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SKAN Group Investor Presentation

November 2024

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Key challenge for (bio-)pharmaceutical products

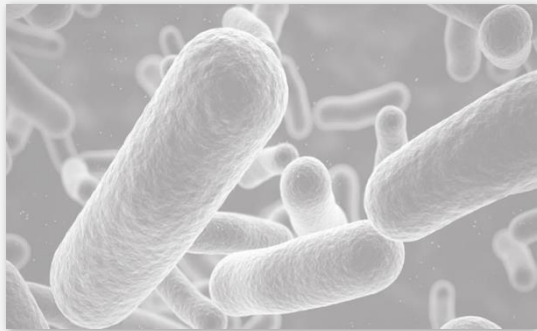
Key challenge:

Medical safety

Medication safety is key and (cross-) contamination unacceptable

Key contamination sources:

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



Products:

Injectables

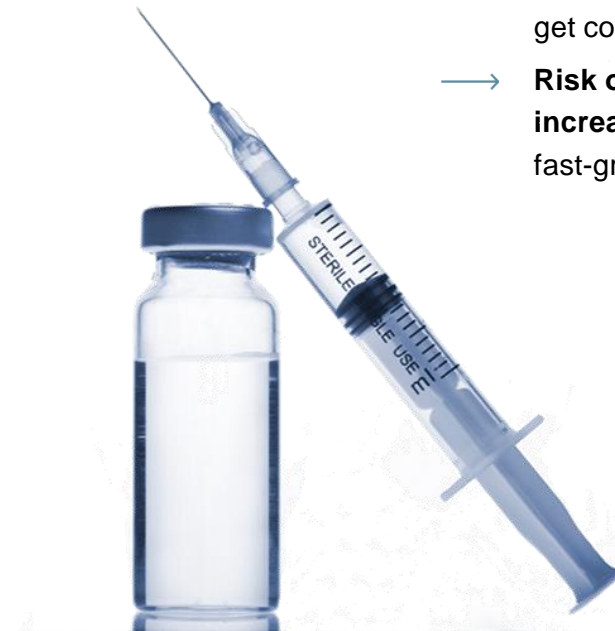
- **Cancer drugs** (ADC, Cytotoxics)
- **Cell & gene therapy** (Advanced Therapy Medicinal Products (ATMPs))
- **Hormones:** Insulin
- **Medical drugs** (Thrombosis, EPO, blood plasma products, botox, etc.)
- **Vaccines:** Flu, COVID-19, etc.

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

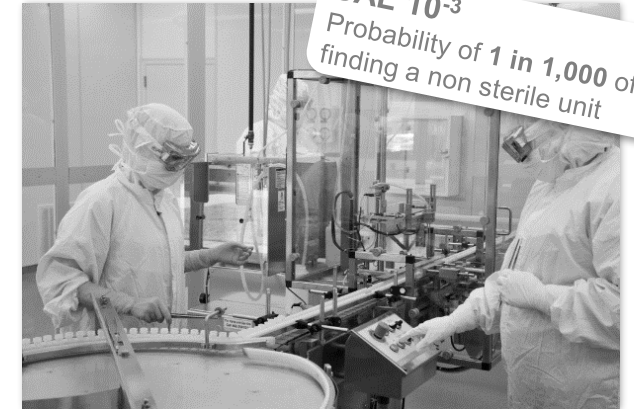
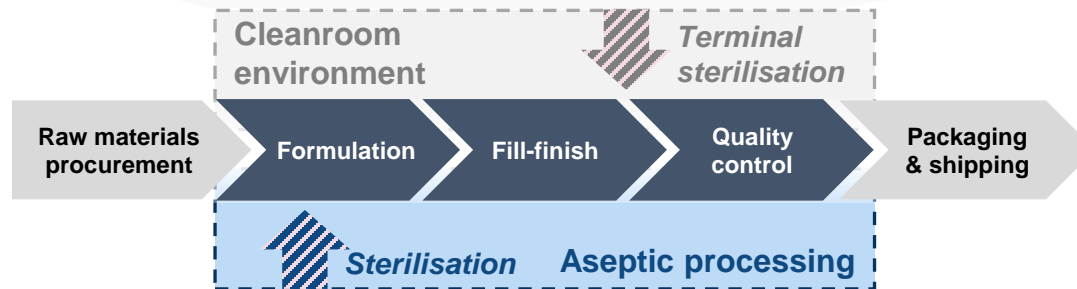
Solution: Medication sterility

Traditional pharma

Pharma products mainly chemical based

Cleanroom

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



Biopharma of today and tomorrow

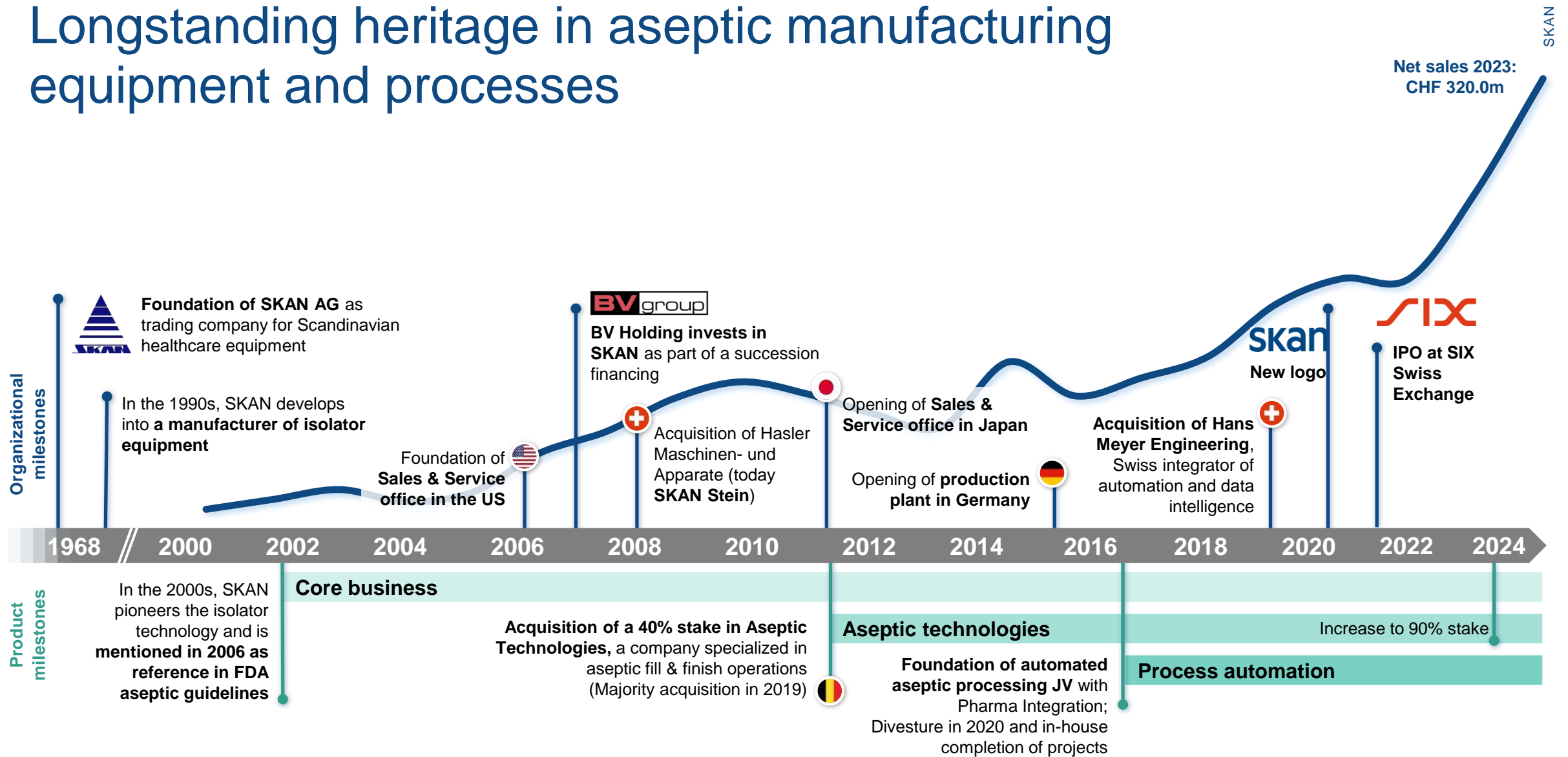
New products mainly biotech-based (sensitive to heat and pressure)

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

skan

Longstanding heritage in aseptic manufacturing equipment and processes



Customer proximity strengthened through accelerated decentralisation

Allschwil CH

Headquarters / production sites

- Engineering, sales, service, assembly, R&D, laboratories
- Approx. 26,682 m²



Stein CH

Production site

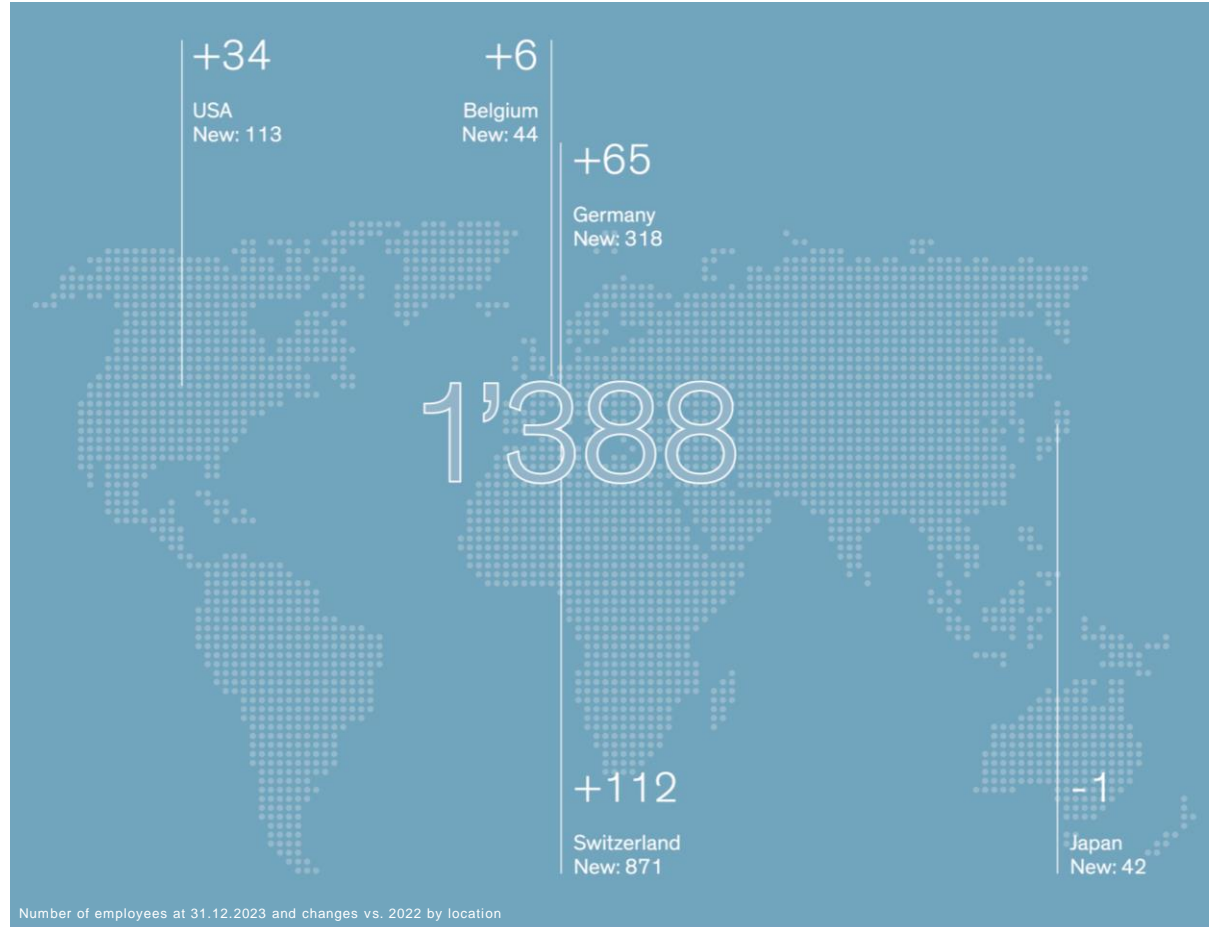
- Prototype construction, steelwork, E-Beam competence
- Approx. 6,923 m²



Görlitz DE

Production site

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



Gembloux BE

Production site / AT

- Aseptic Filling equipment (Closed Via[®] Technology)
- Approx. 3,590 m²



Raleigh US

Sales & services office

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



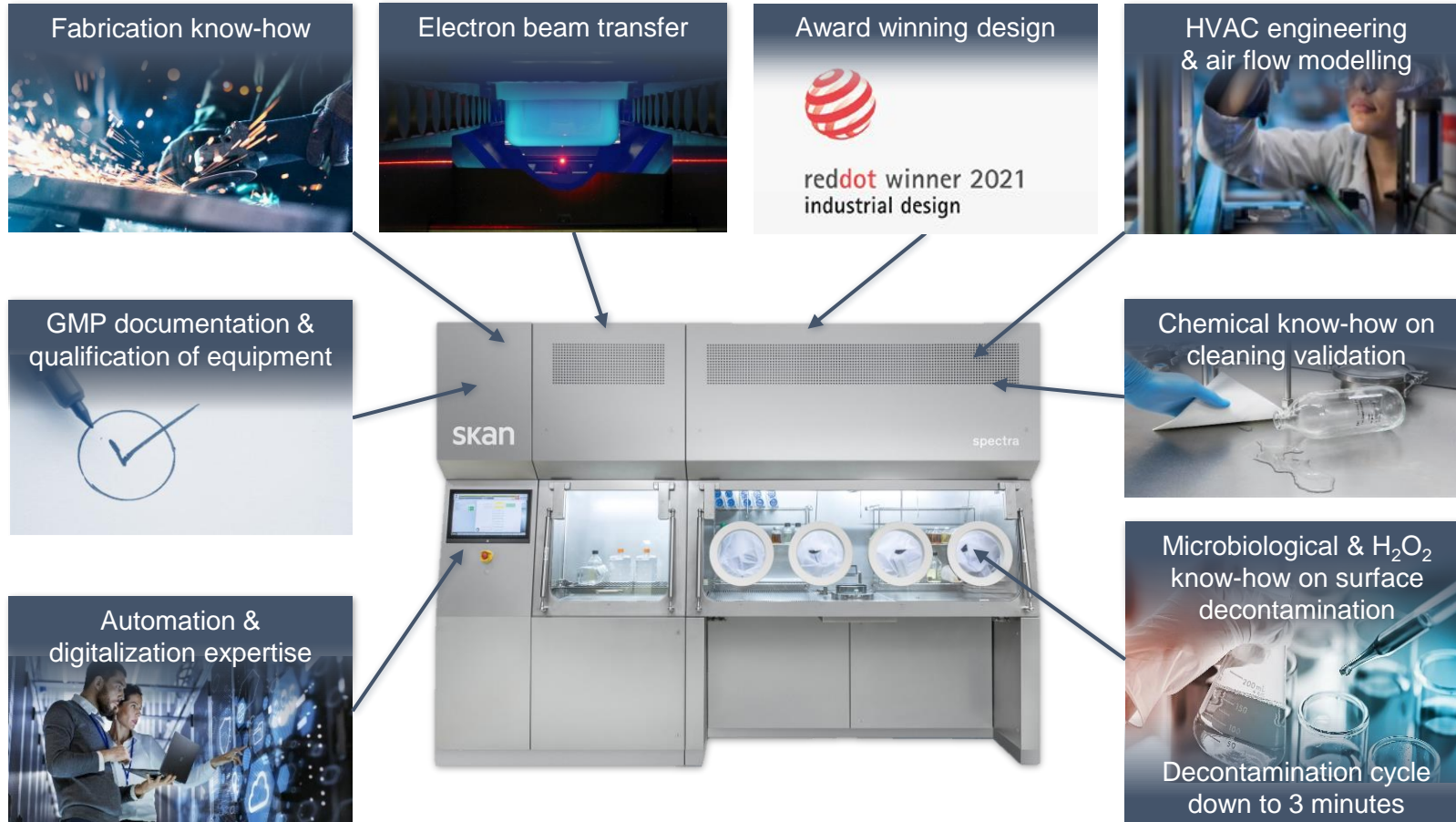
Okinawa JP

Production site

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



Technology & innovation leadership

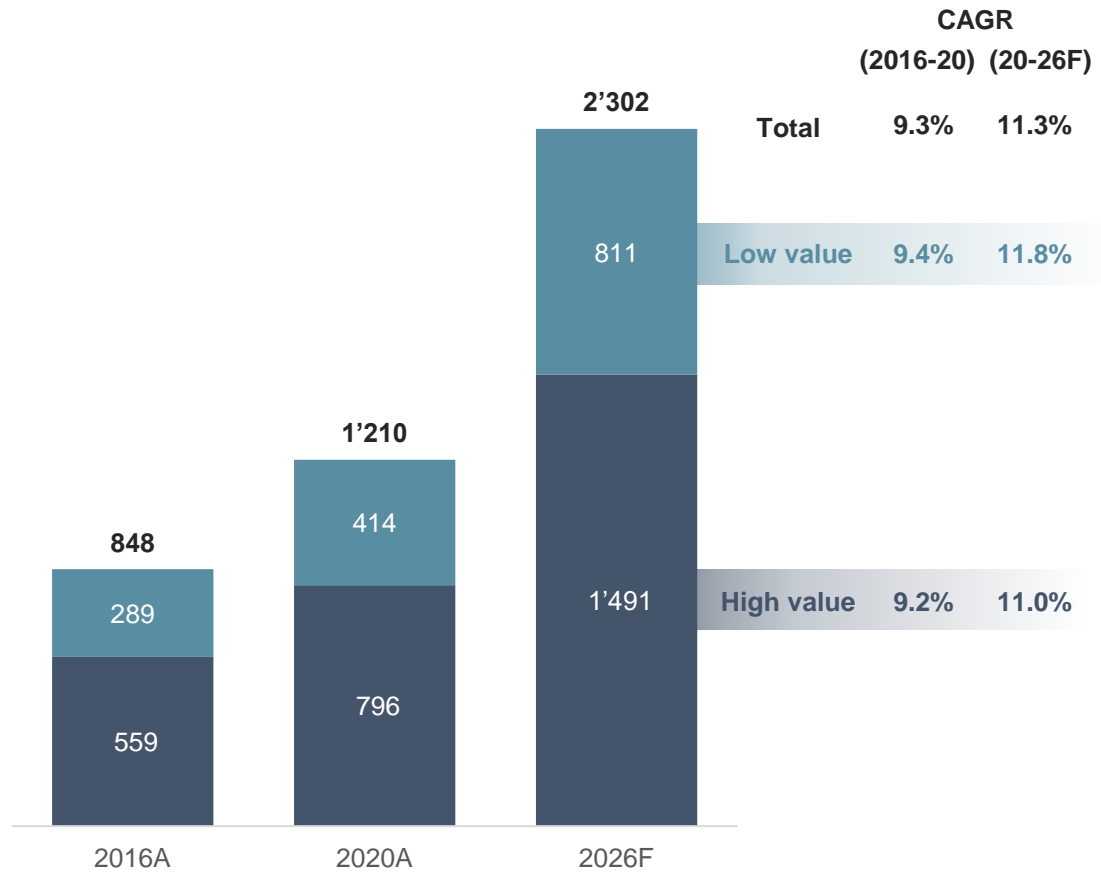


- **Technology leadership & foresight allows SKAN to be the market defining player**
- **Continuous active contribution to new guidelines & regulations** through industry standards setting organisations (ISPE, PDA, ISO)
- **Pure-play business model** enables an undiluted focus of resources to drive technology 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⁾:

Route	Approved / Marketed	Pipeline
Injection	65%	75%
Oral	23%	16%
Other	12%	9%

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.

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

Market entry barriers

SKAN's value proposition

Market leadership



Comprehensive portfolio for aseptic manufacturing processes

Equipment & Solutions ("E&S")

74% of revenue

Services & Consumables ("S&C")

26% of revenue

Cleanroom



Pure Solutions

Pure Solutions Trading

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



Consumables

- Personal protective equipment
- Biosanitizer

Services

- Qualification

Customized and modular isolators



Process Solutions

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



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 (Upgrades)

Integrated processes



Integrated Process Solutions

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



Consumables

- Closed vials
- Connectors
- Filling kits



Services

- Rent a machine
- Life cycle support

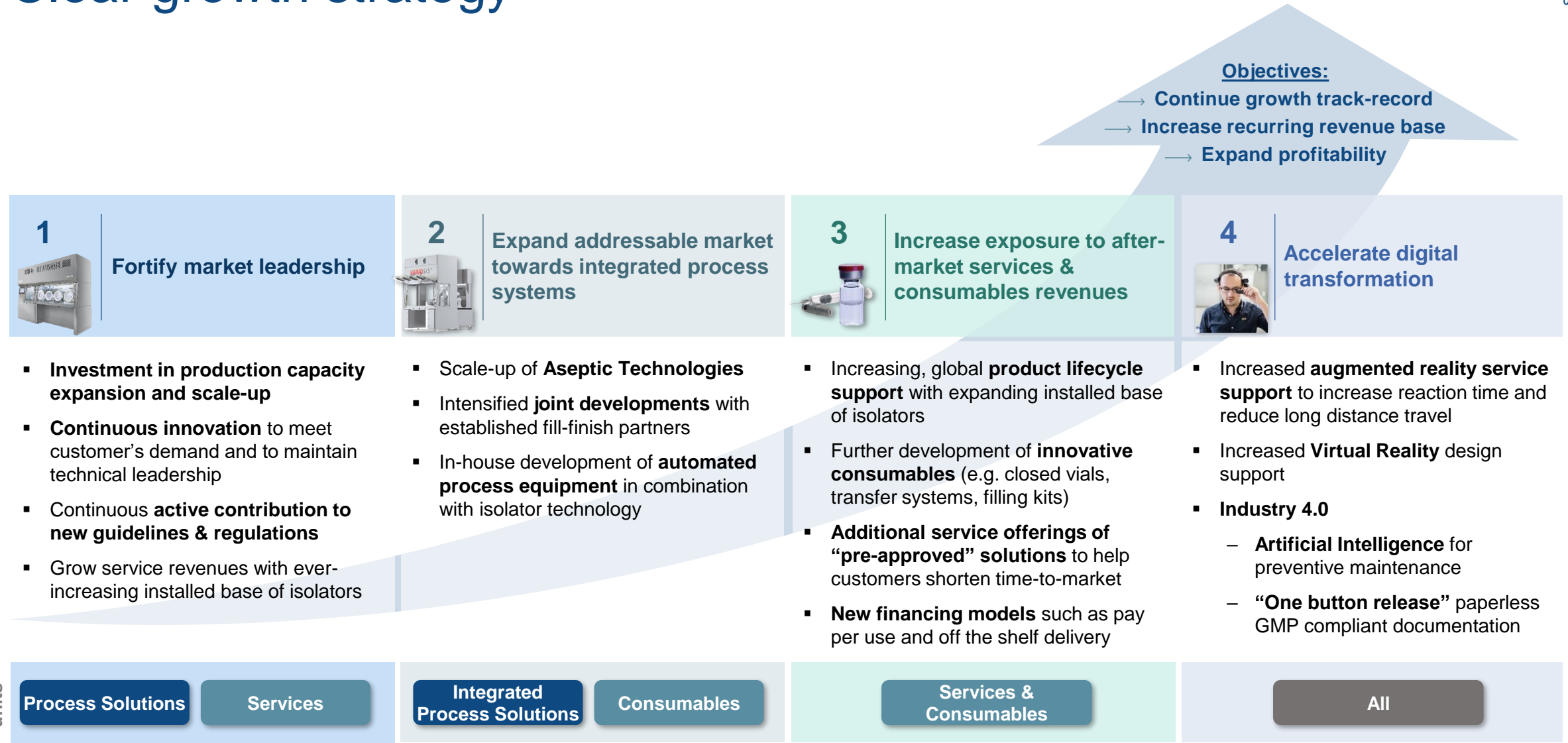
Consumables

- Refer to process consumables

Services

- Refer to process services
- Digital integration into MES⁽¹⁾ and ERP systems






















Clear growth strategy



Business units

New drugs increase consumption of AT-Closed Vial®

Seven AT filled drugs on the market:

Customer	Product area	Phase
 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™ / DURVEQTIX®: Therapy to treat Hemophilia B	 

→ Besides the expansion of the installed base of SKAN equipment, 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 products.

→ This confirms the expectation that the commercialization of new drugs increases the consumption of AT-Closed Vial®.

→ **Today, 7 in AT vials filled drugs are on the market which received 16 approvals by 6 major health authorities**, including FDA, MHRA and EMA (31.12.2023: 7 drugs with 14 approvals).

→ The development pipeline of drugs in AT-Closed Vial® is likely to be in the region of 450 active ingredients.

→ Besides the sale of ready-to-fill closed vials and disposable products also the demand for AT production equipment increases.

Explanation of abbreviations:

FDA: Food and Drug Administration

MHRA: Medicines and Healthcare products Regulatory Agency

EMA: European Medicines Agency

Pre-Approved Services well on track

- With its **Pre-Approved Services**, SKAN will offer customers the possibility to **carry out their stability tests on our systems**.
- This will allow our customers to **shorten the time-to-market for a new drug significantly**.
- Investments in Pre-Approved Services to continue throughout 2025.
- Furthermore, we expect regulatory approval of Pre-Approved Services by the End of 2025.

Key data

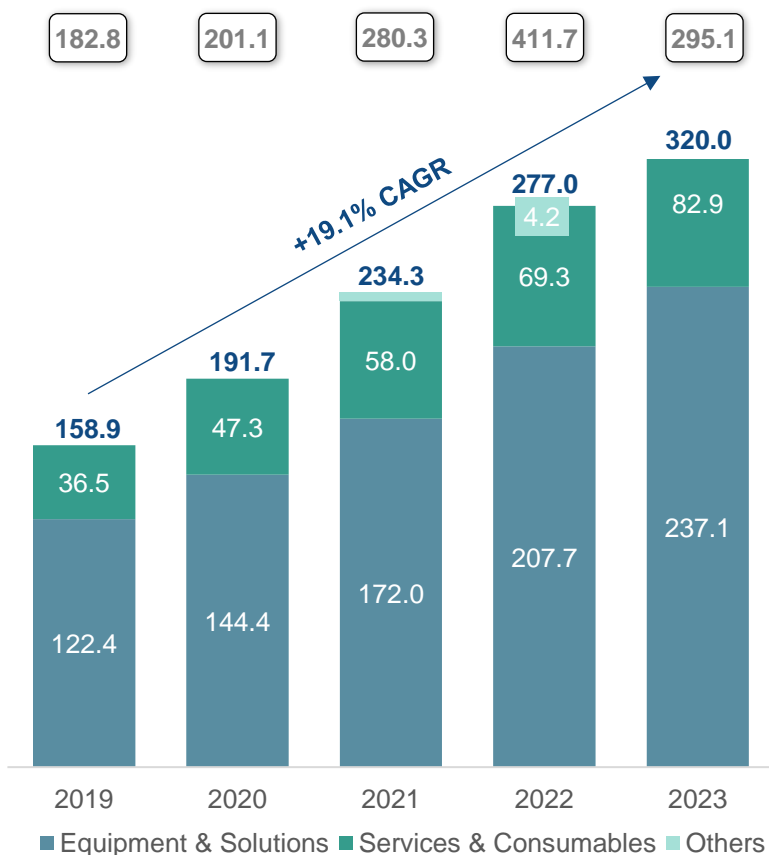
- **Equipment:**
At start: filling equipment with potential to expand
At full capacity: a wide range of products can be handled
- **Commercial use:**
Q1/2026E: Start of commercial use with successive increase in capacity utilization over several years until full capacity is reached
- **Volume and return:**
Expected sales volume at full capacity: CHF 50 million
Expected return: EBITDA margin of up to 50%



Excellent financial profile with above-market growth and high revenue visibility

Net revenue & order intake⁽¹⁾

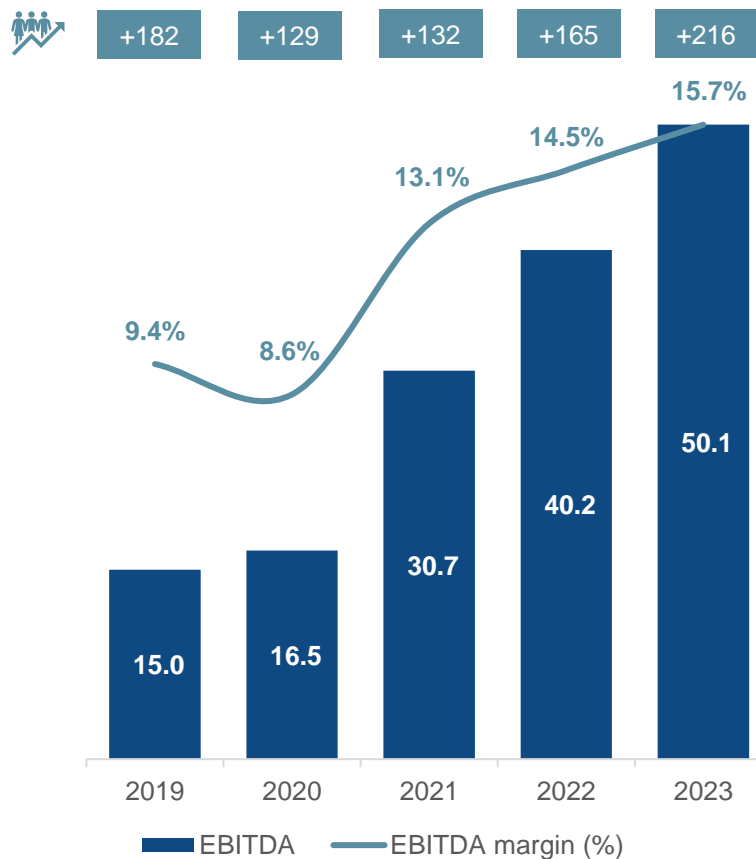
(CHFm)



■ Equipment & Solutions ■ Services & Consumables ■ Others □ Order intake

EBITDA⁽¹⁾

EBITDA (CHFm) and EBITDA margin (%)



Rounding differences may occur

(1) Reported figures

(2) Defined as reported EBIT / (Total Assets – Short-term Liabilities)



Consistent, above-market revenue growth (+19.1 CAGR 2019-2023)



Strong revenue visibility based on order backlog of CHF 312.1m as of end of 2023



Margin expansion following important development costs and personnel ramp-up



High ROCE⁽²⁾ despite important investments (2023: 19.7%)

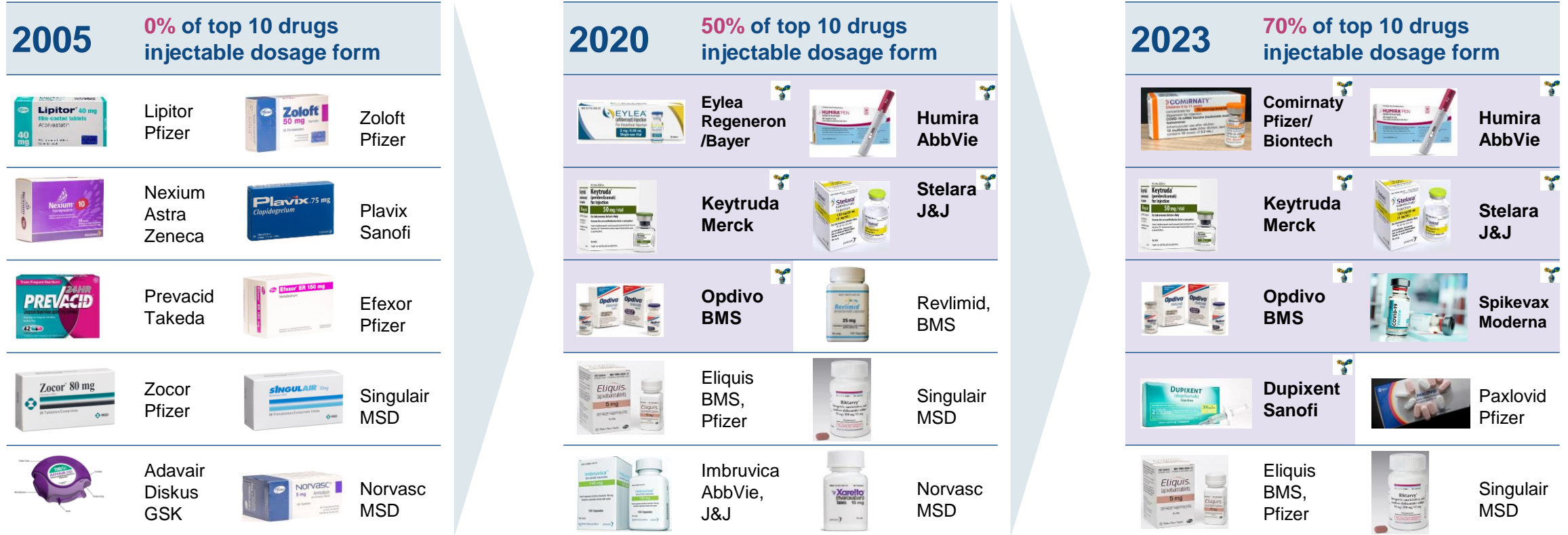


Current net cash position and strong cash flow generation to finance future investment needs



Negative working capital

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



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⁾		
EBITDA margin	13 - 15%	Gradually increase profitability level to upper teens in the mid-term. Potential for further increase beyond mid-term period.

Together always
one step ahead!

Together always one step ahead

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