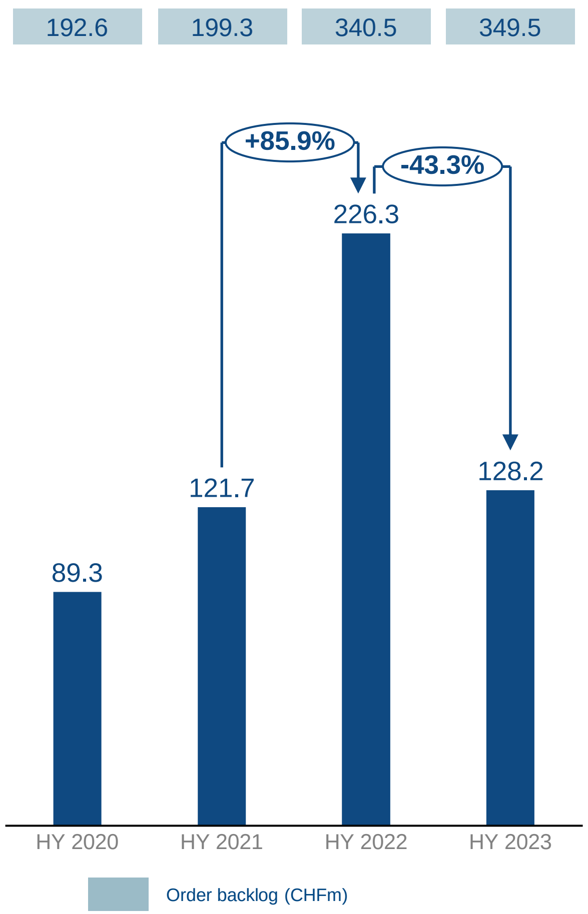
Following factors impacted the margin:

- Better balance between projects in the design phase and those in value-intensive manufacturing phase.
- Continued increase in personnel by almost **100 employees** and expenses for standardization increased the personnel intensity from 51.2% to 51.8%.
- Expansions in Görlitz and Stein enabled to increase own production and thus reduce material intensity from 29.8% to 25.7%.
- Other operating expenses increased from 14.4% to 15.0%, mainly driven by travel expenses and maintenance costs which corresponds with the growing business.

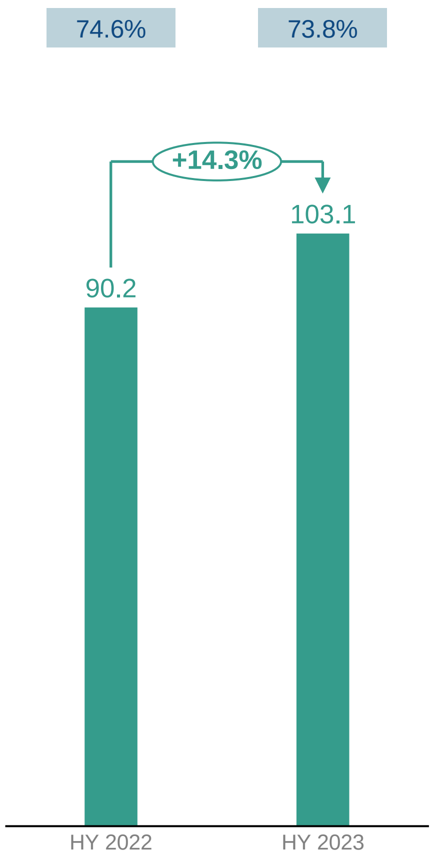
Note: Rounding differences may occur
(1) CHF 8.2m change in inventory of finished, unfinished goods & work in progress not considered (HY 2022: CHF 5.1m)

Segment Equipment & Solutions (E&S)

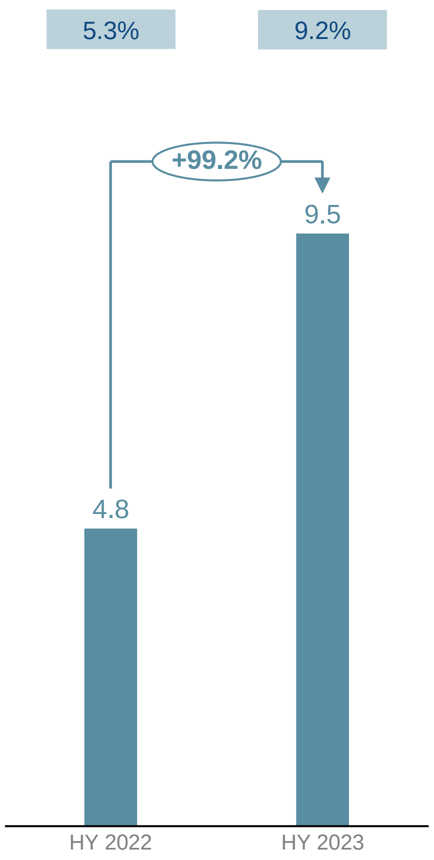
Order intake
(CHFm)



Net sales
(CHFm and as of % of total net sales)



EBITDA
(CHFm and margin in %)



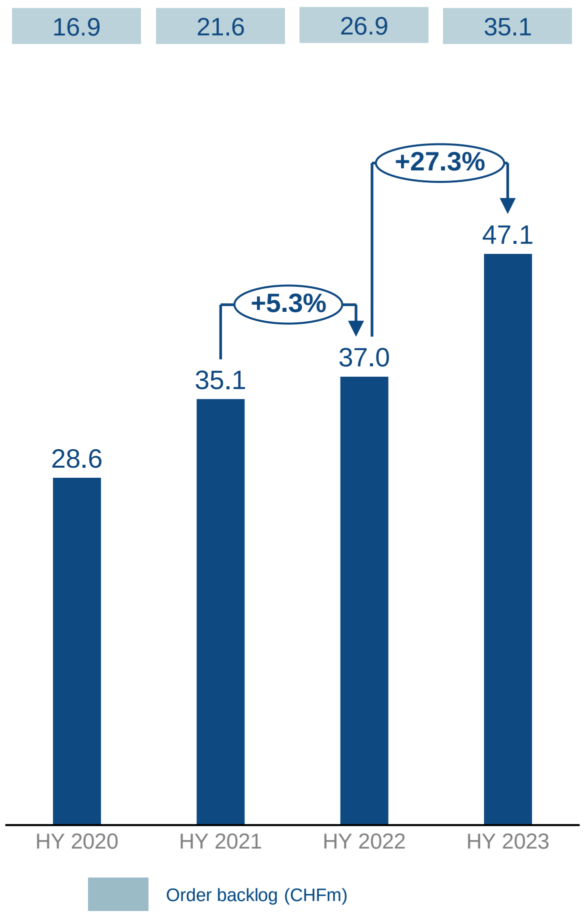
Comments

- Following a pronounced catch-up effect in the preceding year, driven by increased customer investments in equipment for pharmaceuticals that were deferred due to the Covid-19 pandemic, the order intake has now stabilized at a consistently high level.
- The higher order intake compared to net sales confirms the continuing demand momentum.
- **EBITDA almost doubled** in the first half of 2023 as a result of a better-balanced distribution of projects across the various project phases.
- Sustainable improvement of the EBITDA margin from 5.3% to 9.2%.

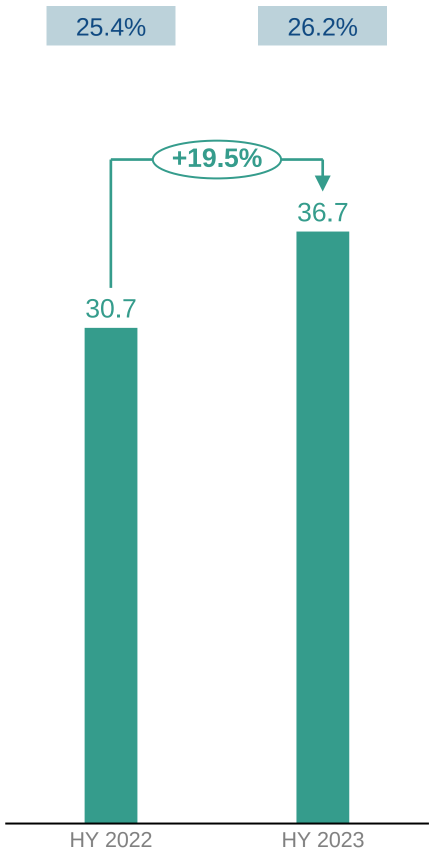
Note: Rounding differences may occur.

Segment Services & Consumables (S&C)

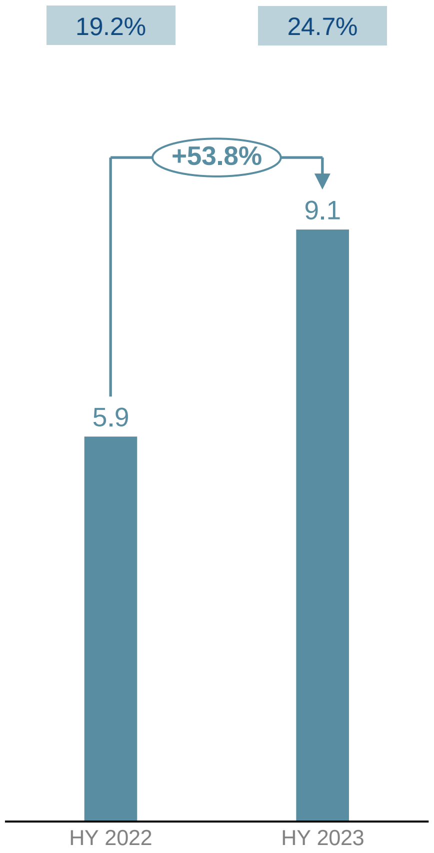
Order intake
(CHFm)



Net sales
(CHFm and as of % of total net sales)



EBITDA
(CHFm and margin in %)



Comments

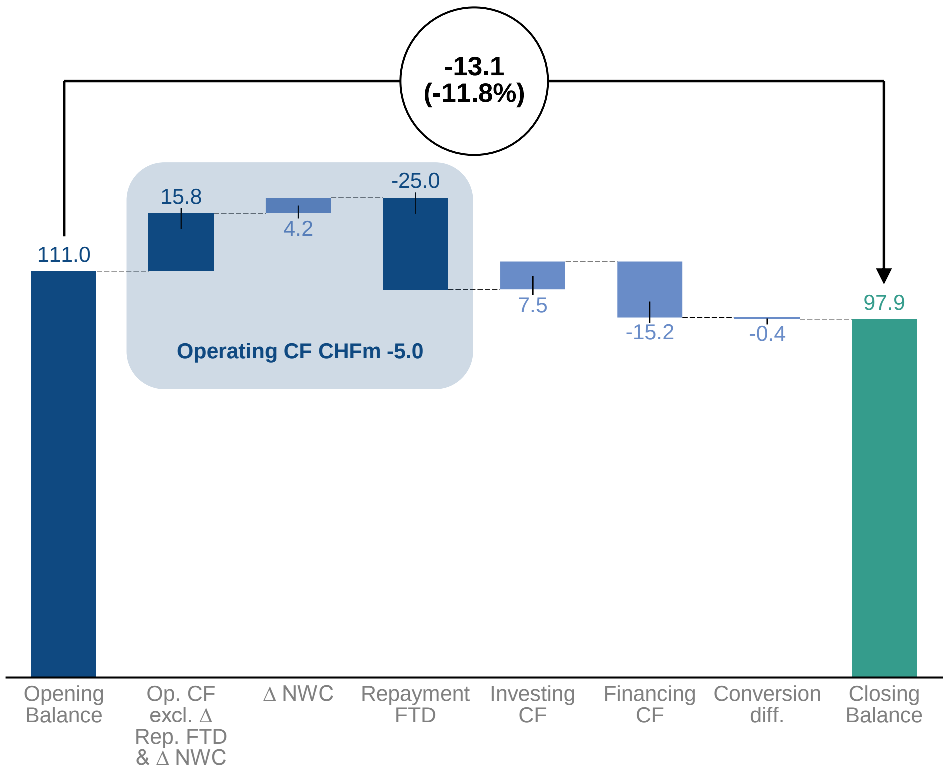
- Order intake grew +27.3% to reach CHF 47.1m in the first half of 2023.
- 19.5% growth in net sales is as a result of the expansion of the installed base, which requires regular maintenance, requalification and spare parts and the higher sales of AT-Closed Vials
- **Significant (+53.8%) increase in EBITDA and EBITDA-margin compared to prior year.**
- Primary driver behind the margin increase attributed to the product mix. This signifies a higher proportion of sales in closed vials and other high-margin consumables

Note: Rounding differences may occur.

Negative NWC due to order intake growth over the last years

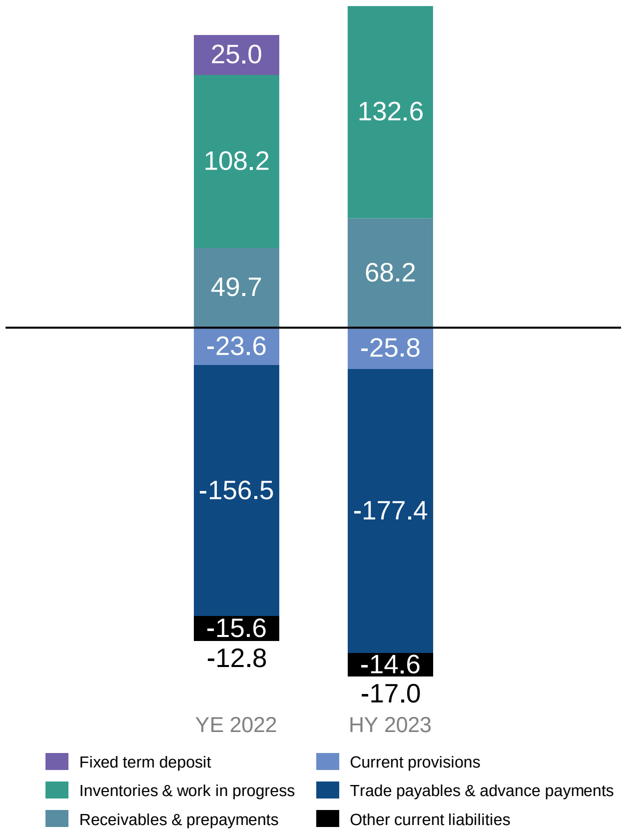
Cash flow

(CHFm)



Net-working-capital (NWC)

(CHFm and in %)



Comments

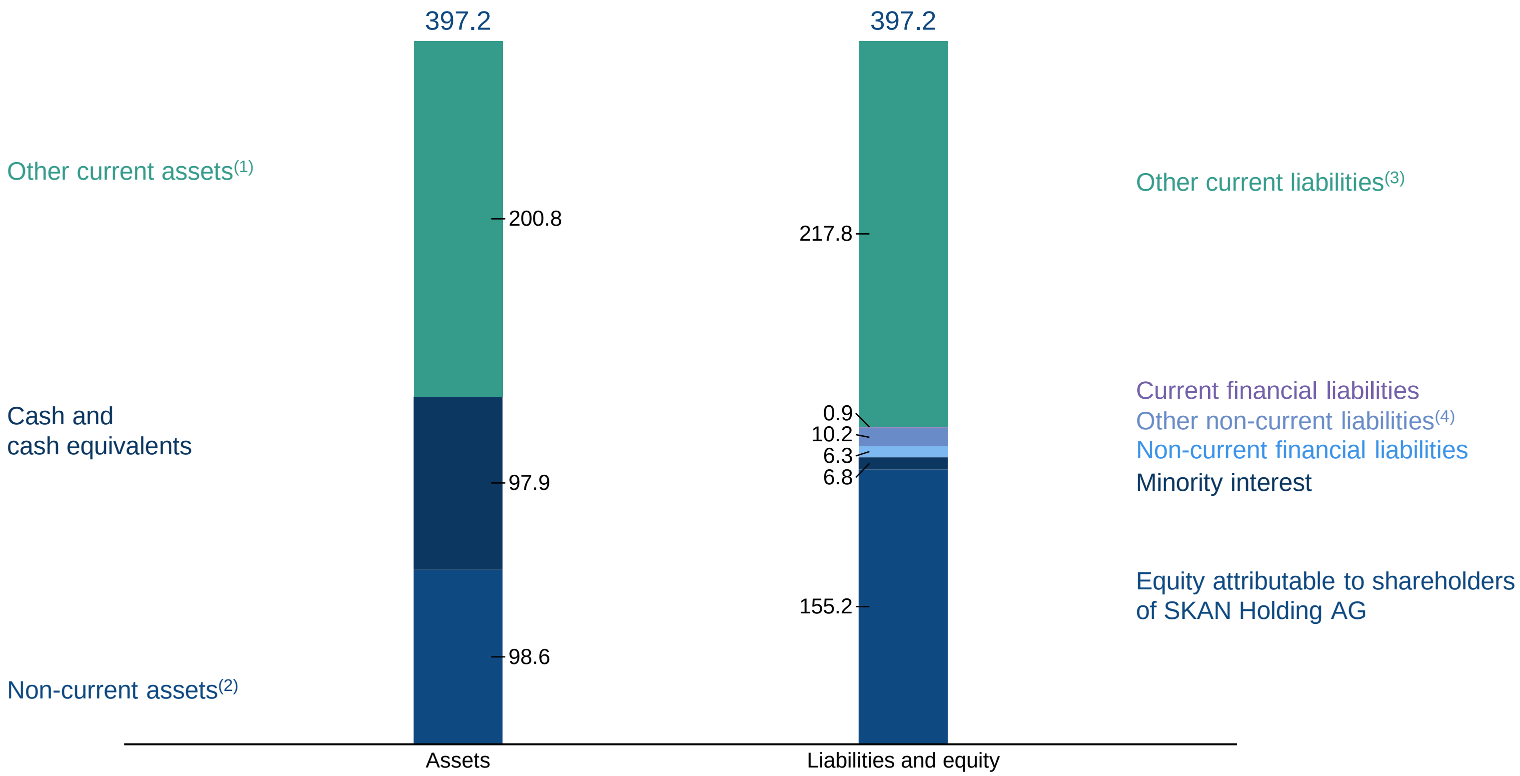
- Cash flow was negative at CHF -13.1m, particularly as loans were repaid and the dividend distributed.
- In addition, inventories of critical components were held at a higher level than usual to avoid shortages. Due to the improved supply chain situation, inventories should normalize over time.
- The main investments in 2023 were the purchase of 5% in AT shares and the investments in the Pre-Approved Services initiative.
- The fixed-term deposit (FTD) which was held for six months was terminated in the reporting period and transferred to cash and cash equivalents.
- **The substantially negative NWC of CHF -17.0m is a consequence of the order intake and the associated ad-vance payments from customers.**

Note: Rounding differences may occur.

Strong balance sheet & finance structure

Balance sheet as of 30th June 2023

(CHFm)



Comments

- SKAN Group posts a **net cash position of CHF 90.6m** as of 30th June 2023 and is thus very well positioned to finance future growth.
- The change in non-current financial debt is mainly driven by repayment of (CHF 9.0m) of loans from banks for the financing of the production site in Görlitz (DE).
- The total equity amounted to CHF 162.0 million, which corresponds to a **very solid equity ratio of 40.8%.**

Note: Rounding differences may occur.
(1) Includes trade receivables, other current receivables, inventories, work in progress and prepayments & accrued income.
(2) Includes property, plant and equipment, financial assets, intangible assets and deferred tax assets.
(3) Includes trade payables, advance payments from customers, other current liabilities, current provisions, and accrued liabilities & deferred income.
(4) Includes other non-current liabilities, deferred tax liabilities and non-current provisions.

Agenda

1. Overview of HY 2023 — Thomas Huber (CEO)
2. Financial Results HY 2023 — Burim Maraj (CFO)
3. Outlook 2023 — Thomas Huber (CEO)
4. Questions and discussions

Century of biology: Shift toward injectable biotech drugs drives need for aseptic process solutions

Top 10 medicines 2005

Lipitor
Pfizer

Zoloft
Pfizer

Nexium
Astra Zeneca

Plavix
Sanofi

Prevacid
Takeda

Efexor
Pfizer

Zocor
Pfizer

Singulair
MSD

Adavair Diskus
GSK

Norvasc
MSD

Top 10 medicines 2020

Eylea
Regeneron, Bayer

Humira
AbbVie

Keytruda
Merck & Co.

Stelara
Johnson & Johnson

Revlimid
Bristol Myers
Squibb

Opdivo
Bristol Myers Squibb

Eliquis
Bristol Myers Squibb,
Pfizer

Biktarvy
Gilead Sciences

Imbruvica
AbbVie, Johnson
& Johnson

Xarelto
Bayer, Johnson &
Johnson

mAb / biotech drug substance

Confident market and business outlook

- Demand momentum in our market is expected to continue at a high level. Main drivers are:
  - The underlying growth of the global (bio)pharmaceutical market;
  - The reinforcing trend towards injectable drugs (three quarters of the drugs in development are now designed for an injectable dosage form);
  - The shift from traditional cleanrooms to the technologically more advanced isolator technology;
  - The reshoring of pharmaceutical production.
- As a consequence, demand for SKAN's equipment, services and consumables will continue, as evidenced by the well-filled order pipeline.
- To accommodate the strong growth, we will – besides North America – further expand production capacity at the existing sites in Switzerland and Germany.
- SKAN Group expects the 2nd half of 2023 to be even stronger than the 1st half in terms of net sales and profitability.
- Guidance for the full year 2023 confirmed.

Guidance

Metric	2023 Targets[1]	Mid-Term Outlook
Group net sales growth	Mid- to upper teens	Mid- to upper teens
Segment net sales growth[2]	E&S ↗ S&C ↗	E&S ↗ S&C ↗
EBITDA margin	13 - 15%	Gradually increase profitability level to upper teens in the mid-term. Potential for further increase beyond mid-term period.

(1) 2023 targets assume no further deterioration (direct or indirect) of supply chain conditions and other unpredictable development of the geopolitical situation.
(2) E&S refers to Equipment & Solutions. S&C refers to Services & Consumables.

Together always one step ahead!

SKAN

skan

Abbreviations and Definitions

SKAN

Alternative Financial Performance Measures (APM)

- **EBITDA:** Operating result (EBIT) plus depreciation, amortisation.
- **EBITDA margin:** EBITDA as a percentage of net sales from goods.
- **EBT:** Profit before income taxes.
- **Equity ratio:** Equity at the end of the period divided by total assets at the end of the period.
- **Headcount:** Number of people employed by SKAN Group at the time indicated (i.e. excluding contractors).
- **Book-to-bill ratio:** Order intake divided by net sales.
- **Net Cash:** Cash and cash equivalents including liquid funds invest-ment less current and non-current financial liabilities.
- **Net working capital (NWC):** Total current assets (excluding cash and cash equivalents) minus trade payables, advance payments from customers, other current liabilities, current provisions and accrued liabilities and deferred income.
- **Operating result (EBIT):** Earnings before total financial result and income taxes.
- **Return on capital employed (ROCE):** Operating result (EBIT) divided by the sum of the average total assets minus the average current liabilities, expressed as a percentage.