skan

SKAN Group
Investor Presentation

June 2024

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 adversely 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.

Key challenge for (bio-)pharmaceutical products

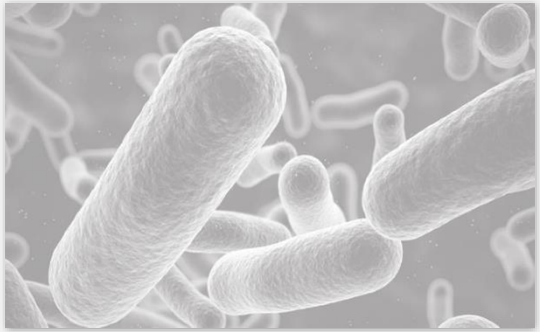
Key challenge:

Medical safety

Medication safety is key and (cross-) contamination unacceptable

Key contamination sources:

- **Air particles**
- **Input**: Raw materials, containers, closures
- **Personnel**

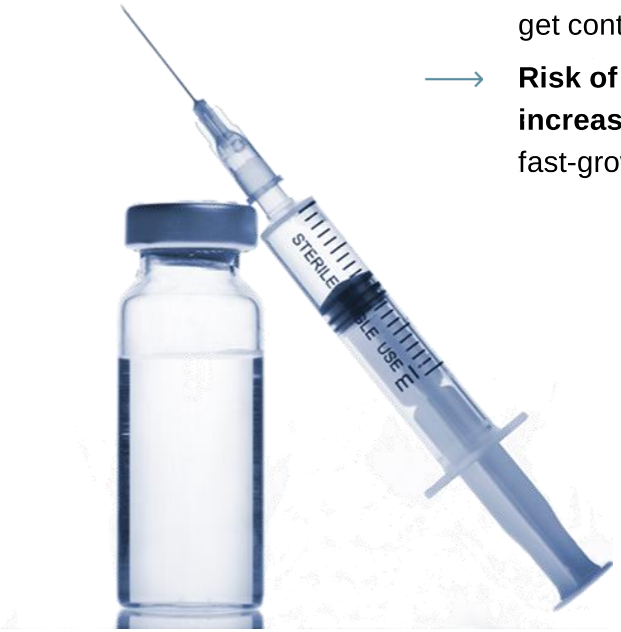


Products:

Injectables

- **Cancer drugs** (ADC, Cytotoxics)
- **Cell & gene therapy** (Advanced Therapy Medicinal Products (ATMPs))
- **Hormones:** Insulin
- **Medical drugs** (Thrombosis, EPO, blood plasma products, botox, etc.)
- **Vaccines**: Flu, COVID-19, etc.

Increased infection risk as their application bypasses many of the human body's natural defenses



In particular true for:

High-value biopharma drugs

- **Risk of significant economic losses** if high-value biopharma drugs get contaminated
- **Risk of cross-contamination increases** with small batch size of fast-growing personalized medicine

Isolators – Mission critical for (bio-)pharmaceutical processes

SKAN

Solution: Medication sterility

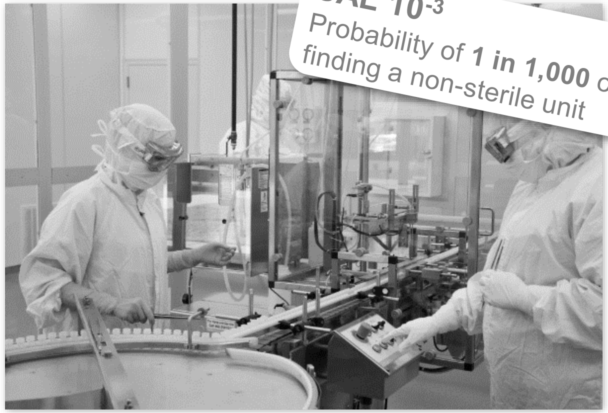
Traditional pharma

Pharma products mainly chemical based

Cleanroom

- + Filling / closing in cleanroom with terminal sterilization
- - Inappropriate for complex biopharmaceuticals

SAL 10^{-3}
Probability of **1 in 1,000** of finding a non-sterile unit



Cleanroom environment | *Terminal sterilisation*

Raw materials procurement → Formulation → Fill-finish → Quality control → Packaging & shipping

Sterilisation | **Aseptic processing**

Biopharma of today and tomorrow

New products mainly biotech-based (sensitive to heat and pressure)

Isolators

- + Filling/closing under aseptic conditions eliminating effectively all contamination risk
- + Reduced cleanroom footprint and running costs and environmental-friendly
- + Complex process results in high market entry barriers

SAL 10^{-6}
Probability of **1 in 1,000,000** of finding a non-sterile unit

Note: SAL = Sterility Assurance Level.

SKAN's investment highlights

1 **Market leader globally for high-end aseptic process solutions** catering the global biopharma industry

2 **Technology & innovation leadership** with first-to-market solutions and reference point for aseptic manufacturing guidelines

3 Strategically positioned in a **highly dynamic & rapidly growing niche market** driven by strong underlying end market growth

4 **Significant barriers to entry** due to regulatory requirements know-how and mission criticality of aseptic processes

5 **Trusted, long-term partner** to a large, diversified customer base including almost all major blue-chip (bio-)pharma companies

6 **Experienced & entrepreneurial management** with proven track record of organic growth

7 **Excellent financial profile** with demonstrated profitable above-market growth and solid revenue visibility

8 **Clear strategy** with multiple avenues for growth and expansion of addressable market

Global market leader for aseptic process solutions

Who is SKAN ?

- **A global market leader** in high-end, mission-critical isolator solutions for aseptic and aseptic-toxic production processes across (bio-)pharma
- **Pioneer in the isolator technology** with 50+ years of experience in cleanroom equipment
- **Trusted, long-term partner** to almost all major blue-chip (bio-)pharma companies
- **Diversified customer base** with more than 1,000 total active customers
- **Global footprint** across Europe, North America and Asia

SKAN aseptic process offering

Equipment & Solutions (74%)

- Customized and standard isolator solutions
- Automated aseptic filling stations, e.g. for cell & gene therapy
- Process solution from design & engineering to process qualification

Services & Consumables (26%)

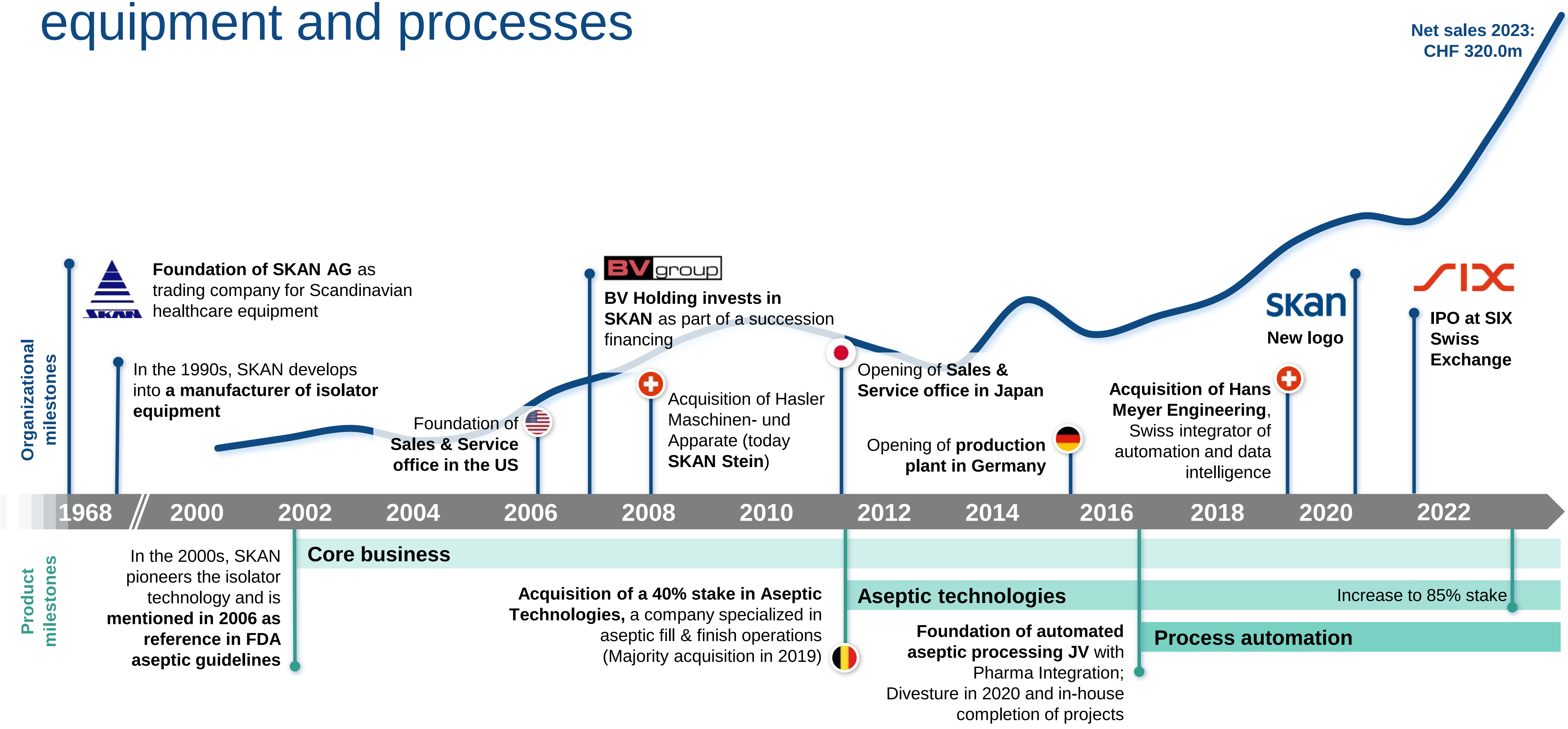
- Lifecycle management services
- Consumables: transfer connectors, closed vials, etc.

SKAN key figures

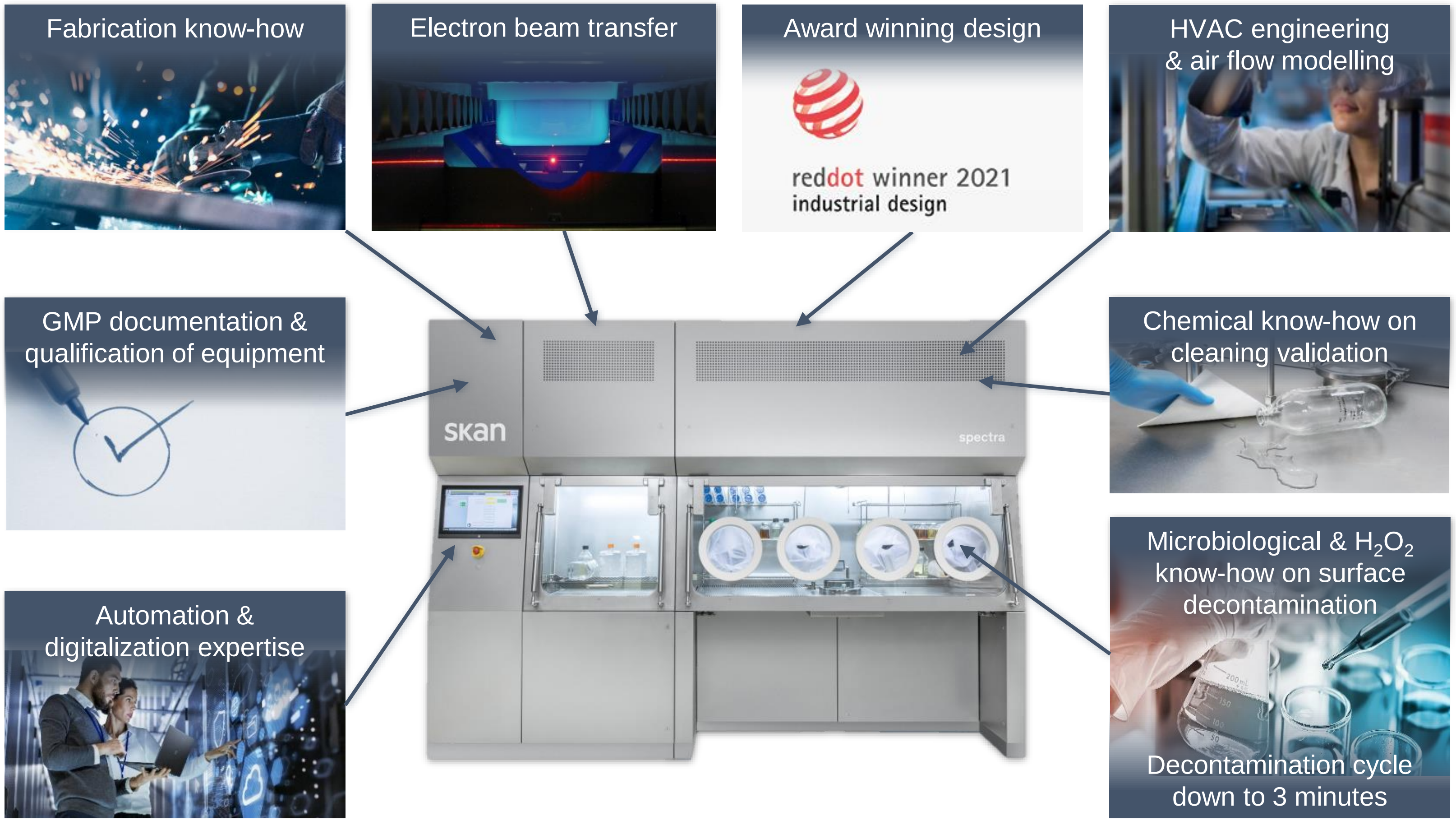
CHF 320.0m	+15.5%	CHF 50.1m	15.7%	30-40%	CHF 312.1m
Net sales 2023	Net sales growth 2022-23	EBITDA 2023	EBITDA margin 2023	Market share(1)	Order backlog 2023

(1) *Management estimation of the market share within the premium high-value market.*

Longstanding heritage in aseptic manufacturing equipment and processes



Technology & innovation leadership

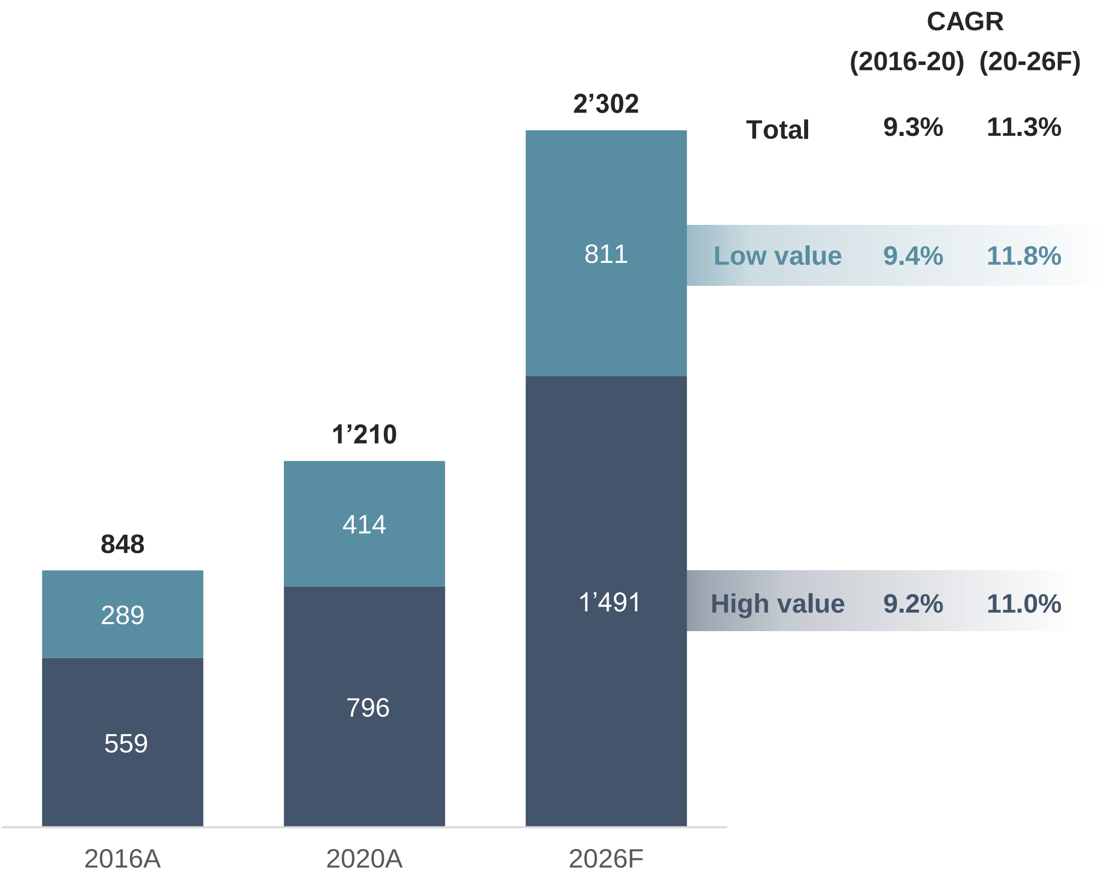


- **Technology leadership & foresight allows SKAN to be the market defining player**
- **Continuous active contribution to new guidelines & regulations** through industry standards setting organisations (ISPE, PDA, ISO)
- **Pure-play business model** enables an undiluted focus of resources to drive technology and innovation
- **More than 1,400 employees globally, of which more than 50% have an academic background, such as scientists and engineers** to ensure seamless innovation and production

Highly dynamic niche market with strong end market growth

Strong growth of aseptic manufacturing[1]

Isolator market by value (EURm)



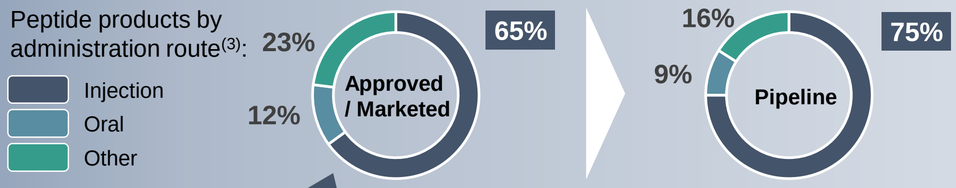
Key growth drivers

Underlying biopharma industry growth:

- Global pharmaceutical industry: +4.5% p.a. (CAGR 2021-2026F)[2]
- Cell & gene therapy market: +58% p.a. (CAGR 2020-2024F)[2]
- Highly potent APIs market: +8.9% p.a. (CAGR 2020-2024F)[2]

Shift towards injectable therapies

Peptide products by administration route[3]:



Expected injectable market value growth: +8.5% p.a. (CAGR 2020-2025F)[2]

Growth in no. of injectable molecules in development: +17.8% p.a. (CAGR 2014-2020)[2]

Shift towards personalized medicine requiring aseptic manufacturing

- Growing demand for injection administration
- Growing demand for smaller batch sizes (e.g. expected orphan drug sales growth +10.8% CAGR 2020-2024F[2])
- Increased risk of cross-contamination addressed by isolators

Continuing trend of pharma outsourcing

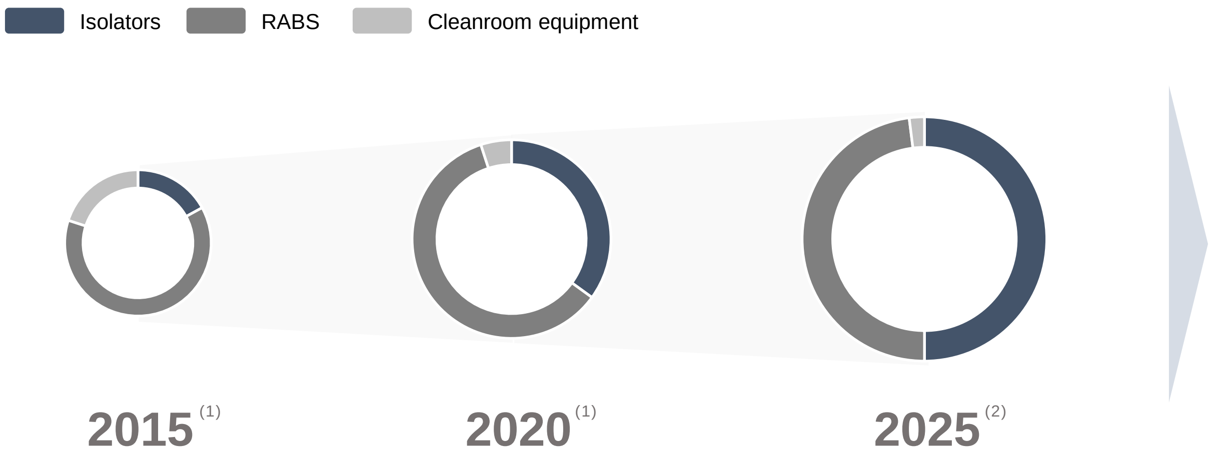
- Increased outsourcing via CMOs is driving the demand for isolation equipment
- Global CMO market: +6.3% p.a. (CAGR 2020-2025F)[2]

(1) L.E.K. market study.
(2) L.E.K. market study based on third-party data.
(3) A.N. Ganesh et al, Medicine in Drug Discovery 9 (2021) 100079.

Constantly expanding addressable market

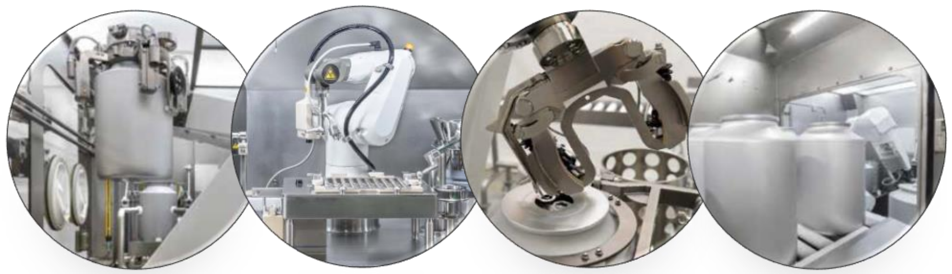
SKAN

Aseptic manufacturing market by technology



Isolator

Integrated, fully-automated robotics



Shift from cleanroom towards isolator solutions…

… and further to integrated aseptic manufacturing

Key trends

- **Regulatory environment**
- **Personalized medicine**

Competitive advantages of isolators vs. cleanroom

- Separation of production process from environment
- Automated, reproducible, documented bio-decontamination
- Isolator modularity / flexibility
- Reduced cleanroom footprint
- Lower running costs (energy, quality, etc.)

Applications

→ Filling / closing of vials, bottles, pre-filled syringes, IV-bags, inhalers, cartridges
→ Loading / unloading of freeze dryers
→ Sterilisation of tubes

(1) 2020 ISPE Barrier Survey, August 2020. Based on filling machine orders.
(2) Management estimates.

Protected market leadership in aseptic processing underpinned by high entry barriers and significant switching costs

Market entry barriers

- Technological edge
- Stringent regulatory environment
- Mission criticality of aseptic processes
- Lock-in effect

SKAN's value proposition

- Mastery of difficult to replicate know-how on highest-performance isolators
- Process warranty regarding all regulatory (e.g. FDA, EMA, Swissmedic) required qualifications & timeline
- Swiss brand, engineering & reputation provide trust in isolator safety
- Large installed base of isolators and leading global services incl. tech transfer & consumables across product lifecycle

Market leadership

Trusted, long-term partner for global (bio-)pharma customers

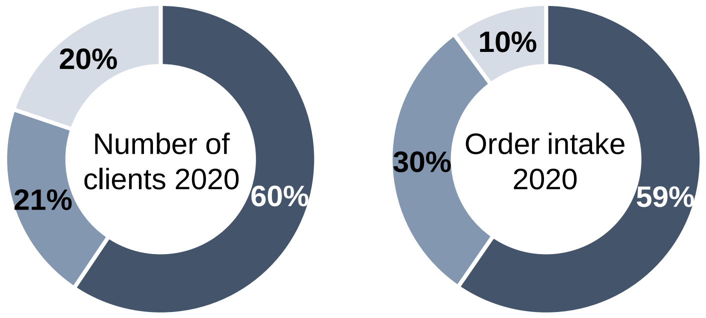
Selected (bio-)pharma customers…

gsk, novo nordisk, Johnson & Johnson, Lilly, Lonza, MERZ, Baxter, moderna, SANOFI, Roche, NOVARTIS, abbvie, GILEAD, Pfizer, Takeda

Key statistics

High level of recurring customers

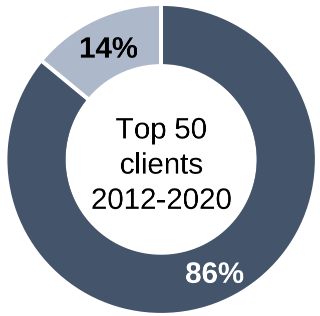
Number of clients & order intake share by type of client(1)



- Recurring customers (2018–2020)
- New clients (2019 & 2020)
- Opportunistic clients

Loyal customers

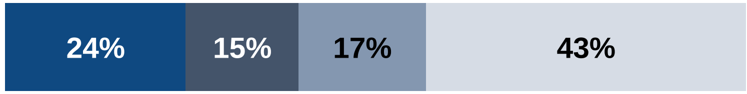
Share of top 50 customers over 2012-2020 contributing to 75% of total order intake over last 9 years(1)



- Recurring clients (Continuous new order intake)
- New clients (First order intake)

Limited customer concentration

Total order intake 2018-2020 per customer(2)



Top 1-5 | Top 6-10 | Top 11-20 | Rest

Large exposure to biopharma market

Total order intake 2018-2020 per end market(2)(3)

(Bio-)pharma | CMO | Cell & Gene

(1) Analysis based on customers of SKAN AG (SKAN AG includes almost all of SKAN's projects while Service & Consumables may be ordered on the local subsidiary level).
(2) Analysis based on customers of SKAN AG and Aseptic Technologies.
(3) Analysis based on management estimates and suffers from limited customer disclosure on actual use of SKAN's equipment. (Bio-)pharma includes Pharma and Vaccines. Customers of Aseptic Technologies classified as Cell & Gene (or CMO if a clear distinction can be made).

Comprehensive portfolio for aseptic manufacturing processes

Cleanroom | **Customized and modular isolators** | **Integrated processes**

Pure Solutions
Business contrib.

Process Solutions
Business contrib.

Integrated Process Solutions
Business contrib.

Equipment & Solutions ("E&S")
74% of revenue

Pure Solutions Trading

Trading of Laboratory/ cleanroom equipment, mostly in Switzerland
- Horizontal/verti-cal workbenches
- Fume cupboards
- Particle counters

Customized Solutions ("CusSol")
- Customer-specific isolator solutions for aseptic manufacturing and filling
- Process warranty incl. complete GMP compliance

System Solutions ("SysSol")
- Modular isolators equipped flexibly with process tools
- Close collaboration with process tool partners

Aseptic Technologies (AT)
- Proprietary, automated closed-vial filling equipment for small/medium-batch cell & gene therapy integrated within isolator

Process Automation
- Global process solution providing automated (robotic) process handling fully integrated within the isolator

Services & Consumables ("S&C")
26% of revenue

Pure Solutions

Consumables
- Personal protective equipment
- Biosanitiser

Services
- Qualification

Process Solutions

Consumables
- Biological Indicator
- Electron Beam (bulbs)
- Spares (gloves, filters, etc.)

Services
- Life cycle support
- GMP requalification
- Performance studies
- Material studies
- CFD studies
- Cleaning validation
- Retrofit

Aseptic Technologies (AT)

Consumables
- Closed vials
- Connectors
- Filling kits

Services
- Rent a machine
- Life cycle support

Process Automation

Consumables
- Refer to process consumables

Services
- Refer to process services
- Digital integration into MES[1] and ERP systems

(1) *Manufacturing Execution System*

One-stop-shop across the entire lifecycle of SKAN's mission-critical aseptic process solutions

Time

Year 0 (0.5y) | Year 1-2 | Year 2-3 | Year 2-20 | Year 20

Product lifecycle

Design & engineering

Value-creation(1): Approx. 5-10%

- **Design:** Close collaboration with customers and other equipment suppliers for process conceptualization
- **Engineering:** Development of customer-specific process solutions
- **Scientific studies**
- **Digitalization:** full data integration

Manufacturing & assembling

Value-creation(1): Approx. 80%

- In-house production and assembly
- Customer approval (FAT)
- Transport, assembly & commissioning
- Personal user training
- **Operational warranty**

Commissioning & qualification

Value-creation(1): Approx. 10-15%

- Installation & operational qualification incl. GMP-compliant documentation
- Microbiological monitoring incl. GMP-compliant documentation
- Cleaning qualification
- Regulatory compliance support
- **Process warranty**

Global lifecycle support

- Scheduled checks & preventive maintenance
- Repair & spare parts
- Re-qualifications (IQ/OQ, microbiological qualification)
- System upgrades

End-of-life services

- Retro fit
- Relocation
- End of life disposal

Global installed base of

- Approx. 1,100 SKAN isolators (incl. E-Beam)
- Approx. 450 AT filling solutions
- More than 10,000 lab equipment

(1) *Value creation is an approximation for the value-add provided in each step in a typical project of an isolator process solution for a client and is based on SKAN's Percentage-of-Completion method for invoicing clients throughout the project. The Percentage-of-Completion for milestones vary from project to project and should be considered as indicative approximation only.*

Aseptic Technologies is of strategic importance for SKAN

Seven AT filled drugs on the market

Customer	Product area	Approval
Daiichi-Sankyo	DELYTACT®: Oncolytic virotherapy for brain cancer	
Boehringer Ingelheim	ARTI-CELL® FORTE: Cartilage repair for veterinary applications	
Janssen Oncology / Legend Biotech	CARVYKTI™: Lentivirus used for the production of a drug against multiple myeloma	
Atara Bio	EBVALLO™: Monotherapy for the treatment of Epstein-Barr virus	
Krystal	VYJUVEK™: Treatment of wounds in patients with dystrophic epidermolysis bullosa in collagen type VII alpha 1 chain gene	
Vertex / CRISPR Therapeutics	CASGEVY™: Therapy for the treatment of sickle cell disease and transfusion-dependent Beta Thalassemia	
Pfizer	BEQVEZ™: Therapy to treat Haemophilia B	

- 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 Vial® and associated disposable product path.
- This confirms the expectation that the commercialization of new drugs increases the consumption of AT-Closed Vial®.
- **Together, these 7 drugs received 15 approvals by 6 major health authorities, including FDA, MHRA and EMA.**
- The development pipeline of drugs in AT-Closed Vial® is likely to be in the region of 450 active ingredients.
- Besides the sale ready-to-fill closed vials also the demand for AT production equipment increases.

FDA: Food and Drug Administration
MHRA: Medicines and Healthcare products Regulatory Agency
EMA: European Medicines Agency

Customer proximity strengthened through accelerated decentralisation

SKAN

Allschwil CH

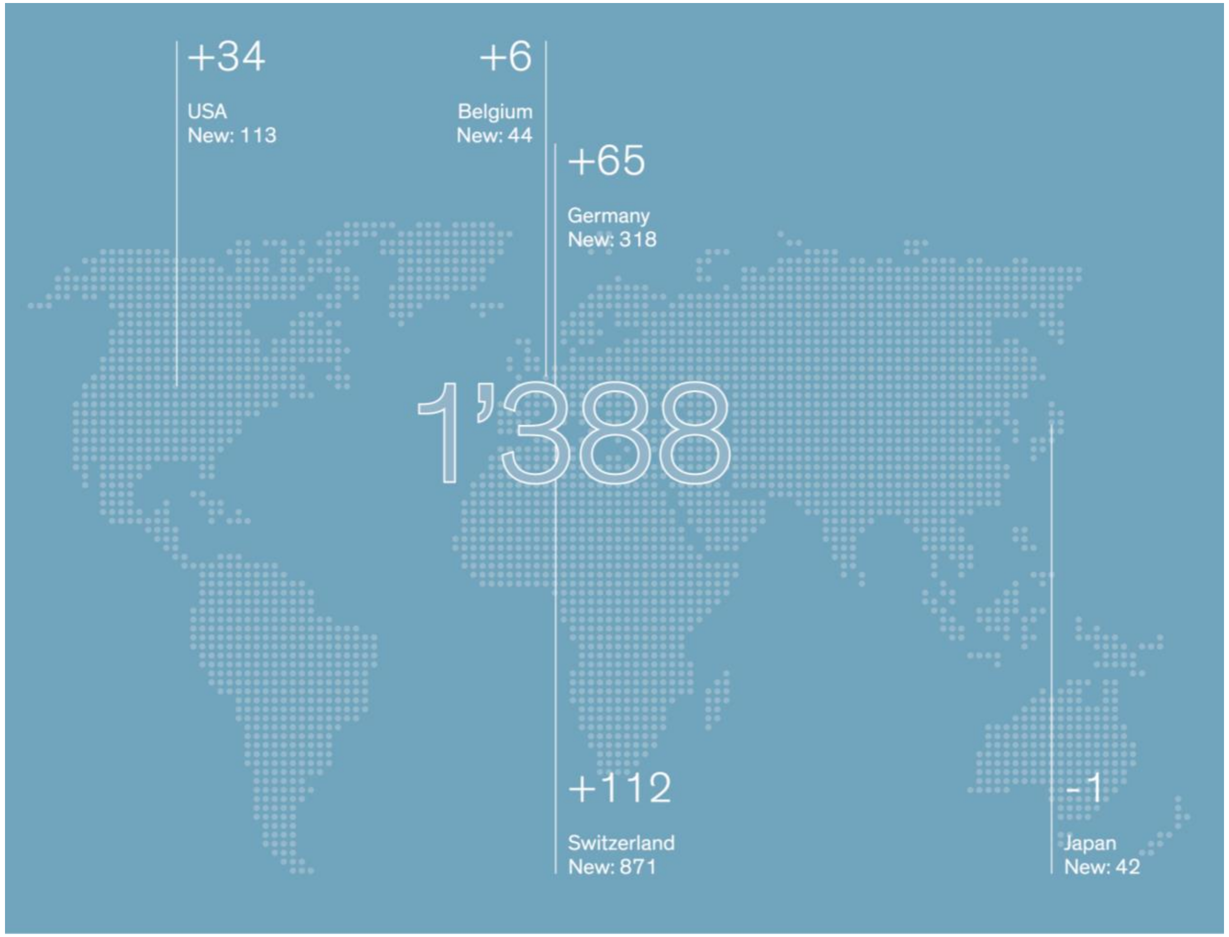
Headquarters / production sites
- Engineering, sales, service, assembly, R&D, laboratories
- Approx. 26,682 m²

Stein CH

Production site
- Prototype construction, steelwork, E-Beam competence
- Approx. 6,923 m²

Görlitz DE

Production site
- Focus: Steelwork, production, assembly, qualification
- Approx. 26,649 m²



Gembloux BE

Production site / AT
- Aseptic Filling equipment (Closed Vial® Technology)
- Approx. 3,590 m²

Raleigh US

Sales & services office
- Sales and life cycle support Americas
- Approx. 1,200 m²

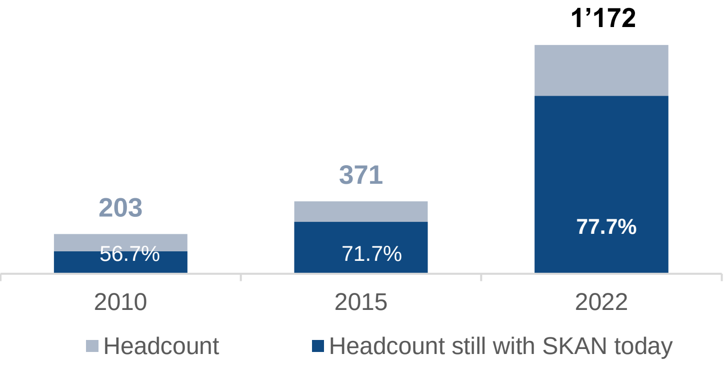
Okinawa JP

Production site
- Sales, assembly, and life cycle support Far East
- Approx. 2,170 m²

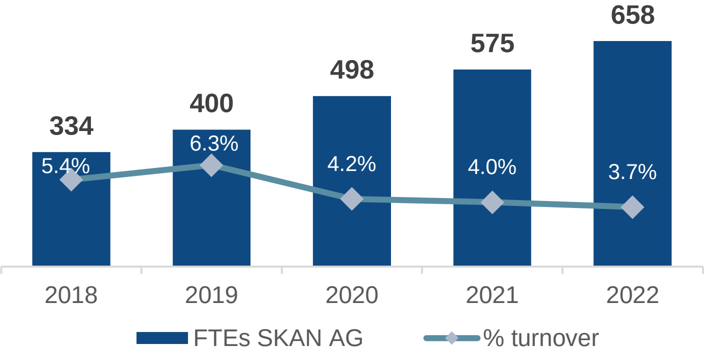
Experienced, entrepreneurial management and highly qualified workforce loyal to the firm

Dedicated workforce

Loyal, increasing workforce[(1)]



Low employee turnover[(2)]



Board of Directors


Beat Lüthi
Chairman


Cornelia Gehrig
Vice Chairwoman


Gregor Plattner


Oliver Baumann

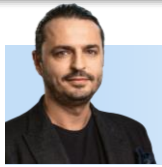

Patrick Schär


Thomas Huber

Experienced management team

>70 combined years at SKAN
approx. 180 combined years in the industry


Thomas Huber
CEO
25+


Burim Maraj
CFO
18+


Ralf Krämer
CTO
36+


Philippe Jérôme
CMO
20+


Marina Häni
CPCO
8+


Dr. Sascha Pawel
CIO
11+


Martin Steegmüller
CPO & CDO
19+


Thomas Zinn
CCO
17+


Maria Cuevas Otero
CSO
22+

Years of industry experience

(1) *All figures as of December of respective year and exclusive of temporary workers.*
(2) *Refers to SKAN AG.*

Highlights of the financial year 2023

Order Intake in CHF million	Net Sales in CHF million
295.1	320.0
-28.3%(1)	+15.5%(1)

EBITDA in CHF million	EBITDA-Margin as % of Net Sales
50.1	15.7
+24.9%(1)	+1.2pp(1, 2)

Investments in CHF million	Order Backlog in CHF million
35.3	312.1
+22.3%(1)	-13.3%(1)

- Stabilisation of order intake at a healthy level after an exceptionally strong previous year.
- Order backlog and book-to-bill ratio at 0.9 offer planning security for more than a year in Equipment & Solutions.
- Net sales growth at constant exchange rates with 19.2% at upper end of guidance.
- EBITDA increased once again compared to the previous year. EBITDA-Margin above the guidance.
- EBIT increased by 28.1% from CHF 29.5 million to CHF 37.8 million.
- Total investments of CHF 35.3 million mainly related to the expansion of pre-approved services.

(1) Changes compared to previous year
(2) Percentage points

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

2005 — 0% of top 10 drugs injectable dosage form

Lipitor Pfizer	Zoloft Pfizer
Nexium Astra Zeneca	Plavix Sanofi
Prevacid Takeda	Efexor Pfizer
Zocor Pfizer	Singulair MSD
Adavair Diskus GSK	Norvasc MSD

2020 — 50% of top 10 drugs injectable dosage form

Eylea Regeneron /Bayer	**Humira AbbVie**
Keytruda Merck	**Stelara J&J**
Opdivo BMS	Revlimid, BMS
Eliquis BMS, Pfizer	Singulair MSD
Imbruvica AbbVie, J&J	Norvasc MSD

2023 — 70% of top 10 drugs injectable dosage form

Comirnaty Pfizer/ Biontech	**Humira AbbVie**
Keytruda Merck	**Stelara J&J**
Opdivo BMS	**Spikevax Moderna**
Dupixent Sanofi	Paxlovid Pfizer
Eliquis BMS, Pfizer	Singulair MSD

mAb / biotech drug substance

Market and business outlook

General market development

- 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.

Business development

- The start to the current year, alongside a robust order backlog and a full project pipeline, should ensure a good course of business in 2024.
- To support our robust growth, we will enhance production capacity not only in North America but also at our established Swiss and German sites (e.g. Logistic Hub).
- SKAN is confident to achieve its growth targets in the current year.

Financial targets and outlook

Metric	2024 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) *2024 targets assume no further deterioration (direct or indirect) of economic general conditions and other unpredictable development of the geopolitical situation.*
(2) *E&S refers to Equipment & Solutions. S&C refers to Services & Consumables.*

Clear growth strategy

Objectives:
→ Continue growth track-record
→ Increase recurring revenue base
→ Expand profitability

1 Fortify market leadership

- **Investment in production capacity expansion and scale-up**
- **Continuous innovation** to meet customer's demand and to maintain technical leadership
- Continuous **active contribution to new guidelines & regulations**
- Grow service revenues with ever-increasing installed base of isolators

Business units: Process Solutions; Services

2 Expand addressable market towards integrated process systems

- Scale-up of **Aseptic Technologies**
- Intensified **joint developments** with established fill-finish partners
- In-house development of **automated process equipment** in combination with isolator technology

Business units: Integrated Process Solutions; Consumables

3 Increase exposure to after-market services & consumables revenues

- Increasing, global **product lifecycle support** with expanding installed base of isolators
- Further development of **innovative consumables** (e.g. closed vials, transfer systems, filling kits)
- **Additional service offerings of "pre-approved" solutions** to help customers shorten time-to-market
- **New financing models** such as pay per use and off the shelf delivery

Business units: Services & Consumables

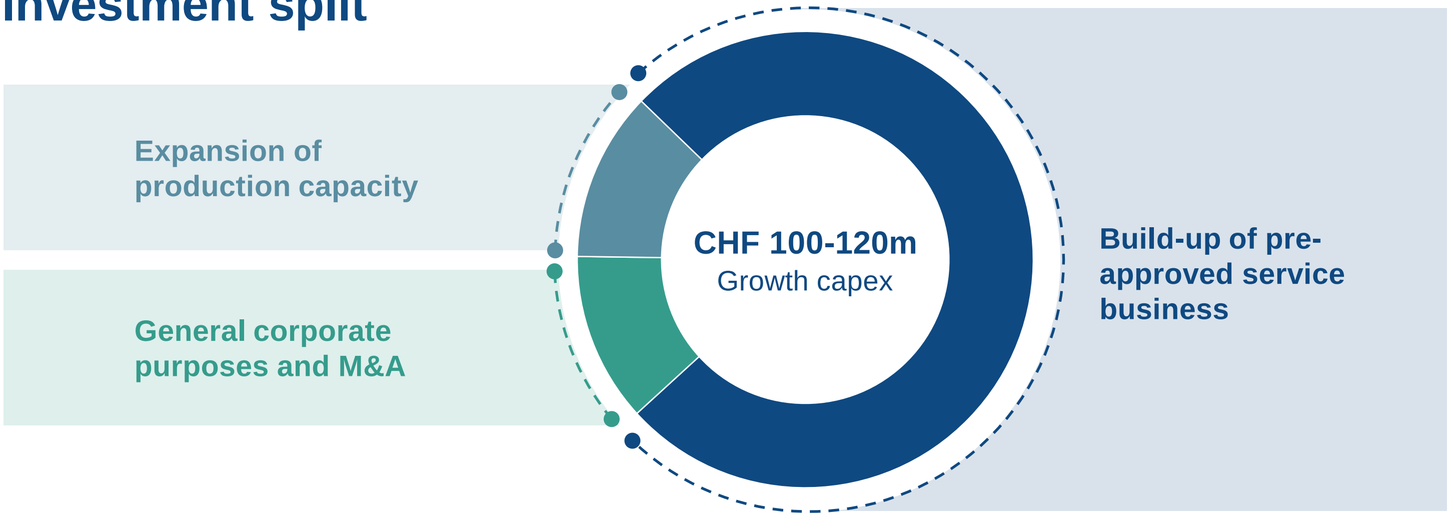
4 Accelerate digital transformation

- Increased **augmented reality service support** to increase reaction time and reduce long distance travel
- Increased **Virtual Reality** design support
- **Industry 4.0**
  - **Artificial Intelligence** for preventive maintenance
  - **"One button release"** paperless GMP compliant documentation

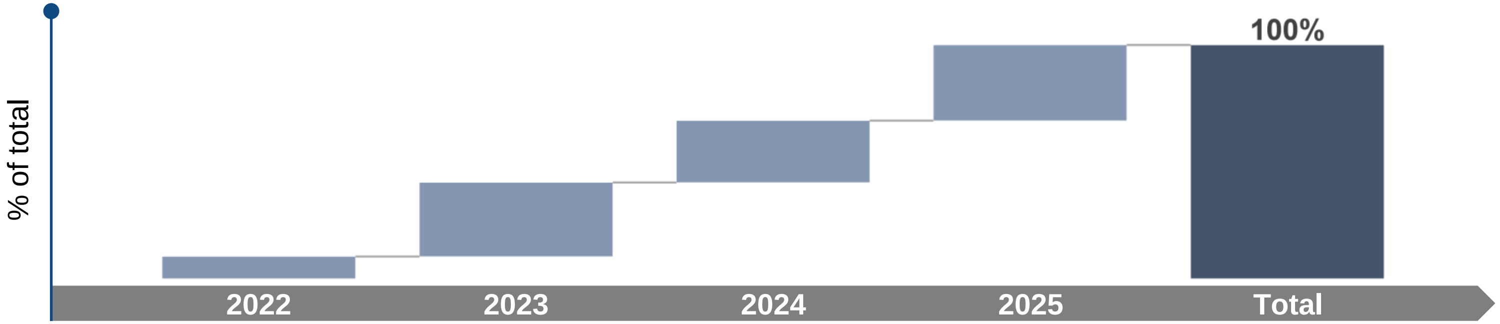
Business units: All

SKAN is committed to invest significantly in its core business and in future growth

Investment split



Planned investments over the mid-term



- SKAN will use the **proceeds from the IPO as well as cash generated from operations** to
  - Expand the production capacity to strengthen the core business
  - Further build up of the company's services business
  - General corporate purposes and opportunistic M&A opportunities
- SKAN invests into the **pre-approved service business**
- These pre-approved services are **expected to deliver attractive EBITDA margins of up to 50%**

Together always one step ahead!