

Announcement

7 December, 2016

We are delighted to announce that PolyPeptide has entered into a definitive agreement with Lonza to acquire the peptides business and operations of Lonza in Braine-l'Alleud, Belgium. Lonza's Braine facility, with approximately 280 employees, is the center for peptide chemical development and manufacturing within the Lonza Group. The impending acquisition, due to be finalized upon the completion of certain defined activities, is wonderful news for both companies. It expands the total manufacturing capacity and service offerings of both the Braine site and PolyPeptide while providing the new, expanded PolyPeptide Group with a large complementary portfolio of products to strengthen our overall position and value added offering to the market.

Lonza's Braine facility brings to PolyPeptide immediate access to additional large-scale capacity in synthesis, purification and isolation of peptides, while PolyPeptide's large portfolio of late-stage products brings to the Lonza Braine facility new opportunities for growth and expansion. The combined company has the technology, capacity and regulatory experience to provide an unparalleled level of support for our customers on a wide range of pharmaceutical and biotechnology projects at every stage of development.

There are great synergies between the companies and both companies will benefit from the combined strengths. Together, we will have the largest knowledge base and resource of experienced staff in the peptide industry, ready to support new and existing customers with their peptide development and manufacturing requirements at all phases of development and at multiple scales.

We are very excited to add Lonza Braine SA and its employees to the PolyPeptide team. By combining the huge pipeline and global footprint of the PolyPeptide Group with the additional competencies and large-scale capacity of Lonza Braine, we can provide even greater value to our global base of customers. Together we will build on our strengths to solidify our position as the global leader in peptide manufacturing and technology.

Sincerely,

Jane Salik, Ph.D

CEO