

The Board of Managing Directors



Michel Pairet



Carinne Brouillon



Hubertus von Baumbach

Michael Schmelmer

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Key Aspects 2021

Dear Reader,

Our purpose to transform lives has been our driving force for decades, and 2021 was no exception. We were very successful in delivering on this promise last year, thus improving the lives of many patients, humans and animals alike. This led to a very gratifying performance of our organization, across all business areas. While we were able to manage the effects of the COVID-19 pandemic on our operations well, the pandemic has shown us how important pharmaceutical research is for medical progress and societal safety.

We see innovation as the key driver to transform lives and continued to increase our investments in research and development in 2021. Our long-term commitment to innovating for unmet medical needs is proving its value: We have a strong pipeline with more than 100 promising projects at all stages of clinical and preclinical development. The three breakthrough therapy designations granted to us by the US FDA in 2021 are testament to our strategy being the right one; a fourth breakthrough therapy designation followed in February 2022.

Enabled by the high engagement of our employees and the support of a broad network of partners, all three business units recorded profitable growth last year. In Human Pharma, the acceleration of our portfolio continued in 2021. We received priority review for an immunology medication and fast track designation for a treatment of non-alcoholic fatty liver disease. Our innovative medications also showed growth, led by JARDIANCE® and OFEV®, which treatments reached over seven million people worldwide.

Animal Health has had a good year, with sales up in a competitive market. Like in Human Pharma, our focus lies on researching and developing products that transform the lives of animals. We are strengthening our capabilities and increasing our investments to grow our pipeline of products for livestock and companion animals. Meanwhile, we continue to optimize and build a strong base for global research, production, and marketing.

In Vienna, Austria, we inaugurated two additional facilities to our biopharmaceutical production network, which significantly increases our production capacity in mammalian and bacteria-based technology. These milestone investments allow us to meet both growing internal pipeline demand, as well as production demand from our customers, whom we are strongly committed to through our BioXcellence brand.

Last year, we celebrated the 10-year anniversary of our Making More Health social entrepreneurs initiative, as well as our More Green environmental footprint program. Seeing the impact of how our sustainable development activities help improve the environment and the lives of humans and animals, we decided to step up our investment and broaden our commitment. Under a focused umbrella, *Sustainable Development – For Generations*, we are now bringing 19 global sustainability initiatives together across human and animal health, communities and the environment.

A decisive success factor in 2021 has been the personal engagement of each individual employee. Everyone has contributed to our shared purpose of transforming the lives of humans and animals. The fact that we have managed to do this during a second year of the pandemic, fills us with great gratitude towards them, as well as to all our partners.

signed by
Hubertus von Baumbach

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