

News Release

Lonza Acquires Micro-Macinazione to Create the Global Leader in Micronization Capacity and Capabilities

Basel, Switzerland, 4 August 2017 – Lonza has acquired Micro-Macinazione, one of Europe's leading contract manufacturers providing micronization of active ingredients for the pharmaceutical and fine chemical industries. Micro-Macinazione, which had sales of ~ CHF 20 million in 2016, has 120 employees and is based in Monteggio, Switzerland. Micro-Macinazione was purchased from Cross and the acquisition was completed on 26th July 2017. Financial details of the deal were not disclosed.

The acquisition of Micro-Macinazione creates the global leader in the field of micronization services by building on Lonza/Capsugel's existing micronization clinical and commercial manufacturing capabilities that are based in Quakertown, PA (USA). Lonza/Capsugel strengthened its micronization offering to customers in January 2016 when it acquired Powdersize and has since invested in significant additional capacity at this site which came on stream in early 2017.

Lonza's Pharma&Biotech COO, Marc Funk, commented: "With the acquisition of Micro-Macinazione, Lonza becomes the largest and most diversified provider of micronization services to the pharmaceutical industry. Micronization is an attractive technology for Lonza given its applications across many of the high growth areas of the pharma market. Micro-Macinazione provides micronization technology and expertise that complements our existing US capabilities and provides significant additional capacity to support our growth. Its micronization technology can also add value to other areas of Lonza' business, including Health & Nutrition ingredients and excipients, enhancing the appeal of this bolt-on acquisition, which strengthens our position across the healthcare continuum."

Lonza's Pharma&Biotech customers are increasingly looking for external partners to help them assess early-stage compounds and to improve product design by using micronization and sub-micronization to address key challenges of active pharmaceutical ingredients (API) development. A key focus for the new combined business will be highly potent APIs (HPAPIs) where Micro-Macinazione's pilot to commercial scale HPAPI offerings and Lonza's recent HPAPI capacity expansion at Quakertown, provide the capacity and expertise needed to serve this growing area of the pharmaceutical market.

Micronization via jet milling is an established technique for enhancing the overall bioavailability of drug products by reducing or controlling the particle size of the API. By improving bioavailability, lower drug doses can be prescribed, potentially reducing a patient's side effects.

Markus Arigoni, CEO of Micro-Macinazione, commented: "Micro-Macinazione was founded in 1970 and has been a pioneer in the development of jet mill equipment and contract micronization services. We operate in a niche market with high growth expectations. Micronization is often seen as key to improving the bioavailability of the growing number of highly potent and complex APIs, which an increasing number of pharma and biotech companies are looking to develop. By combining with Lonza, we are creating a global leader with the ability to provide customers both in the US and Europe with access to the micronization technologies and manufacturing capabilities that they need to bring novel drugs to market faster and more efficiently." Further information on Micro-Macinazione is available on www.micromacinazione.com.

About Lonza

Following the closing of the Capsugel acquisition, Lonza further strengthened its position as one of the world's leading and most-trusted suppliers to the pharmaceutical, biotech and specialty ingredients markets. Lonza harnesses science and technology to create products that support safer and healthier living and that enhance the overall quality of life.

An integrated solutions provider serving the healthcare continuum, Lonza offers products and services from the custom development and manufacturing of active pharmaceutical ingredients to innovative dosage forms for the pharma and consumer health and nutrition industries. In addition to drinking water sanitizers, nutraceuticals, antidandruff agents and

other personal care ingredients, the company provides agricultural products, advanced coatings and composites and microbial control solutions that combat dangerous viruses, bacteria and other pathogens.

Founded in 1897 in the Swiss Alps, Lonza today is a well-respected global company with more than 50 major manufacturing and R&D facilities and nearly 14,000 full-time employees worldwide. Further information can be found at www.lonza.com.

About Cross

Cross is a private equity firm with the mission to support the sustainable development of mid-sized companies in Switzerland, Germany and Austria through equity capital, industrial expertise and an extensive relationship network – amongst others in the context of succession of family-owned businesses and corporate spin-offs.

Cross invests in leading and profitable mid-sized companies with entrepreneurial management teams in fast growing market niches in engineering, machinery and industrial products. As a long-term investor, Cross supports sustainable profitable growth.

The independent Cross fund is exclusively advised by Cross Equity Partners AG, Pfäffikon SZ. The Cross team has several decades of private equity and industrial experience. To date, the Cross team has successfully invested in approximately 30 companies in Switzerland, Germany and Austria. Further information can be found at www.crossequity.ch.

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