

# Lonza

## Lonza Swiss Finanz AG

### CHF 300,000,000 2.100 percent Guaranteed Senior Bonds due 2029

Unconditionally and irrevocably guaranteed by

### Lonza Group Ltd

This prospectus (this **Prospectus**) relates to (i) the offering of CHF 300,000,000 in aggregate principal amount of 2.100 percent Guaranteed Senior Bonds due 12 September 2029 (the **Bonds**) to be issued by Lonza Swiss Finanz AG (the **Issuer**) and guaranteed by Lonza Group Ltd (the Guarantor and, together with its consolidated subsidiaries, the **Group**), and (ii) the admission to trading and listing of the Bonds on the SIX Swiss Exchange. Capitalized terms used but not defined below have the meanings assigned to such terms in the “*Terms of the Bonds*” beginning on page 25 (the **Terms of the Bonds**) or elsewhere in this Prospectus. The Bonds will not be rated.

Issuer:	Lonza Swiss Finanz AG, Münchensteinerstrasse 38, CH-4002 Basel, Switzerland Legal Entity Identifier (LEI): 549300DLI5QKF3Q1H556
Guarantor:	Lonza Group Ltd, Münchensteinerstrasse 38, CH-4002 Basel, Switzerland Legal Entity Identifier (LEI): 549300EFW4H2TCZ71055
Issue Date:	The Bonds will be issued on 22 February 2023 (the <b>Issue Date</b> ), with settlement on the Issue Date being effected on a delivery versus payment basis.
Interest Rate and Interest Payment Dates:	2.100 percent per annum, payable annually in arrears on 12 September of each year (the <b>Interest Payment Date</b> ), commencing on 12 September 2023. There will be a short first interest period from (and including) the Issue Date to (but excluding) the first Interest Payment Date.
Issue Price:	Subject to certain conditions, the Managers (as defined below) have agreed to purchase the Bonds from the Issuer at the price of 100.241 percent (before commissions and expenses) of the aggregate principal amount of the Bonds.
Placement Price:	According to demand.
Maturity Date:	12 September 2029
Final Redemption Amount:	100 percent of the aggregate principal amount of the Bonds.
Reopening:	The Issuer reserves the right to reopen this issue of Bonds at any time through the issuance of further bonds that are fungible with the Bonds in accordance with the Terms of the Bonds.
Key Covenants:	<i>Pari passu</i> , negative pledge, events of default (including cross-default) and change of control clauses, each as further described in the Terms of the Bonds.
Status:	The Bonds will constitute direct, unconditional and unsubordinated obligations of the Issuer, as provided in the Terms of the Bonds.
Guarantee:	Unconditional and irrevocable guarantee in accordance with art. 111 of the Swiss Code of Obligations, as provided in the Terms of the Bonds.
Swiss Federal Withholding Tax:	All payments of interest on the Bonds will be subject to Swiss Federal Withholding Tax, which as of the date hereof is levied at a rate of 35 percent.
Form of the Bonds:	The Bonds will be issued as uncertificated securities ( <i>Wertrechte</i> ) in accordance with article 973c of the Swiss Code of Obligations, which will be registered in the main register ( <i>Hauptregister</i> ) of SIX SIS Ltd ( <b>SIX SIS</b> ). Neither the Issuer nor any Holder will at any time have the right to effect or demand the conversion of the uncertificated securities into, or the delivery of, a global certificate ( <i>Globalurkunde</i> ) or individually certificated securities ( <i>Wertpapiere</i> ).
Clearing and Settlement:	SIX SIS, with further clearing and settlement through Euroclear Bank SA/NV and Clearstream Banking, S.A.
Denomination/Trading Lot:	CHF 5,000 and integral multiples of CHF 5,000 in excess thereof.
Admission to Trading and Listing:	The Bonds have been provisionally admitted to trading on the SIX Swiss Exchange as of 20 February 2023. Application will be made for definitive admission to trading and listing of the Bonds on the SIX Swiss Exchange as soon as practicable thereafter and (if granted) will only be granted after the Issue Date. The last trading day for the Bonds on the SIX Swiss Exchange is expected to be 10 September 2029.
Selling Restrictions:	For restrictions on the offering, sale and delivery of the Bonds, see “ <i>Subscription and Sale—Selling Restrictions</i> ” beginning on page 34 of this Prospectus.
Governing Law and Place of Jurisdiction:	The Bonds and the Guarantee will be governed by, and construed in accordance with, the substantive laws of Switzerland. Exclusive place of jurisdiction will be the courts of the City of Zurich (Zurich 1), Switzerland.

Swiss Security Number: 124 365 199

ISIN: CH1243651994

Common Code: 258898605

**Credit Suisse**

**UBS Investment Bank**

**Zürcher Kantonalbank**

Prospectus dated 20 February 2023

This Prospectus has been approved by SIX Exchange Regulation Ltd in its capacity as review body pursuant to article 52 of the Swiss Financial Services Act on 1 March 2023.

The Issuer and the Guarantor are relying on article 51(2) of the FinSA as described on page 2 of this Prospectus under “*Important Information*”.

## IMPORTANT INFORMATION

**The Issuer and the Guarantor are relying on article 51(2) of the Swiss Financial Services Act of 15 June 2018 (the FinSA). This Prospectus will not be updated for any developments that occur after its date. In particular, this Prospectus is not required to be updated as of the date of any approval by the Review Body. Consequently, neither the delivery of this Prospectus nor the offering, sale or delivery of any Bonds shall in any circumstances imply that the information contained herein concerning the Issuer or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the issue of the Bonds is correct as of any time subsequent the date indicated in the document containing the same.**

This Prospectus has been prepared by the Issuer and the Guarantor solely for use in connection with the offering of the Bonds and for the admission to trading and listing of the Bonds on the SIX Swiss Exchange. Neither the Issuer nor the Guarantor has authorized the use of this Prospectus for any other purpose.

This Prospectus is to be read in conjunction with all documents incorporated by reference herein. This Prospectus shall be read and construed on the basis that such documents are incorporated into and form part of this Prospectus. See “*About this Prospectus—Documents Incorporated by Reference*” on page 9 of this Prospectus.

**An investment in the Bonds will involve certain risks, including the risk that Holders will lose their entire investment in the Bonds. For a discussion of certain risks that potential investors should carefully consider before deciding to invest in any Bonds, see “*Material Risks*” beginning on page 11 of this Prospectus.**

No person is or has been authorized by the Issuer, the Guarantor or the Managers to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Bonds and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer, the Guarantor or the Managers.

Neither this Prospectus nor any other information supplied in connection with the Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Guarantor or the Managers that any recipient of this Prospectus or any other information supplied in connection with the Bonds should purchase any Bonds. Each potential investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor. Neither this Prospectus nor any other information supplied in connection with the issue of the Bonds constitutes an offer or invitation by or on behalf of the Issuer, the Guarantor or the Managers to any person to subscribe for or to purchase any Bonds.

### The Managers

The Managers have not verified the information contained herein. Additionally, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained or incorporated by reference herein or any other information provided by the Issuer and/or the Guarantor in connection with the Bonds.

To the fullest extent permitted by law, the Managers accept no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Managers or on their behalf in connection with the Issuer, the Guarantor or the issuance, offering and admission to trading or listing of the Bonds. The Managers accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) that they might otherwise have in respect of this Prospectus or any such statement.

The Managers and certain of their respective affiliates have provided, and/or may provide in the future, investment banking, commercial banking, advisory and other financial services for the Issuer, the Guarantor and their respective affiliates in the ordinary course of business for which they have received and will receive customary fees and reimbursement of expenses.

Furthermore, in the ordinary course of their business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for

the accounts of their customers and may, at any time, hold long or short positions in such investments and securities. Such investment and securities activities may involve the securities and/or instruments of the Issuer and/or the Guarantor. The Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold (for their own account or for the account of their customers), or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **Notice to Investors**

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Bonds in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of the Bonds may be restricted by law in certain jurisdictions. Neither the Issuer, nor the Guarantor, nor the Managers represent that this Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer and the Guarantor or the Managers that is intended to permit a public offering of any Bonds or distribution of this Prospectus in any jurisdiction where action for that purpose is required other than Switzerland. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds. In particular, there are restrictions on the offer, sale and delivery of the Bonds and the distribution of this Prospectus in the United States of America (the **United States** or the **U.S.**), the European Economic Area (the **EEA**) and the United Kingdom (the **UK**). See “*Subscription and Sale—Selling Restrictions*” beginning on page 34 of this Prospectus.

## **United States**

The Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons (as such terms are defined in Regulation S under the Securities Act (**Regulation S**)).

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## SUMMARY

This summary should be read as an introduction to this Prospectus. Any decision to invest in the Bonds should be based on a consideration of this Prospectus as a whole and not only this summary, including any documents incorporated by reference into this Prospectus. Potential investors in the Bonds should be aware that liability under article 69 of the FinSA for any false or misleading information contained in this summary is limited to any such information that is false or misleading when read together with, or that is inconsistent with, the other parts of this Prospectus.

### A. Information on the Issuer and the Guarantor

Issuer:	Lonza Swiss Finanz AG (the Issuer), a wholly-owned subsidiary of the Guarantor  The Issuer is a stock corporation ( <i>Aktiengesellschaft</i> ) organized under the laws of Switzerland, with its registered office at Münchensteinerstrasse 38, CH-4002 Basel, Switzerland. For more information on the Issuer and its business, see “ <i>The Issuer</i> ” beginning on page 36 of this Prospectus.
Issuer’s Legal Entity Identifier (LEI):	549300DLI5QKF3Q1H556
Issuer’s auditor:	The auditor of the Issuer is KPMG Ltd, Viaduktstrasse 42, CH-4002 Basel, Switzerland. KPMG Ltd is supervised by and registered with the Swiss Federal Audit Oversight Authority (FAOA).
Guarantor:	Lonza Group Ltd (the <b>Guarantor</b> )  The Guarantor is a stock corporation ( <i>Aktiengesellschaft</i> ) organized under the laws of Switzerland, with its registered office at Münchensteinerstrasse 38, CH-4002 Basel, Switzerland. For more information on the Guarantor and its business, see “ <i>The Guarantor and the Group</i> ” beginning on page 39 of this Prospectus.
Guarantor’s Legal Entity Identifier (LEI):	549300EFW4H2TCZ71055
Guarantor’s auditor:	The auditor of the Guarantor is KPMG Ltd, Viaduktstrasse 42, CH-4002 Basel, Switzerland. KPMG Ltd is supervised by and registered with the Swiss Federal Audit Oversight Authority (FAOA).

### B. Information on the Terms of the Bonds

Bonds:	CHF 300,000,000 2.100 percent Guaranteed Senior Bonds due 2029 (the <b>Bonds</b> )
Issue Date:	22 February 2023 (the <b>Issue Date</b> )
Maturity Date:	12 September 2029 (the <b>Maturity Date</b> )
Final Redemption Amount:	100 percent of the aggregate principal amount of the Bonds.
Interest Rate and Interest Payment Dates:	The Bonds bear interest at a fixed rate of 2.100 percent per annum from (and including) the Issue Date to (but excluding) the Maturity Date, payable annually in arrears on 12 September of each year (the <b>Interest Payment Date</b> ), commencing on 12 September 2023. There will be a short first interest period from (and including) the Issue Date to (but excluding) the first Interest Payment Date.

Denomination/ Trading Lot:	CHF 5,000 and integral multiples of CHF 5,000 in excess thereof.
Status:	The Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, rank <i>pari passu</i> among themselves and with all other present or future unsecured and unsubordinated obligations of the Issuer, except for such preferences as are provided for by any mandatorily applicable provision of law.
Guarantee:	The Guarantor will undertake for the benefit of the Holders to guarantee the payment of principal and interest and any other amounts due under the Bonds pursuant to a guarantee within the meaning of article 111 of the Swiss Code of Obligations (the <b>Guarantee</b> ), the form of which is set out in Condition 9 of the Terms of the Bonds.
Form of the Bonds:	The Bonds will be issued as uncertificated securities ( <i>Wertrechte</i> ) in accordance with article 973c of the Swiss Code of Obligations, which will be registered in the main register ( <i>Hauptregister</i> ) of SIX SIS Ltd ( <b>SIX SIS</b> ). Neither the Issuer nor any Holder will at any time have the right to effect or demand the conversion of the uncertificated securities into, or the delivery of, a global certificate ( <i>Globalurkunde</i> ) or individually certificated securities ( <i>Wertpapiere</i> ).
Reopening:	The Issuer reserves the right to reopen this issue of Bonds at any time through the issuance of further bonds that are fungible with the Bonds in accordance with the Terms of the Bonds.
Key Covenants:	<i>Pari passu</i> , negative pledge, events of default (including cross-default) and change of control clauses, each as further described in the Terms of the Bonds.
Swiss Federal Withholding Tax:	All payments of interest on the Bonds by the Issuer (and any payment by the Guarantor under the Guarantee in respect thereof) will be subject to Swiss withholding tax, which as of the date hereof is levied at a rate of 35 percent. No additional amounts will be paid by the Issuer to holders of Bonds in respect of any such withholding. Subject to certain conditions, a holder of a Bond who resides in Switzerland and who, at the time the payment of interest on such Bond by the Issuer (or any payment by the Guarantor under the Guarantee in respect thereof) is made, is the beneficial recipient of such payment of interest and who reports the gross payment of interest in their tax return or, as the case may be, in their statement of income for the relevant tax period in which such payment is made, will be entitled to a full refund of, or a full tax credit for, the Swiss withholding tax levied on such payment of interest.
Principal Paying Agent:	Credit Suisse AG
Governing Law and Jurisdiction:	The Bonds and the Guarantee will be governed by, and construed in accordance with, the substantive laws of Switzerland. Any dispute that might arise based on the Bonds will fall within the exclusive jurisdiction of the courts of the City of Zurich (Zurich 1), Switzerland.
<b>C. Information on the Offering</b>	
Offering:	The offering described herein consists of a public offering of Bonds in Switzerland, and of private placements of Bonds to prospective investors outside of Switzerland and the United States of America (the <b>United States</b> or the <b>U.S.</b> ) in reliance on Regulation S under the U.S. Securities Act of 1933, as amended, in each case in compliance with applicable laws and regulations. See also " <i>Subscription and Sale—Selling Restrictions</i> " beginning on page 34 of this Prospectus.
Issue Price:	100.241 percent (before commissions and expenses) of the aggregate principal amount of the Bonds.
Placement Price:	According to demand.

Delivery:	Delivery <i>versus</i> payment (DVP).
Clearing and Settlement:	SIX SIS  Further clearing and settlement through both Euroclear Bank SA/NV and Clearstream Banking, S.A.
Ratings:	The Bonds will not be rated.
Material Risks:	An investment in Bonds involves certain risks. For a discussion of certain risks that potential investors should carefully consider before deciding to invest in any Bonds, see “ <i>Material Risks</i> ” beginning on page 11 of this Prospectus.
Net Proceeds / Use of Proceeds:	The net proceeds of the offering of the Bonds, amounting to approximately CHF 299,827,000, will be utilised by the Issuer for (i) refinancing of existing debt and/ or (ii) for general corporate purposes of the Group.
Security Numbers:	Swiss Security Number: 124365199 ISIN (International Securities Identification Number): CH1243651994 Common Code: 258898605
Selling Restrictions:	The Bonds are subject to restrictions on their offering, sale and delivery both generally and specifically in the United States and to U.S. persons, the EEA and the UK, in each case as described under “ <i>Subscription and Sale—Selling Restrictions</i> ” beginning on page 34 of this Prospectus.
The Managers:	Credit Suisse AG, UBS AG and Zürcher Kantonalbank

#### **D. Information on the Admission to Trading and Listing**

Swiss Trading Venue:	SIX Swiss Exchange.
Admission to Trading and Listing:	The Bonds have been provisionally admitted to trading on the SIX Swiss Exchange as of 20 February 2023. Application will be made for definitive admission to trading and listing of the Bonds on the SIX Swiss Exchange as soon as practicable thereafter and (if granted) will only be granted after the Issue Date. The last trading day for the Bonds on the SIX Swiss Exchange is expected to be 10 September 2029.

#### **E. Information on Prospectus Approval**

Review Body:	SIX Exchange Regulation Ltd, Hardturmstrasse 201, 8005 Zurich, Switzerland (the <b>Review Body</b> ).
Prospectus Date and Approval:	This Prospectus is dated 20 February 2023 and has been approved by the Review Body on the date appearing on the cover page of this Prospectus.  This Prospectus will not be updated for any developments that occur after its date. In particular, this Prospectus is not required to be updated as of the date of any approval by the Review Body.

## GENERAL INFORMATION

### Authorization

Pursuant to a resolution of the board of directors of the Issuer dated 6 February 2023 and in accordance with a bond purchase agreement dated 20 February 2023 made between the Issuer and the Guarantor on the one hand, and Credit Suisse AG, UBS AG and Zürcher Kantonalbank (the **Managers**) on the other hand, the Issuer has determined to issue the Bonds in the aggregate principal amount of CHF 300,000,000.

Pursuant to a resolution of the board of directors of the Guarantor dated 6 February 2023, the Guarantor has determined to guarantee the payments of the obligations of the Issuer in relation to the Bonds.

### Net Proceeds and Use of Proceeds

The net proceeds from the issue of the Bonds, amounting to approximately CHF 299,827,000, will be utilised by the Issuer for (i) refinancing of existing debt and/or for (ii) general corporate purposes of the Group. None of the Managers shall have any responsibility for or be obliged to concern itself within the application of the net proceeds of the issue of the Bonds.

### Representative

In accordance with article 58a of the Listing Rules of the SIX Swiss Exchange, the Issuer has appointed Credit Suisse AG to file the application with SIX Exchange Regulation Ltd in its capacity as competent authority for the admission to trading (including the provisional admission to trading) and listing of the Bonds on the SIX Swiss Exchange.

### Clearing Systems and Security Numbers

The Bonds have been accepted for clearance through SIX SIS, with further clearing and settlement through Euroclear and Clearstream, Luxembourg. The Swiss Security Number, International Securities Identification Number (ISIN) and Common Code for the Bonds are 124365199, CH1243651994 and 258898605, respectively.

### No Material Change

Save as disclosed in this Prospectus (including in the documents incorporated by reference herein), there has been no material adverse change in the financial position of the Issuer or the Guarantor since 31 December 2021, and there has been no material adverse change in the consolidated financial position or results of operations of the Guarantor since 31 December 2021, which would materially affect the Issuer's or the Guarantor's ability to carry out its obligations under the Bonds.

### Substitution of the Issuer

According to Condition 10 of the Terms and Conditions, the Issuer may, upon the decision of the Guarantor but without the consent of the Holders, at any time substitute itself in respect of all rights and obligations arising under or in connection with the Bonds with any Swiss legal entity of which all shares carrying voting rights are directly or indirectly held by the Issuer or the Guarantor (the **New Issuer**), provided that (i) the New Issuer is in the opinion of the Holders' Representative in a position to fulfil all payment obligations arising from or in connection with the Bonds, and the Guarantor has issued an irrevocable and unconditional guarantee as per art. 111 of the Swiss Code of Obligations in respect to the obligations of the New Issuer under the Bonds in form and content satisfactory to the Holders' Representative



## ABOUT THIS PROSPECTUS

### Documents Incorporated by Reference

The following documents are incorporated by reference into, and are an important part of, this Prospectus:

- (1) the Financial Statements 2021 of the Issuer including the audited financial statements of the Issuer for the year ended 31 December 2021 (and comparative periods provided therewith), together with the notes to the financial statements and the statutory auditor's report thereon;
- (2) the Annual Report 2021 of the Guarantor including (i) the audited consolidated financial statements of the Group for the year ended 31 December 2021 (and comparative periods provided therewith), together with the notes to the consolidated financial statements and the statutory auditor's report thereon, and (ii) the audited non-consolidated financial statements of the Guarantor for the year ended 31 December 2021 (and comparative periods provided therewith), together with the notes to the financial statements and the statutory auditor's report thereon;
- (3) the Half-Year Report 2022 of the Guarantor including the condensed consolidated financial statements of the Group for the six months ended 30 June 2022 (and comparative periods provided therewith);
- (4) the Full-Year Report 2022 of the Guarantor including the condensed consolidated financial statements of the Group for the twelve months ended 31 December 2022 (and comparative periods provided therewith);
- (5) the articles of association of the Issuer; and
- (6) the articles of association of the Guarantor.

Any information included or referred to in the documents listed above that is not specifically identified above and any other information or document on the website of the Issuer or the Guarantor are not incorporated by reference herein and, therefore, do not form part of this Prospectus.

Any statement in a document incorporated by reference into this Prospectus will be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any subsequent document incorporated by reference herein modifies or supersedes that statement.

### Availability of Documents

Copies of this Prospectus (including the documents incorporated by reference herein) can be obtained in electronic or printed form, free of charge, during normal business hours from (i) the registered office of the Issuer, or (ii) Credit Suisse AG at Uetlibergstrasse 231, 8070 Zurich, Switzerland, or by telephone (+41 44 333 31 60), fax (+41 44 333 57 79) or e-mail to [newissues.fixedincome@credit-suisse.com](mailto:newissues.fixedincome@credit-suisse.com).

In addition, the annual and interim reports of the Guarantor are published on the Guarantor's website, at [www.lonza.com](http://www.lonza.com). The information contained on this website does not form a part of this Prospectus unless otherwise specifically incorporated by reference herein.

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This Prospectus contains or incorporates by reference statements that constitute “forward-looking statements”. Such forward-looking statements may include, but are not limited to, statements relating to the Issuer’s and the Guarantor’s plans, targets, goals, future economic performance or prospects, the potential effect of certain contingencies on the Issuer’s and the Guarantor’s future performance, and assumptions underlying such statements.

Words such as “will”, “believe”, “anticipate”, “expect”, “intend”, “plan”, “predict”, “estimate”, “project”, “target”, “assume”, “may” and “could” and similar expressions are intended to identify prospects and/or other forward-looking statements but are not the exclusive means of identifying such prospects and other statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that prospects, predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. The Issuer and the Guarantor caution potential investors that a number of important factors could cause results to differ materially from the plans, targets, goals, future economic performance and prospects expressed in such forward-looking statements. When evaluating forward-looking statements, potential investors in Bonds should carefully consider the foregoing, as well as the risk factors and other information contained in or incorporated by reference into this Prospectus.

Except as required by the FinSA or other applicable securities laws, neither the Issuer, nor the Guarantor, nor the Managers undertake an obligation to update any prospects or other forward-looking statements contained or incorporated by reference herein after the date hereof, even if new information, future events or other circumstances have made such statements incorrect or misleading.

## MATERIAL RISKS

*An investment in the Bonds involves risks, including the risk of loss of a Holder's entire investment in the Bonds. Investors should reach their own investment decision with regard to the Bonds and only after consultation with their own financial and legal advisers about risks associated with an investment in the Bonds, and the suitability of investing in the Bonds in light of their particular circumstances.*

*The Issuer and the Guarantor believe that the factors described below represent material risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds or otherwise fulfil its obligations in connection with the Bonds, or of the Guarantor to fulfil its obligations under the Guarantee, may occur for other reasons that may not be considered material risks by the Issuer and the Guarantor based on information currently available to them or that they may not currently anticipate. In addition, certain factors that are material for the purpose of assessing the market risks associated with the Bonds are described below. Prospective investors should give careful consideration to the following risks in evaluating the merits and suitability of an investment of the Bonds. The information is not intended to be an exhaustive list of all potential risks associated with an investment in the Bonds. Prospectus investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making an investment decision.*

*The sequence in which the risk factors are presented below is not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences.*

### **Risks relating to the Issuer and its Business**

#### ***The Issuer relies on the credit of the Guarantor.***

The Issuer is a finance entity and relies on the credit of the Guarantor. It has no subsidiaries and limited ability to generate revenue. As it has no revenue generating operations of its own, the Issuer is wholly dependent on the earnings and cash flows of, and distributions from, the Group's operating subsidiaries to generate the necessary funds in order to service the payment of principal and interest of the Bonds. The operating performance and financial condition of the Group's operating subsidiaries and the ability of such subsidiaries to provide funds to the Issuer will in turn depend, to some extent, on general economic, financial, competitive, market and other factors, many of which are beyond the Issuer's control. The terms and conditions of agreements to which the Group is or may become party may impose further restrictions or prohibitions on such operating subsidiaries' ability to make payments to the Issuer. The Group's operating subsidiaries may not generate income and cash flow sufficient to enable the Issuer to meet the payment obligations on the Bonds. The Group's inability to generate sufficient cash flow to service the intercompany loans will prevent the Issuer from servicing its indebtedness under the Bonds.

### **Risks relating to the Guarantor and its Business**

The Group is subject to many risks and uncertainties that may materially adversely affect its financial performance. The business, results of operation or financial condition of the Group could be materially adversely affected by the following risks:

#### ***Adverse developments in worldwide economic conditions.***

Worldwide economic conditions impact the industries in which the Group's direct and indirect customers are active. A weak economic climate in the relevant customer industries may result in lower sales volumes and price decreases for the products, services and technologies supplied by the Group, which in turn may adversely affect its or their results of operations. In addition, certain of the Group's customers sell their products in a competitive and uncertain environment, which may lead to varying and uncertain demand for the Group's products from these customers, sometimes amplified by de- and re-stocking effects. Therefore, the Group's business and results of operations will be sensitive to global and regional economic downturns, inflation or deflationary effects, credit market tightness, declining consumer and business confidence and spending habits, fluctuating commodity prices, volatile exchange rates, changes in interest rates, sovereign debt defaults, changes in tax rates or tax regimes, disruptive political changes, armed conflict and other challenges, including those related to international sanctions, acts of aggression or threatened aggression and climate conditions that can affect the global economy.

North and Central America and Europe accounted for a significant amount of the Group's sales. Accordingly, the Group's results of operations will be particularly affected by macroeconomic conditions in North America and Europe. While the US economy has experienced periods of growth in recent years, it has also experienced negative growth due to, among other things, the impacts of COVID-19 and inflation. In particular, there can be no assurance that actions by central banking authorities (including increasing interest rates) or government policies, including those introduced by any presidential administration in the United States will not have an adverse impact on the U.S. economy. In Europe, while the effects of the sovereign debt crisis in the Eurozone, as well as Switzerland, have abated, there can be no assurance that concerns regarding other countries in the Eurozone as well as Switzerland, will not reemerge or inflation will cause widespread negative economic impacts in the Eurozone. Conflict in Ukraine has also resulted in disruptions and an overall negative impact on several economies in the Eurozone, including worldwide trade disruption and sanctions regimes which both impact trade and the flow of goods and increase the cost of compliance with commercial activities, increased energy costs or disruption of access to energy inputs that could result in manufacturing delays. Should the conflict in Ukraine escalate or continue over a long period of time, or similar conflicts develop in other areas in the future, these conflicts may result in similar trade disruptions or increased costs of various inputs. Finally, in recent years, various emerging market economies where the Group operates have experienced severe economic and financial disruptions, including significant devaluations of their currencies and low or negative economic growth rates.

If economic conditions deteriorate or armed conflict occurs in the markets in which the Group manufactures its products or provides services, its customers may experience deterioration of their businesses, reduced demand for their products, cash flow shortages and difficulty obtaining financing. As a result, existing or potential customers might delay or cancel plans to purchase products, services or technologies and may not be able to make payments to the Group in a timely fashion or at all.

The industries, in which the Group operates, and the Group's direct and indirect customers were adversely impacted by COVID-19, in particular but not limited to the availability of key personnel and supply chain issues. It might not be excluded that COVID-19 or any potential future pandemic adversely impact the Group's business, its customers and/or the Group's industries or cause instability on or a decrease of the global economy in general.

Any of the foregoing could negatively impact the Group's business, results of operations, financial condition and prospects.

***The Group is dependent on, and the Group will be dependent on, the availability of energy, raw materials and consumables and any shortages or price increases may lead to production interruptions and/or increases in production costs and may also limit the Group's ability to grow its business.***

The Group's production processes are dependent on the availability of various energy sources, raw materials and consumables. The Group relies on a number of third-party suppliers and other business partners to provide it with these raw materials, consumables and energy inputs. Although the Group sources most of their raw materials and consumables from multiple suppliers, some of their raw materials and consumables are sourced from either very few suppliers or single suppliers. While the Group generally believes that it can maintain access to affordable and reliable sources of energy to manufacture its products, the cost and supply of energy is subject to many factors outside of the Group's control. In particular, energy supplies and the cost of energy in the Eurozone may be significantly and severely impacted due to the conflict in Ukraine. Supply problems, whether caused by the COVID-19 pandemic, transportation issues or armed conflict, with one or more of these suppliers may lead to specific raw materials and consumables becoming unavailable for some time and could jeopardize the Group's business.

Furthermore, the Group may not be able to successfully manage price fluctuations, and in particular inflationary fluctuations, for certain components and materials and increases in the cost of raw materials and semi-finished products that cannot be passed on to customers through corresponding price increases or otherwise compensated for may result in reduced margins for the Group. Even if cost increases are passed on to customers, the Group may face decreased demand and lower sales volumes if customers seek substitutes for the Group's products, services or technologies or if demand for those customers' products is impacted by any price increases that are passed on to end users. In addition, the Group may be required to keep additional inventory on hand to meet customer demand. If customers fail to order such inventory in amounts as predicted by the Group, the Group may be left with additional inventory it cannot sell or sell on the terms and conditions customary with the sale of such products, particularly in light of the broad impacts of COVID-19 conditions in China or the conflict in Ukraine.

In addition, certain of the Group's customers supply APIs and health and nutrition product ingredients to the Group which are required for completion of such customers' products. If there are delays in receipt of APIs or health and nutrition product ingredients, or if APIs and health and nutrition ingredients fail to satisfy applicable quality standards, the Group's results of operations may be impacted.

The challenges and risks the Group will face may become even more significant as the Group endeavors to expand its business, requiring additional and new raw materials, consumables and energy inputs. Decisions to invest in new production facilities may be delayed due to sourcing and supply chain problems or inability to access energy in an affordable or reliable manner. The Group may also be unable to find or establish relationships with new suppliers in locations where it plans to ramp up production and may otherwise be prevented from growing its business as desired.

In addition to these risks, governmental regulations, environmental laws and regulations, increasing demand for raw materials or energy from competitors or other third parties and the effects of supplier consolidation may also lead to temporary or permanent shortages of raw materials or energy. Any such shortages may lead to production interruptions, increases in production costs or even structural change within the industries in which the Group operates. Any of the foregoing could have material adverse effects on the Group's business, results of operations, financial condition and prospects.

***The Group allocates funds in the development of new products, services and technologies and the lack of customer acceptance, any failure to successfully develop such products, services and technologies, or any delays in development, could adversely affect the Group's business, results of operations, financial condition and prospects.***

The Group depends on their continued ability to develop or implement the development of new products, services and technologies and to then successfully commercialize such products, services and technologies to their customers. However, the Group's products, services and technologies may not gain acceptance among the Group's customers. The degree of market acceptance of any new product, service or technology will depend on a number of factors, any of which could cause any new product or technology not to receive market acceptance.

The Group may also fail to successfully expand or improve its portfolio of products, services and technologies or may lack the capacity to invest the required level of human, financial or other resources in the development of new products, services and technologies. In addition, although the Group seeks to maintain close and cooperative relationships with its customers, it may be unable to maintain these relationships in the future at a level that would enable the Group to effectively identify customer needs and to develop customized solutions.

Furthermore, the Group's competitors may develop new products, services and technologies, or may improve on existing products, services and technologies to the detriment of the Group. In addition, given the rapidly changing regulatory environment in which the Group will operate, the market for a newly developed product, service or technology may cease to exist. Any of the foregoing could have material adverse effects on the Group's business, results of operations, financial condition and prospects.

***Demand for the Group's products, patents, services and technologies depends, and demand for the Group's products, services and technologies will depend, significantly on their customers' research and development activities and the market success of their products, as well as outsourcing trends.***

The Group engages in the custom development and manufacturing of pharmaceuticals and biological APIs, advanced cell culture therapies and other lifesaving and life-enhancing treatments. The level of research and development spending of the Group's customers may influence the Group's results of operations. Customer spending on research and development is dependent on, among other things, available resources, including relative levels of demand for customers' existing products and the relevant customer's need to develop new products, which is driven by factors such as competitors' research and development initiatives and the anticipated market uptake for specific products. The Group faces risks that:

- The Group's customers may not develop new commercial products incorporating the Group's products, services or technologies, and
- The Group may not be able to successfully develop new products, services or technologies that would be attractive to its existing or future customers.

In addition, consolidation in the industries in which the Group's customers operate may have an impact on such spending as customers integrate acquired operations, including research and development departments, and budgets. A reduction in spending by customers could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Successful research and development of pharmaceutical products is difficult, expensive and time-consuming. Many product candidates fail to reach the market. The Group's success will depend in part on the discovery and the successful commercialization of products by its customers that can utilize the Group's products, services or technologies. However, the Group does not control the efforts of its customers to successfully commercialize their products. The Group's ongoing investments in research and development could result in higher costs without a proportionate increase in revenues.

Even if products using the Group's products, services or technologies appear promising during various stages of development, there may not be successful commercial applications developed for them for a number of reasons, including the FDA, the European Medicines Agency ("EMA"), Swissmedic, the Chinese Food and Drug Administration ("CFDA"), the Pharmaceuticals and Medical Devices Agency of Japan ("PMDA"), another regulatory body or an institutional review board, or the Group's pharmaceutical company customers may delay or halt clinical trials.

Furthermore, the Group's business models and sales depend on dual-sourcing and outsourcing trends in their respective industries. If the current industry trend towards dual-sourcing and outsourcing certain drug development, manufacturing and delivery technologies were to slow or reverse, this could adversely affect the sales of the Group's business, which could in turn have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***Failure to provide quality offerings to customers could have an adverse effect on the Group's business and could subject it to regulatory actions, product recalls, and costly litigation.***

The Group depends on its ability to execute and improve when necessary its quality management strategies and systems, and effectively train and maintain its employee bases with respect to quality management. Quality management plays an essential role in determining and meeting customer requirements, preventing defects, compliance with current Good Manufacturing Practices ("cGMP") and improving product offerings (for example, on 24 April 2017 Lonza received a warning letter from the FDA relating to quality issues related to the production of certain biotherapeutic liquid media products, manufactured in one particular area of its Walkersville, Maryland facility in the United States). While the Group has a network of quality systems applicable across its business units and facilities, quality and safety issues may occur and have in the past occurred with respect to their offerings. Given the highly regulated industry in which the Group operates, any failure in quality or safety could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***The Group depends on its ability to secure and maintain profitable long-term commercial relationships and contracts with customers.***

The Group depends on its continued ability to secure and maintain profitable long-term commercial relationships and contracts with customers. Unfavourable industry trends, market conditions or regulatory regimes may impede the Group's ability to secure profitable long-term contracts with existing and new customers, to maintain profitable commercial relationships or to renew existing contracts as they expire. Any difficulties in securing or renewing such contracts or maintaining such strong customer relationships on favourable terms or at all could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***The Group plans to continue to make investments in additional production capacity in order to implement its growth strategy and there can be no assurance that it will achieve the return it expects in connection with these investments in its expected timeframe.***

Production facilities in the industry in which the Group operates require significant capital expenditure and continuous investment in modernization and expansion measures. The Group expects to make additional investments in order to execute its strategies but there is no guarantee that it will be successful in the execution of such strategies in the Group's expected timeframe. The Group may require additional financial resources to fund its planned investments in the medium to long term, which may be difficult to obtain, or may result in higher costs. Even if adequate financial resources are available, materials to construct any facilities may not be available or may be prohibitively expensive due to supply chain considerations and personnel may not be available to operate the facilities. Furthermore, it takes time for newly constructed facilities or the expansion of existing facilities to become fully operational, as supply chains need to be established, logistics need to be built up, potential customers need to audit production quality and customer relationships need to be established. Any new facilities or expansions of existing facilities may add significant fixed costs to the Group's cost base and may reduce the Group's margins and profitability over the longer term to the extent such facilities are unable to reach and maintain a sufficiently high rate of utilization.

Due to the uncertain nature of such investments, there can be no assurance that the Group will achieve the return it expects in connection with these investments. Moreover, if the Group misjudges market developments or the life cycles of its products, services and technologies or the products of its customers, or if it underestimates the rate at which its competitors are expanding their production capacity, this may create excess production capacity that cannot be utilized as planned. Any such excess capacity may have negative consequences on product pricing or volumes. In addition, investments in production capacity may be unsuccessful if the Group's products, services and technologies turn out to be uncompetitive or otherwise fail to generate the anticipated results. Any unnecessary increase in production capacity and any inefficiencies resulting from the expansion of its production capacity could materially decrease the Group's margins and require substantial impairments. Any of the foregoing could have material adverse effects on the Group's business, results of operations, financial condition and prospects.

***The Group may face capacity constraints, driven by strong demand, disruptions at its production facilities or other factors, which could compromise its ability to meet customer demand for its products, services and technologies.***

The Group may face capacity constraints to the extent it is unable to anticipate customer demand for its products, services and technologies, as well as customers who may not properly forecast demand of their own products also resulting in requests beyond the Group's capacity. The Group may also experience disruptions at its production facilities, which could result in shortfalls in production or an increase in the Group's costs. In the case of equipment malfunctions, sterility variances or failures, failure to follow specific protocols and procedures, problems with raw materials, microbial or viral contamination, environmental factors and damage to, or loss of, manufacturing operations due to fire, flood, earthquakes or other catastrophic events, the Group may be required to halt production of certain batches or products or shut down the affected production facilities. This has in the past led to, and in the future could lead, among other things, to damage to customer relations, lost revenue and earnings, increased costs, reimbursements to customers for lost profits, additional time and expense spent investigating the cause and, depending on the cause, similar losses with respect to other batches or products.

Any of the foregoing could cause the Group to lose market share, which could have material adverse effects on the Group's business, results of operations, financial condition and prospects.

***The Group's markets, in particular those with higher profit margins, may become more intensely competitive, and may be characterised by significant pricing and margin pressure.***

The Group faces, and the Group will face, significant competition in each of its market segments. Competition is driven by proprietary technologies and know-how, as well as quality and performance, consistency, price, ability to scale manufacturing and customer support, such as with regulatory approvals, new product development.

The Group's markets, in particular those with higher profit margins, may become more intensely competitive, which could lead to significant pricing and margin pressure. The Group believes that the major factors influencing the relative competitive situation of companies in the industries in which the Group will operate are competitors' relative ability to innovate and improve production processes and technologies and deploy research and development expenditures effectively, the results of their efforts to do so and the effects of a range of regional factors on production costs, including lower wages in developing countries, less stringent environmental and labor regulations, and favorable exchange rates.

The Group's existing competitors could intensify efforts to increase their respective market shares by reducing their margin expectations and/or by increasing their capacity, which may result in higher supply and lower price levels, and may enable competitors to offer products, services and technologies at lower prices, leading in turn to downward pressure on the Group's margins. Some of the Group's competitors may be able to manufacture products more economically or may have greater financial resources than the Group, which may enable them to invest significantly more capital into their businesses, including expenditures on research and development. If these investments prove successful, they could result in a competitive disadvantage for the Group.

Furthermore, new competitors may enter the markets in which the Group operates. Generally, both new and existing competitors may offer their products, services and technologies at lower prices to defend or gain market share, which could put pressure on the Group's margins. Changes in exchange rates could also facilitate market entry for competitors with functional currencies other than the Swiss franc or could adversely affect the Group's cost position vis-à-vis its competitors. In addition, competitors could benefit from favorable tax regimes or additional governmental grants and subsidies. Further, substitute products, services and technologies may become more attractive, for example due to a price decrease or better availability of the substitute product, service or technology, and lead to reduced demand for the Group's products, services and technologies.

The Group's business may also be affected by increasing competition at the level of its customers. For instance, competition faced by the Group's customers may lead to declining prices for their products, which may in turn lead them to pressure the Group to reduce its prices or may cause the customers to discontinue certain products for which the Group provides inputs. This could result in excess capacity at the Group's production facilities and could adversely affect its sales and margins. Any of the foregoing could have material adverse effects on the Group's business, results of operations, financial condition and prospects.

***Certain markets in which the Group offers its products and services are, or may become, characterized by a small number of major customers, leading to increased negotiating power among the Group's customers.***

Certain markets in which the Group offers their products, services and technologies are characterized by a small number of major customers. Moreover, the markets in which the Group currently operates may evolve, for example as a result of consolidation among customers, which could result in increasing customer concentration. Customer concentration may result in customers using their power to exert pressure on the Group's prices, which could adversely affect its profitability. As a result, any increase in customer concentration could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***Changes in foreign exchange rates may have a material adverse effect on the Group's results of operations and may affect demand for its products and services.***

The Group is exposed to foreign exchange risk because the amount of local currency paid or received for transactions denominated in foreign currencies may vary due to changes in exchange rates (transaction exposures) and because the foreign currency denominated financial statements of the Group's foreign subsidiaries may vary upon consolidation into the Swiss-franc-denominated Group financial statements (translation exposures). In relation to the Group, foreign exchange risks arise primarily in connection with transactions that are denominated in United States dollars, euro and British pounds sterling.

As a general matter, the effect of foreign exchange fluctuations is minimised through the natural hedge the Group enjoys as a result of its matching of currencies in relation to sales and costs in the jurisdictions in which it operates. In managing its exposure regarding the fluctuation in foreign currency exchange rates, the Group has entered into a variety of currency swaps and forward contracts. Notwithstanding these efforts, however, the strength of the Swiss franc has had an adverse impact on its results of operations in recent periods and may continue to do so.

The Group will continue to be exposed to the risk of foreign exchange rate fluctuations, and if it is unable to manage this risk effectively, through hedging or otherwise, its business, results of operations, financial condition and prospects could be materially adversely affected.

***Pharmaceutical manufacturing, storage, and transportation may be dangerous and may lead to personal injury, damage to property or other damage and any hazardous incidents that the Group may face could result in disruptions to its production facilities, claims for damages and fines.***

Given its activities and the industries in which it operates, the Group faces risks associated with pharmaceuticals manufacturing and the related storage and transportation of raw materials, products and wastes. These risks include, but are not limited to, accidents, explosions, fires, lightning, transport risks, terrorist attacks, natural disasters, mechanical or other operational failure, pipeline leaks and ruptures, storage tank leaks, spills, and other discharges or releases of dangerous substances or gases. These events could lead to personal injury, loss of life, environmental or property damage, or a material interruption or suspension of operations, and may result in increased mitigation expenses, a reduction in profitability, and the imposition of civil or criminal penalties, including governmental fines, expenses for remediation and claims brought by governmental entities, employees or other third parties. In many jurisdictions, such as in the United States, these risks are amplified by the frequency of class actions and high damages awards.

In addition, the occurrence of any such event could be seriously detrimental to the Group's reputation and could harm its ability to obtain or maintain its existing licences or its key commercial, regulatory, and governmental relationships. Disruptions at one or more production facilities may also interrupt production further down the production chain and lead to lower volumes and sales, and potentially the loss of market share. The costs associated with any of these events may be substantial and could exceed or otherwise not be covered by the Group's insurance coverage.

Furthermore, improper handling of dangerous substances by the Group or its customers may lead to the release of various substances, which may in turn result in stricter regulation or a prohibition of the use of such substances. Any



of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***Local conditions, events, adverse weather conditions, natural disasters and other disruptions could adversely affect the Group's business.***

The Group has manufacturing sites around the world. Its manufacturing operations may be subject to disruptions within or beyond their control, including: pandemics, adverse local conditions, climate change, adverse weather conditions, floods, fire, natural disaster, civil unrest, labour stoppages and terrorist activity. Several of the countries in which the Group operates are subject to border or internal civil conflicts or unrest, which could also affect the Group's operations. Any disruption of the Group's operations resulting from any of these events or factors could limit its ability to quickly shift production to other sites. For example, capacity constraints or regulatory requirements could cause significant delays in manufacturing and the loss of sales and customers. In addition, the Group could suffer a loss of sales or other negative impact on its business as a result of its customers or suppliers being affected by any of these events.

***The Group is subject to risks arising from legal disputes, including contractual claims and product liability claims relating to product defects.***

Companies in the pharmaceuticals and manufacturing industries are subject to the risk of lawsuits, including class actions, alleging negligence, product liability, violations of warranty obligations and other contractual or statutory claims relating to product defects. Such lawsuits may include claims based on personal injury or death alleged to be caused by a product, service or technology of the Group, in particular pharmaceuticals products, or by products incorporating the Group's products, services or technologies which are marketed or distributed by customers of the Group. These lawsuits often involve claims for substantial amounts of damages, including compensation for consequential damage and substantial costs for legal representation. In addition, pharmaceutical and other healthcare products may be the subject of recalls or patent infringement suits. For this reason, there can be no assurance that extensive claims will not be asserted against the Group in the future or that large scale product recall measures will not be necessary. The Group may not have sufficient insurance to mitigate for such a contingency. Accordingly, the Group cannot assure that the risks inherent to any potential product liability claim or product recall will be mitigated in all circumstances.

The Group's business may be adversely affected by the detrimental outcome of legal disputes and investigations by government agencies, the outcomes of which are not certain. Litigation risks include, among others, risks in the areas of competition and antitrust law, pharmaceutical law, patent law, tax law, and environmental protection.

Certain countries in which the Group will operate have a special legal framework for pharmaceutical products that could increase the risk of product liability claims being asserted and/or the ultimate costs of defending against such claims. In addition, the Group could incur significant expenses based on product liability claims, other violations of duties of care or contractual provisions, recall measures or penalties imposed for these reasons by public authorities. These events could also adversely affect the Group's reputation and therefore reduce market acceptance of its products, services or technologies.

Certain of the Group's products contain or contained substances that may be toxic or otherwise hazardous to the health of certain persons. The health of persons, including the Group's employees, who come into contact with such substances or with the Group's products directly or through products of the Group's customers may be impaired, especially as a result of exposure to such hazardous substances, the incorrect use of such products or because of product characteristics that are as yet unknown, and such health impairments may even be life-threatening. These factors, either individually or in aggregate, have resulted and may result in actions being brought against the Group and may have a material adverse effect on its business, results of operations, financial condition and prospects.

***The products, services and technologies the Group provides are highly exacting and complex, and if the Group encounters problems providing them or any support that is required, its business could suffer.***

The products, services and technologies the Group provides are highly exacting and complex. From time to time, problems may arise in connection with facility operations or during preparation or provision of a product, service or technology, in each case for a variety of reasons including, but not limited to, equipment malfunction, failure to follow specific protocols and procedures, problems with raw materials or environmental factors, contamination of facilities and damage to, or loss of, manufacturing operations. Such problems could affect production of a particular batch or series of batches, requiring the destruction of products, or could halt facility production altogether. These failures

could, among other things, lead to increased costs, lost revenue and earnings, damage to customer relations, time and expense spent investigating the cause and, depending on the cause, similar losses with respect to other batches or products. If problems are not discovered before a product is released to the market, recall and product liability costs may also be incurred. In addition, such risks may be greater at facilities that are new or going through significant expansion or renovation.

***Tax legislation initiatives or challenges to the Group's tax positions could adversely affect its business, results of operations, financial condition and prospects.***

The Group operates in a number of different countries around the world. As such, it will be subject to the tax laws and regulations of, among others, the European and United States federal, state and local governments and of many international jurisdictions. From time to time, various legislative initiatives may be proposed that could adversely affect the Group's tax position. There can be no assurance that the Group's effective tax rate or tax payments will not be adversely affected by these initiatives.

Any of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***The Group may not be able to adequately protect its intellectual property, proprietary manufacturing technology and know-how.***

The Group owns a large number of patents and other intellectual property rights which may be invalidated, circumvented or challenged. Although there is a general legal presumption that patents are valid, this does not necessarily mean that a patent or any other intellectual property right will ultimately be upheld as valid or that any related claims can be enforced as necessary or desired. Third parties may infringe on the Group's patents or other intellectual property rights, and the Group may not be able to prevent any such infringement. If the Group fails to adequately protect its intellectual property rights, technology and know-how, competitors may use such rights, technology and know-how to manufacture and offer similar products or services, which could adversely affect the Group's competitive position and results of operations. In addition, the Group cannot guarantee that all of the patents it has applied for, or plans to apply for, will be granted in each of the countries in which it seeks protection. Furthermore, patents generally expire after a certain period, allowing competitors to freely use the patented technology.

If the Group is unable to protect its intellectual property, its ability to profit from its research and development may be limited or its future profits may decrease as a result, insofar as other manufacturers can make or market products that are similar to the products developed by the Group. This could affect the Group's competitive position, and any resulting decrease in sales could have a material adverse effect on its business, results of operations, financial condition and prospects.

***The Group may infringe on the intellectual property rights of third parties and, as a result, may have to pay fees for the use of third-party intellectual property, may be exposed to claims for damages, may be prevented from selling its products, or may be forced to stop its production.***

The Group cannot guarantee that the Group will not infringe on, or be alleged to have infringed on, third-party patents or other third-party intellectual property rights, since its competitors also apply for, and obtain, numerous patents to protect their inventions. In the event that the Group identifies third-party patent rights that conflict with its business processes, it will generally attempt to either challenge the patentability or the validity of the patent or to look for technical alternatives. Nevertheless, patent holders may approach the Group from time to time to allege that it has infringed on their intellectual property rights. Regardless of the merit or resolution of these claims, the Group may be prevented from making or marketing products, and it may be forced to acquire licences or modify or even stop its production, even though it may have already been using these technologies in a lawful manner in these or other jurisdictions. This may be the case, for example, if the Group has chosen not to file a patent on a particular technology in order to keep it confidential. In addition, the Group could be exposed to liability for damages.

The Group may have to obtain third-party licences to gain access to technology, which could entail considerable costs. It may be unable to acquire licences that it will need for its future business with the appropriate scope, under acceptable conditions or at all. In addition, licences the Group holds may expire or otherwise not continue to be effective, and it may be prevented from making or marketing products.

Any restrictions or disruptions in supply and production that result from actual or alleged patent infringements, whether as a result of a reorganisation of production processes or for other reasons, or the subsequent acquisition of any relevant licences, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***The Group relies on the proper functioning of its computer and data processing systems, and a large scale malfunction or potential unauthorised access to critical and sensitive information could result in disruptions to the Group's business.***

The Group's ability to keep its businesses operating depends on the functional and efficient operation of its computer and data processing and telecommunications systems around the world. Computer and data processing systems are susceptible to malfunctions and interruptions (including due to equipment damage, power outages, fire, natural disasters, breakdowns, malicious attacks, computer viruses, and a range of other hardware, software and network problems), and the Group may be unable to prevent malfunctions or interruptions. A significant or large scale malfunction or interruption of its computer or data processing systems could disrupt the Group's operations, for example by causing delays or the cancellation of customer orders, impeding the manufacture or shipment of products, the processing of transactions and the reporting of financial results, or could damage the Group's reputation.

In addition, the Group faces the risk of potential unauthorised access to, and the loss of, critical and sensitive information, for example as a result of industrial espionage activities or hacking attacks. A leak of confidential information or the loss of critical and sensitive information could reveal trade secrets or know-how of the Group or its customers to competitors and harm the Group's business, competitive position and reputation. The Group's insurance may not adequately compensate it for all losses or failures that may occur. Any of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***The Group has engaged in acquisitions and divestitures of businesses, companies and equity interests in companies in the past, and the Group may engage in acquisition activities or divestitures in the future, and there can be no assurance that such acquisitions or divestitures will yield the desired results.***

In the past, the Group has engaged in acquisitions and divestitures of businesses, companies and equity interests in companies. The Group continually evaluates possible acquisitions and divestitures, and therefore considers it probable that acquisition activities or divestitures will occur in future.

Acquisitions take up management attention and resources, and may expose the Group to potential risks and liabilities, both in relation to undertaking the acquisition process (for example, as the Group may be required to obtain financing or competition approval) but also by potentially bringing into the Group historical risks and liabilities of the target (including but not limited to regulatory compliance and environmental liabilities, which are notable in the industry in which the Group operates). The Group may also be more likely to be exposed to risks and liabilities in the context of acquisitions because it seeks to expand its operations into new jurisdictions, where the Group may be less familiar with relevant conditions. Any failure to successfully integrate acquisitions into the Group may also result in the loss of key customers, or the failure to realise anticipated financial benefits.

Divestitures also take up management attention and resources. In addition, proposed divestitures that fail to complete may result in a negative impact on customer relationships and the continued presence in the Group of loss-making or under-performing divisions. Completed divestitures, such as the Lonza Specialty Ingredient Disposal, may expose the Group to potential liabilities such as in connection with completion adjustments, warranty claims and potential litigation.

Given that it is probable that the Group will undertake an acquisition or divestiture in future, it is likely that the Group will be exposed to the risks noted above. To the extent these risks materialise, or liabilities arise, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***The Group is subject to risks, including reputational, financial and legal risks associated with joint ventures and joint venture partners.***

The Group has entered, and may continue to enter, into arrangements subject to joint control, such as joint ventures. The Group is regularly in discussions with a number of pharmaceutical companies for the purpose of exploring new business models and concepts, including but not limited to strategic joint ventures and other joint arrangements by which it may share control with another entity (collectively for the purposes of this risk factor, "joint ventures").

Various entities within the Group depend on various counterparties to joint ventures entered into by the Group for capital, product distribution, local market knowledge, product know-how or other resources. The Group's joint venture partners may (i) have economic or business interests or goals that are inconsistent with those of the Group; (ii) take actions contrary to the Group's instructions or requests or contrary to its policies or objectives; (iii) be unable or unwilling to fulfil their obligations under the relevant joint venture agreement, including providing the necessary resources to the joint venture; or (iv) have financial difficulties.

If a serious dispute arises with one of the Group's joint venture partners, or a serious problem arises in one of its joint ventures, including due to the factors set out above, the Group may suffer the loss of business opportunities or disruption to or termination of the relevant joint venture (or the project carried out by such joint venture). A dispute may also give rise to litigation or other legal proceedings, which would divert the Group's management's attention and other resources. Any of the above may have a material and adverse effect on the Group's reputation, business, results of operations, financial condition and prospects.

***The Group is dependent upon its employee base and its key personnel for its growth.***

The Group's economic success will depend in part on its ability to retain or employ an experienced, highly skilled and diverse employee base in addition to highly qualified executives and technical experts, in particular in the area of manufacturing and operations. The competition for qualified employees in the life sciences industry is intense and the Group will compete for employees with companies both in and outside the life sciences industry. In addition, due to the imbalance between the supply of qualified employees and the demand for qualified employees, the Group may face employee turnover and retention that is higher than historical norms. Accordingly, the termination of the employment or the loss of the services of any significant number of employees or key personnel without a timely and suitable replacement or the inability to attract and retain qualified personnel may have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

***Legal and regulatory changes in the jurisdictions in which it operates and trades may have an adverse effect on the Group.***

Due to the international nature of its business, the Group and its operations, it must comply with, and is affected by, a large number of different legal and regulatory frameworks, including tax laws. There is a risk that changes in these frameworks of the agencies that oversee or regulate the industries in which the Group operates, and in which the Group will operate, may materially adversely affect the Group's legal and regulatory environment.

Changes in the regulatory environment may prevent the Group from marketing certain of its products or may negatively affect demand for its products and/or services, which could in turn have a material adverse effect on its business, results of operations, financial condition and prospects. In addition, to the extent laws and regulations applicable to the Group are uncertain and evolving, it may be difficult for the Group to determine the exact requirements applicable to it, or to structure its transactions in such a way that the results it expects to achieve are legally enforceable in all cases.

***The Group's balance sheet includes significant goodwill and intangible assets, which could become impaired.***

The Group has significant goodwill and intangible assets on its balance sheet. The intangible assets include trademarks acquired through business combinations, which have an indefinite useful life and are not systematically amortised. Goodwill and intangible assets with indefinite useful lives are reviewed annually for impairment. Impairment charges could become necessary in the future if, for example, the Group's future prospects deteriorate such that the carrying values of its goodwill or intangible assets are no longer sustainable under applicable accounting rules. A significant impairment of the Group's goodwill or intangible assets could have a material adverse effect on its business, results of operations, financial condition and prospects.

***The Group may be exposed to pension risk in relation to its pension plans.***

The Group operates pension plans, which for accounting purposes are considered defined benefit pension plans, in various countries, with the major plans being in Switzerland and Great Britain. Pension risk arises if the net present value of future cash outflows is greater than the current value of the asset pool set aside to cover those payments.

The primary sources of pension risk include a mismatch in the duration of the assets relative to the liabilities of the pension schemes, market-driven asset price volatility and increased life expectancy of individuals leading to increased liabilities.

As a result of these factors, the Group faces the risk that the funding position of its pension schemes will deteriorate to such an extent that it would be required to make additional contributions above what is already planned to cover its pension obligations. Any failure by the Group to manage its pension deficit could have a material adverse effect on its business, results of operations, financial condition and prospects.

***The Group has implemented reorganisations of businesses and/or entities within the Group in the past, and the Group may implement such reorganisations in the future, and there can be no assurance that such reorganisations will yield the desired results.***

In the past, the Group has implemented reorganisations of businesses and/or entities within the Group.

Any reorganisation undertaken by the Group, is likely to involve significant investments and risks including, but not limited to, requiring a significant amount of management time (which may affect or impair the management's ability to run the entity or business effectively during the period of implementation) and not being able to have, or losing, key personnel with the appropriate skills as part of implementing the reorganisation. There is a possibility that if a reorganisation undertaken by the Group, is not successfully implemented, key customers will be lost, or that anticipated cost savings, synergies or other benefits will not be realised in time or at all.

The occurrence of any of these risks may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***The major sources of the Group's revenues are concentrated among a limited number of products groups and customers. If the market for these products groups changes, or if customers benefit from increased negotiating power, the Group's revenues may decline.***

Similarly, certain markets in which the Group's LPBN segment offers its products, services and technologies are characterised by a small number of major customers, and that segment depends on contracts with a relatively small number of customers for a large percentage of its revenues.

Any customer concentration which results in customers using their power to exert pressure on the Group's prices may, particularly in relation to the Group's LPBN segment, adversely affect profitability, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***The Group's leverage and debt service obligations could materially affect its business.***

As at 31 December 2022, the Group had a net leverage ratio of 0.1 times. Although the Group's current net leverage ratio is currently low, it may not be excluded that the net leverage ratio might be significantly higher in the future, for example, as a result of a major acquisition. The degree to which the Group remains leveraged could have important consequences for its business.

***The Group requires various licences and permits to operate its business.***

The Group requires various licences and permits in the jurisdictions in which it operates. These licences and permits are generally subject to conditions stipulated in the licences and permits and/or relevant laws or regulations under which such licences and permits are issued. Any actual or alleged failure to comply with the stipulated conditions could result in the revocation or non-renewal of the relevant licence or permit.

The Group constantly monitors and ensures its compliance with such conditions. Should there be any revocation of any of the licences and permits, or the failure to obtain or procure any necessary licences and permits, the Group may not be able to carry out its operations in the relevant jurisdiction. In such an event, the business, results of operations, financial condition and prospects of the Group could be materially and adversely affected.

***The Group is subject to environmental, health and safety laws and regulations and could therefore be exposed to heightened compliance costs and the risk of liability due to non-compliance.***

The Group is subject to a variety of environmental, health and safety laws and regulations in each of the jurisdictions in which it operates. In particular, the Group will be subject to a number of continually changing and increasingly stringent local, state, and international environmental and health protection requirements with regard to, among other things, air emissions, wastewater discharges and the use, handling and disposal of chemicals and hazardous substances. Compliance with such regulations can require significant expenditures and a breach may result in the limitation or suspension of production or subject the Group to material monetary fines and penalties, civil or criminal sanctions, or other liabilities. Furthermore, environmental laws may expose the Group to liability for the conduct of or conditions caused by others, and some environmental laws provide for joint and several strict liability for releases of hazardous substances into the environment, which could result in liability for environmental damage without regard to negligence or fault. Environmental legislation is evolving in a manner that is expected to result in stricter standards and enforcement, larger fines and increased liability, and potentially increased capital expenditures and operating

costs for compliance. Environmental laws and regulations may result in an increase in the costs of the operations of the Group.

The costs of the remediation and/or containment of pollution for which the Group is held liable, or the reputational damage associated with any such pollution, could materially adversely affect its business, results of operations, financial condition and prospects.

***Regulatory developments with respect to use of personal data and public records could have a material adverse effect on the Group's business, financial condition and results of operations.***

Because the Group's databases and the databases of third-party service providers that it works with include certain non-public personal or commercial information concerning its employees, vendors and customers, the Group is subject to government regulation concerning the improper storage, transmission and use of this data. Failure to comply with these laws by the Group could result in substantial regulatory penalties, litigation expenses, adverse publicity and loss of revenue. In addition, if such information were compromised as a result of a hacking incident or other cyber breach of the Group's systems, the Group could also be found liable for such breach if the Group did not have appropriate safeguards in place to protect such data and records. Further, many consumer advocates, privacy advocates and government regulators believe that existing laws and regulations do not adequately protect privacy. As a result, they are seeking further restrictions on the dissemination and commercial use of personal information to the public and private sectors. Regulations regarding privacy and data protection may also become stricter in the future. For example, the European Union has adopted a General Data Protection Regulation, Regulation (EU) 2016/679 (the "GDPR"). The GDPR has introduced significant changes to the data protection regime of the EU, for example, higher potential liabilities for certain data protection violations.

Any such restrictions may increase compliance burdens on the Group and reduce the Group's ability to market its products, services and technologies, which could have a material adverse effect on its business, financial condition and results of operations.

***Violation of anti-corruption laws and anti-boycott regulations could materially and adversely affect the Group's reputation, business, results of operations, financial condition and prospects.***

The Group's international operations are subject to anti-corruption laws and anti-boycott regulations. In certain countries in which the Group does business, the Group is exposed to a heightened risk of violating anti-corruption laws and regulations. Violations of anti-corruption laws and sanctions regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts and revocations or restrictions of licences, as well as criminal fines and imprisonment. There can be no assurance that the Group's policies and procedures will effectively prevent it from violating these laws and regulations in every transaction in which it may engage, and such a violation could materially and adversely affect the Group's reputation, business, results of operations, financial condition and prospects.

***The Group is subject to labour and employment laws and regulations, which could increase its costs and restrict the Group's operations in the future.***

Certain of the Group's employees are represented by labour organisations. National works councils and/or labour organisations are active at certain of its European facilities consistent with labour environments/laws in European countries. Similar relationships with labour organisations or national works councils exist at all of the Group's facilities. The Group's management believes that its employee relations are satisfactory. However, further organising activities or collective bargaining may increase its employment-related costs and the Group may be subject to work stoppages and other labour disruptions. Moreover, as employers are subject to various employment-related claims, such as individual and class actions relating to alleged employment discrimination, wage-hour and labour standards issues, such actions, if brought against the Group and successful in whole or in part, may affect its ability to compete or have a material adverse effect on its business, financial condition and results of operations.

## **Risks relating to the Bonds**

***The Guarantor is a holding company and will depend on the business of its subsidiaries to satisfy its obligations under the Guarantee***

The Guarantor is a holding company and it has no significant assets other than its ownership interests in the Issuer and its other subsidiaries. Consequently, the ability of the Guarantor to meet its financial obligations under the

Guarantee is dependent upon the availability of cash flows from its subsidiaries and affiliated companies through dividends, intercompany advances and other payments. The Guarantor's direct and indirect subsidiaries are separate and distinct legal entities and, under certain circumstances, legal and contractual restrictions may limit the ability of these subsidiaries to provide the Guarantor with funds for the Guarantor's payment of its obligations under its securities, such as the Guarantee, whether by dividends, distributions, loans or other payments.

The Guarantor cannot assure potential investors that the operating results of its subsidiaries at any given time will be sufficient to make dividends, distributions or other payments to it or that any such dividends, distributions or other payments will be adequate to pay its obligations under the Guarantee and its other indebtedness when due.

In the event of a bankruptcy, liquidation, reorganization or similar proceeding relating to a subsidiary of the Guarantor, the right of Holders to participate in a distribution of the assets of such subsidiary will rank behind such subsidiary's creditors (including trade creditors), except to the extent that the Guarantor has direct claims against such subsidiary. In the case of any of the foregoing events, there can be no assurance that there will be sufficient assets to pay amounts due under the Guarantee.

***An investment in the Bonds involves risks relating to changes in the interest rate environment.***

The Bonds bear interest at a fixed rate, which means that an investment in the Bonds involves the risk that if market interest rates subsequently increase above such fixed rate of interest, the real return on (and value of) the Bonds will be adversely affected.

***The terms of the Bonds and the Guarantee contain no restriction on the amount or type of further securities or indebtedness that the Issuer or the Guarantor may issue.***

Neither terms of the Bonds nor the terms of the Guarantee contain any restriction on the amount or type of further securities or indebtedness that the Issuer or the Guarantor may issue, incur or guarantee that rank senior to, or *pari passu* with, the Bonds or the Guarantee, respectively. The issue or guaranteeing of any such further securities or indebtedness may limit the ability of the Issuer to meet its obligations under the Bonds, or the Guarantor to meet its obligations under the Guarantee, as the case may be, and may reduce the amount recoverable by Holders under the Bonds or the Guarantee upon a liquidation or winding-up of the Issuer or the Guarantor.

***The Issuer may, without consent of the Holders, substitute a controlled Swiss subsidiary of the Issuer or Guarantor as issuer under the Bonds.***

Under the Bonds, the Issuer may, without the consent of the Holders and subject to certain conditions, substitute for itself any direct or indirect controlled Swiss subsidiary of the Issuer or Guarantor as issuer of the Bonds. So long as the conditions described in the terms of the Bonds are satisfied, such subsidiary may be an entity having a different form from the Issuer. In such a case, the rights of Holders may differ from the rights of Holders against the Issuer. As a result, Holders may be required to comply with legal procedures for making a claim or enforcing an action against such subsidiary specific to the form of incorporation of such subsidiary that differ from the legal procedures required for making a claim or enforcing an action against the Issuer.

***In certain instances, Holders may be bound by certain amendments to the Bonds to which they did not consent.***

The Bonds are subject to statutory provisions of Swiss law allowing for the calling of meetings of Holders to consider matters affecting their interests. These provisions permit defined majorities to bind all Holders of the Bonds, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. Pursuant to the relevant statutory provisions of Swiss law as in effect as of the date hereof, (i) the Issuer will be required to provide Holders with at least ten days' notice of any meeting of Holders, (ii) the Issuer will be required to call a meeting of Holders within 20 days if it is requested to do so by Holders holding an aggregate principal amount of Bonds that represents at least one-twentieth of the outstanding aggregate principal amount of the Bonds, and (iii) only Holders or their proxies will be entitled to attend or vote at a meeting of Holders.

In addition, the Holder approval requirements under the relevant statutory provisions of Swiss law as in effect as of the date hereof for amendments to the terms of the Bonds will depend on the type of amendment. Pursuant to article 1170 of the Swiss Code of Obligations, the consent of Holders holding at least two-thirds of the outstanding aggregate principal amount of the Bonds is required for any resolution limiting Holders' rights under the Bonds (such as a moratorium on interest or capital and certain amendments to the interest provisions). In addition, in order to become effective and binding on the non-consenting Holders, any such resolution must be approved by the competent

superior cantonal composition court. In the case of resolutions that do not limit Holders' rights under the Bonds, pursuant to article 1181 of the Swiss Code of Obligations, an absolute majority of the votes represented at a meeting of Holders is sufficient to approve any such resolution, unless article 1170 of the Swiss Code of Obligations or the terms of the Bonds provide for more stringent requirements.

***An active trading market for the Bonds may not develop.***

The Bonds will be new securities, which may not be widely distributed, and for which there is currently no active trading market. An active trading market for the Bonds may never develop, or if one does develop, it may not be sustained or it may not be liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Although application will be made for the admission to trading and listing of the Bonds on the SIX Swiss Exchange, there can be no assurance that such application will be accepted or that an active trading market in the Bonds will develop. Accordingly, there can be no assurance as to the development or liquidity of any trading market for the Bonds. Illiquidity may have a severely adverse effect on the market value of the Bonds.

***The market value of the Bonds may be influenced by unpredictable factors.***

Many factors, most of which will be beyond the control of the Issuer and the Guarantor, will influence the value of the Bonds and the price, if any, at which securities dealers may be willing to purchase or sell the Bonds in the secondary market, including:

- (i) the creditworthiness of the Issuer and the Guarantor and, in particular their results of operations, financial condition and liquidity profile;
- (ii) supply and demand for the Bonds, including inventory with any securities dealer; and
- (iii) economic, financial, political or regulatory events or judicial decisions that affect the Issuer or the Guarantor or the financial markets generally.

Accordingly, if a Holder sells its Bonds in the secondary market, it may not be able to obtain a price equal to the principal amount of such Bonds or a price equal to the price that it paid for such Bonds.



## TERMS OF THE BONDS

The terms and conditions (each a **Condition**, and together the **Terms of the Bonds**) of the CHF 300,000,000 2.100 percent guaranteed bonds due 2029 issued by the Issuer and unconditionally and irrevocably guaranteed by the Guarantor, are as follows:

### 1 Amount and Reopening, Form of the Bonds, Denomination, Custodianship and Transfer of the Bonds

- (a) The initial aggregate principal amount of the Bonds of Swiss francs (**CHF**) 300,000,000 (in words: three hundred million Swiss francs) (the **Aggregate Principal Amount**) is divided into bonds (each a **Bond** and collectively the **Bonds**) with denominations of CHF 5,000 (five thousand Swiss francs) per Bond and integral multiples thereof.

The Issuer reserves the right to reopen (the **Reopening**) and increase the Aggregate Principal Amount at any time and without prior consultation of or permission of the holders of the bonds (the **Holder**s and, individually, a **Holder**) through the issuance of further bonds which will be fungible with the Bonds (i.e. identical especially in respect of the Terms of the Bonds, security number, final maturity and interest rate).

- (b) The Bonds are issued as uncertificated securities (*Wertrechte*) in accordance with art. 973c of the Swiss Code of Obligations.

Such uncertificated securities (*Wertrechte*) will then be entered by the Principal Paying Agent into the main register (*Hauptregister*) of SIX SIS or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange (SIX SIS or any such other intermediary, the **Intermediary**). Once the uncertificated securities (*Wertrechte*) are registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Bonds will constitute intermediated securities (*Bucheffekten*) (**Intermediated Securities**) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

- (c) So long as the Bonds are Intermediated Securities (*Bucheffekten*), the Bonds may only be transferred by the entry of the transferred Bonds in a securities account of the transferee.
- (d) The records of the Intermediary will determine the number of Bonds held through each participant of that Intermediary. In respect of Bonds held in the form of Intermediated Securities, the Holders will be the persons holding the Bonds in a securities account (*Effektenkonto*) which is in their name, or in case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Bonds for their own account in a securities account (*Effektenkonto*) which is in their name.
- (e) The conversion of the uncertificated securities (*Wertrechte*) into a permanent global certificate (*Globalurkunde*) or individually certificated bonds (*Wertpapiere*) is excluded. Neither the Issuer nor the Holders nor the Principal Paying Agent nor any third party shall at any time have the right to effect or demand the conversion of the uncertificated securities (*Wertrechte*) into, or the delivery of a permanent global certificate (*Globalurkunde*) or individually certificated securities (*Wertpapiere*). No physical delivery of the Bonds shall be made.

### 2 Interest

The Bonds bear interest from (and including) 22 February 2023 (the **Issue Date**) until (but excluding) the Maturity Date (as defined below) at the rate of 2.100 percent of their Aggregate Principal Amount per annum, payable annually in arrear on 12 September of each year (the **Interest Payment Date**), for the first time on 12 September 2023. Interest on the Bonds is computed on the basis of a 360-day year of twelve 30-day months.

### 3 Redemption, Purchase and Cancellation

(a) Redemption at Maturity

Unless previously redeemed, the Issuer undertakes to repay all outstanding Bonds at par, without further notice on 12 September 2029 (the **Maturity Date**).

(b) Redemption at the Option of the Issuer

Subject to a period of not less than thirty (30) nor more than sixty (60) days' prior notice to the Principal Paying Agent, the Issuer may redeem the Bonds at any time after the Issue Date and prior to the Maturity Date, in whole, but not in part only, at par of their Aggregate Principal Amount plus accrued interest, if any, on the date determined by the Issuer for early redemption, if eighty-five (85) percent or more of the Aggregate Principal Amount have been redeemed or purchased and cancelled at the time of such notice.

(c) Redemption at the Option of the Holders upon Change of Control with regard to the Guarantor

(A) A **Change of Control** occurs when:

- (a) an offer to acquire issued and fully paid Shares, whether expressed as a public takeover offer, a merger or similar scheme with regard to such acquisition, or in any other way, is made in circumstances where (i) such offer is available to (a) all holders of Shares, (b) all holders of Shares other than the offeror and any persons acting in concert with such offeror or (c) all holders of Shares other than persons who are excluded from the offer by reason of being connected with one or more specific jurisdictions, and (ii) such offer having become or been declared unconditional in all respects, the Guarantor becomes aware that the right to cast more than 50 percent of all the voting rights (whether exercisable or not) of the Guarantor has become unconditionally vested in the offeror and any persons acting in concert with the offeror; or
- (b) the Guarantor consolidates with or merges into any other company save where, following such consolidation or merger, shareholders of the Guarantor immediately prior to such consolidation or merger have the right to cast 50 percent or more of the voting rights (whether exercisable or not) of such other company; or
- (c) the legal or beneficial ownership of all or substantially all of the assets owned by the Guarantor, either directly or indirectly, are acquired by one or more other persons acting in concert.

**Shares** pursuant to this section means issued and fully paid registered shares of currently CHF 1.00 par value each of the Guarantor (and all other (if any) shares or stock resulting from any subdivision, consolidation or reclassification of such shares) which as between themselves have no preference in respect of dividends or amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Guarantor.

(B) Upon a Change of Control:

the Guarantor shall forthwith, or, if it is not clear at that point in time whether the Holders are entitled to exercise their redemption rights pursuant to sub-clause (C) below because the Guarantor's BBB+ rating (or better) by Standard and Poor's or the equivalent by Moody's or Fitch is not yet available, immediately following the receipt of the rating decision of the relevant rating agency or after two months, whatever is earlier, give notice of that fact to the Holders (the **Change of Control Notice**) in the form set out in Condition 11. The Change of Control Notice shall:

- (a) inform the Holders of their right to require redemption of the Bonds pursuant to sub-clause (C) below;
- (b) specify the date (the **Change of Control Redemption Date**), being not more than sixty (60) and not less than thirty (30) days after giving such notice, on which the Bonds may be redeemed at the option of the Holders pursuant to sub-clause (C) below; and

- (c) provide details concerning the Change of Control, including to specify the relevant office of the Principal Paying Agent (the **Specified Office**) for the purposes of sub-clause (C) below.

(C) Early Redemption at the Option of Holders upon Change of Control

Upon the occurrence of a Change of Control, the Guarantor will at the option of a Holder, redeem such Bond at its Principal Amount on, together with interest accrued up to, the Change of Control Redemption Date unless,

- (a) in the event of a merger or consolidation of the Guarantor, (i) the surviving entity has or receives a rating of at least BBB+ by Standard & Poor's or the equivalent by Moody's or Fitch for its senior unsecured long-term debt on a consolidated basis, (ii) assumes or keeps, as the case may be, the Guarantor's obligations under the Bonds pari passu with its own senior obligations, or
- (b) in the event of an offer to acquire the Guarantor's Shares as described in sub-clause (A) above, the acquirer (i) has a rating of at least BBB+ by Standard & Poor's or the equivalent by Moody's or Fitch for its senior unsecured long-term debt or receives such a rating on a consolidated basis after giving effect to the acquisition, (ii) the acquirer assumes the Guarantor's obligations under the Bonds pari passu with its own senior obligations.

It is understood that where no rating exists for the senior unsecured long term debt of the surviving entity, the acquiring entity or the Guarantor, as the case may be, or a rating is not received within a period of two months since the occurrence of a Change of Control, respectively, then the Holders shall have a redemption right as described in the first sentence of this sub-clause (C).

To exercise such option, a Holder must present at the Specified Office a duly completed redemption notice in the form obtainable at the Specified Office of the Principal Paying Agent (a **Change of Control Redemption Notice**), together with clearing instructions in a form satisfactory to the Principal Paying Agent allowing for the transfer of the relevant Bond(s) through SIX SIS to the Principal Paying Agent by not later than fourteen (14) days prior to the Change of Control Redemption Date. No Bond or Change of Control Redemption Notice so deposited may be withdrawn without the consent of the Issuer.

(d) Purchases

The Issuer, the Guarantor or any of their respective Subsidiaries may, either directly or indirectly, at any time purchase Bonds at any price, in the open market or otherwise. Any purchase shall be made in accordance with applicable laws or regulations, including applicable stock exchange regulations. Such Bonds may be held, resold or, at the option of the Issuer, surrendered to the Principal Paying Agent for cancellation as set out below.

(e) Cancellation

All Bonds which are redeemed or surrendered to the Principal Paying Agent for cancellation shall forthwith be cancelled. All Bonds so cancelled cannot be reissued or resold.

(f) Notice

Where the provisions of this Condition 3 provide for the giving of notice by the Issuer to the Principal Paying Agent, such notice shall be deemed to be validly given if made in writing with all required information to the Principal Paying Agent within the prescribed time limit. Such notices shall be announced to the Holders as soon as practicable pursuant to Condition 11. Such notices shall be irrevocable.

#### 4 Payments

The amounts required for payments with respect to the Bonds will be made available in good time in freely disposable CHF which will be placed at the free disposal of the Principal Paying Agent on behalf of the Holders. If the due date for any payment by the Issuer does not fall on a Business Day, the Issuer undertakes to effect payment for value the Business Day immediately following such due date and the Holders will not be entitled

to any additional sum in relation thereto. All payments with respect to the Bonds will be made to the Holders in CHF without collection costs.

The receipt by the Principal Paying Agent of the due and punctual payment of the funds in CHF as above provided shall release the Issuer and the Guarantor of their payment obligations under the Bonds to the extent of such payments.

If the Bonds are not redeemed when due, interest shall continue to accrue until (and including) the day when the Bonds are redeemed.

## 5 Statute of Limitations

In accordance with Swiss law, claims for interest payments shall become timebarred after a period of five (5) years and claims for the repayment or redemption of Bonds after a period of ten (10) years, calculated from their respective due dates.

## 6 Taxation

All payments in respect of the Bonds are subject to all applicable taxes, including the deduction of the Swiss Federal Withholding Tax (*Verrechnungssteuer*), currently levied at a rate of thirty-five (35) percent.

## 7 Status of the Bonds and Negative Pledge

### (a) Status

The Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, rank *pari passu* among themselves and with all other present or future unsecured and unsubordinated obligations of the Issuer, except for such preferences as are provided for by any mandatorily applicable provision of law.

### (b) Negative Pledge

So long as any of the Bonds remain outstanding, neither the Issuer nor the Guarantor will, and the Guarantor will procure that no Material Subsidiary of the Guarantor will, create or have outstanding any mortgage, charge, pledge, lien or other form of encumbrance or security interest, upon the whole or any part of its assets or revenues, present or future, to secure any Relevant Debt or to secure any guarantee or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer's or, as the case may be, the Guarantor's obligations under the Bonds (in the case of the Issuer) or the Guarantee (in the case of the Guarantor) (i) are secured equally and rateably therewith by such encumbrance or security interest or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an extraordinary resolution of the Holders.

For the purposes of this Section 7, **Relevant Debt** means any present or future financial indebtedness of the Issuer, the Guarantor and its Material Subsidiaries, in the form of, or represented by, notes, bonds, debentures, loan stock or other securities, which are for the time being, or are capable of being, quoted, listed or ordinarily dealt with on any stock exchange, over-the-counter or other securities market.

## 8 Events of Default

If any of the following events (each event an **Event of Default**) shall occur, Credit Suisse in its capacity as Holders' representative (the **Holdings' Representative**) has the right but not the obligation, on behalf of the Holders, to declare all outstanding Bonds immediately due and repayable at par plus accrued interest:

- (a) there is a failure by the Issuer, failing whom the Guarantor, to pay principal and/or interest on any of the Bonds, if and when due and such failure continues for a period of twenty (20) calendar days; or

- (b) a default is made in the performance or observance of any material covenant, condition or provision which is to be performed by the Issuer under the Terms of the Bonds or by the Guarantor under the Guarantee and (except where the Holders' Representative certifies in writing that, in its reasonable opinion, such default is not capable of remedy, when no such notice or continuation as is mentioned below shall be required) such default continues for a period of twenty (20) calendar days following the service by the Holders' Representative on the Issuer or the Guarantor, of notice requiring such default to be remedied; or
- (c) any other present or future indebtedness of the Issuer or the Guarantor or of any other Material Subsidiary for or in respect of monies borrowed is not paid when due (otherwise than, where permitted under the terms of the relevant indenture or agreement, at the option of the relevant debtor) or, as the case may be, within any applicable grace period, or becomes due and payable prior to its stated maturity as a result of an event of default (howsoever described), or any security in respect of any such indebtedness become enforceable or any guarantee of, or indemnity in respect of, any such indebtedness given by the Issuer or the Guarantor or any other Material Subsidiary is not honoured when due and called upon or, as the case may be, within any applicable grace period, provided that no such event shall be taken into account for the purposes of this paragraph (c) unless the relative indebtedness, either alone or when aggregated with other indebtedness relative to all, if any, other such events which shall have occurred and are continuing shall at any time have an outstanding nominal value that equals or exceeds CHF 100,000,000 or its equivalent in any other currency or currencies (calculated on the basis of the middle spot rate for the relevant currency against CHF as quoted by any leading bank at the place of payment of such debt on the day on which this paragraph operates); or
- (d) any mortgage, lien or other encumbrance, present or future, created or assumed by the Issuer, the Guarantor or any other Material Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person but not the serving of a payment order (*Zahlungsbefehl*) provided that the aggregate amount of the relevant indebtedness in respect of which such mortgage, lien or other encumbrance was created or permitted to subsist equals or exceeds CHF 100,000,000 or its equivalent in another currency or currencies (calculated on the basis of the middle spot rate for the relevant currency against CHF as quoted by any leading bank at the place of payment of such debt on the day on which this paragraph operates), and any such steps taken are not abandoned or discontinued within thirty (30) days of being taken; or
- (e) the Issuer, the Guarantor or a Material Subsidiary is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a substantial part of its debts, proposes or makes a stay of execution, a postponement of payments (*Stillhaltevereinbarung*), a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium or postponement of payments (*Stillhaltevereinbarung*) is agreed or declared in respect of or affecting all or a substantial part of the debts of the Issuer, the Guarantor or a Material Subsidiary; or
- (f) the Issuer, the Guarantor or a Material Subsidiary alters its legal or commercial structure through bankruptcy, liquidation, disposal of all or substantially all of its assets, change in the objects of the legal entity and/or commercial activities or merger, in so far as the relevant action, in the Holders' Representative's reasonable opinion, has a material adverse effect on the capacity of (i) the Issuer to meet its obligations under the Terms of the Bonds and/or (ii) the Guarantor to meet its obligations under the Guarantee, unless the Holders' Representative considers the situation of the Holders as adequately protected based on securities created or other steps taken by the Issuer and/or the Guarantor; or
- (g) a dissolution or merger involving the Issuer or the Guarantor as result of which the Issuer or the Guarantor, as the case may be, is not the surviving legal entity, unless the successor legal entity assumes all the Issuer's or the Guarantor's liabilities in respect of the Bonds; or
- (h) the Guarantee ceases to be, or is claimed by the Guarantor not to be, in full force and effect.

The Issuer and the Guarantor undertake to inform the Holders' Representative without delay if any event mentioned under paragraph (b) through (h) has occurred and to provide the Holders' Representative with all necessary documents and information in connection therewith.

If an Event of Default occurs, the Holders' Representative has the right but not the obligation to serve a written notice of default (**Default Notice**), such notice having the effect that the Bonds shall become immediately

due and payable at the Aggregate Principal Amount plus accrued interest, if any, on the day the Default Notice is given.

Upon the occurrence of an Event of Default, the Holders' Representative may invite the Holders in accordance with art. 1157 seq. of the Swiss Code of Obligations to a Holders' meeting for the taking of a resolution on the serving of a Default Notice, provided the Holders' Representative has not served such Default Notice itself. The legally valid resolution of the Holders' meeting to serve a Default Notice, shall replace the right reserved by the Holders' Representative according to these Terms of the Bonds to serve a Default Notice on behalf of the Holders. If the Holders' meeting votes against the serving of a Default Notice, the right to serve such Default Notice shall revert to the Holders' Representative whereby the Holders' Representative shall not be bound by the resolution of the Holders' meeting if and to the extent that new circumstances arise or become known which require a revised assessment of the facts.

## 9 Guarantee

(A) As security for the Bonds, the Guarantor has issued the following unconditional and irrevocable Guarantee:

*Quote*

GUARANTEE

(in the meaning of art. 111 of the Swiss Code of Obligations, hereinafter called the **Guarantee**)

- (a) Being informed that Lonza Swiss Finanz AG, Münchensteinerstrasse 38, CH-4002 Basel, (hereinafter called the **Issuer**), issued and sold 2.100 percent Bonds (hereinafter called the **Bonds**) in the aggregate principal amount of CHF 300,000,000 due 12 September 2029, Lonza Group Ltd, Münchensteinerstrasse 38, CH-4002 Basel (hereinafter called the **Guarantor**) herewith irrevocably and unconditionally guarantees to the holders of the Bonds (hereinafter called the **Holder**s) in accordance with Article 111 of the Swiss Federal Code of Obligations, irrespective of the validity of the Bonds, the Bond Purchase Agreement and the Paying Agency Agreement prepared in relation to the Bonds (hereinafter called the **Agreements**) and waiving all rights of objection and defence arising from the Bonds and the Agreements, the due payment of the amounts payable by the Issuer under and pursuant to the Terms of the Bonds (including, without limitation, any Additional Amounts). Accordingly, the Guarantor agrees to pay to Credit Suisse AG, Paradeplatz 8, CH-8001 Zurich, Switzerland, in its capacity as Principal Paying Agent, on behalf of the Holders, within 7 days after the receipt by the Guarantor of the Principal Paying Agent's first written demand for payment and the Principal Paying Agent's confirmation in writing that an amount has become due and payable under the Bonds which is equivalent to the amount claimed under the Guarantee and has remained unpaid on the due date, or any amount due and payable by the Issuer under and pursuant to the Terms of the Bonds.
- (b) All payments in respect of the Bonds by the Guarantor under this Guarantee to the Principal Paying Agent acting on behalf of the Holders shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Switzerland, as the case may be, or any political subdivision thereof or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In the event that any payments by or on behalf of the Guarantor to the Principal Paying Agent shall be made subject to withholding or deduction for any such relevant taxes, duties, assessments or governmental charges so required by law, such additional amounts (the **Additional Amounts**) shall be payable by the Guarantor as may be necessary in order that the net amounts received by the Principal Paying Agent on behalf of a Holder after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable by the Principal Paying Agent in respect of the relevant Bonds in the absence of such withholding or deduction. However, no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:
- (i) are duly disclosed in a prospectus in relation to the Bonds, including the Swiss Federal Withholding Tax (*Verrechnungssteuer*), currently levied at a rate of thirty-five (35) percent; or
  - (ii) are payable otherwise than by deduction or withholding from payments under this Guarantee; or
  - (iii) are payable by reason of a Holder having, or having had, some personal or business connection with Switzerland and not merely by reason of the holding of the Bonds; or

- (iv) are payable by reason of a change in law that becomes effective more than thirty (30) days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with Condition 11 of the Terms of the Bonds, whichever occurs later.
- (c) The Guarantee constitutes a direct, unconditional, unsecured and unsubordinated obligation of the Guarantor and ranks and will rank *pari passu* with all other unsecured and unsubordinated obligations of the Guarantor except for such preferences as are provided by any mandatory applicable provision of law.
- (d) So long as any Bond remains outstanding, the Guarantor will not and the Guarantor procures that no Material Subsidiary of the Guarantor will, create or have outstanding any mortgage, charge, pledge, lien or other form of encumbrance or security interest, upon the whole or any part of its assets or revenues, present or future, to secure any Relevant Debt or to secure any guarantee or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, the Guarantee (i) is secured equally and rateably therewith by such encumbrance or security interest or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (ii) has the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an extraordinary resolution at a bondholders' meeting pursuant to the Swiss code of obligations.

For the purposes of this Guarantee, **Relevant Debt** means any present or future financial indebtedness of the Guarantor and its Material Subsidiaries in the form of, or represented or evidenced by notes, bonds, debentures, loan stock or other securities, which are for the time being, or are capable of being, quoted, listed or ordinarily dealt with on any stock exchange, over-the-counter or other securities market.

For the purposes of this Guarantee, **Material Subsidiary** means any operating Subsidiary of the Guarantor whose assets, net revenues, operating profit or profit after tax at any time, represent ten (10) percent or more of the consolidated assets or the consolidated operating profit, as the case may be, of the Guarantor and its consolidated Subsidiaries at any time, ascertained by reference to (a) the financial statements of such Subsidiary at the date to which the last audited consolidated financial statements of the Guarantor and its consolidated Subsidiaries have been prepared, or (b) if such corporate body becomes a Subsidiary of the Guarantor after that date, the latest financial statements of such Subsidiary adjusted to take into account subsequent acquisitions and disposals or other changes in circumstances.

For the purposes of this Guarantee, **Subsidiary** of the Issuer or of the Guarantor means a company the financial statements of which are, in accordance with applicable law or generally accepted accounting principles, consolidated with those of the Issuer or Guarantor (as the case may be).

- (e) Payments under the Guarantee shall be made in Swiss francs. The Guarantor undertakes to pay to Credit Suisse in its role as principal paying agent in respect of the Bonds (the **Principal Paying Agent**) on behalf of the Holders without costs to be borne by the Principal Paying Agent, without any restrictions, and whatever the circumstances may be, irrespective of nationality or domicile of the beneficiary of such payments and without requiring any affidavit or the fulfilment of any other formality, any sums due pursuant to the Guarantee in freely disposable Swiss francs.

The receipt by the Principal Paying Agent of funds in Swiss francs in Switzerland from the Guarantor shall release the Guarantor from its obligations under this Guarantee to the extent of the amounts received by the Principal Paying Agent.

- (f) The Guarantee shall give rise to a separate and independent cause of action of the Principal Paying Agent acting on behalf of the Holders against the Guarantor and shall apply irrespective of any indulgence granted to the Issuer by the Principal Paying Agent or any Holders from time to time and shall continue in full force and effect notwithstanding any judgment or order against the Issuer and/or the Guarantor.
- (g) The Guarantee shall be governed by and construed in accordance with the substantive laws of Switzerland (i.e. without regard to the principles of conflict of laws).
- (h) Any dispute which might arise based on the Guarantee shall be settled in accordance with Swiss law and shall fall within the exclusive jurisdiction of the courts of the city of Zurich, and if permitted, the Commercial Court of the Canton of Zurich, the place of jurisdiction being Zurich 1. The Guarantor hereby irrevocably submits for any such action or proceeding to the jurisdiction of the aforesaid courts.
- (i) Terms and expressions not otherwise defined in the Guarantee shall have the same meaning as defined in the Terms of the Bonds.

*Unquote*

- (B) The Principal Paying Agent undertakes to call on the Guarantee and to claim from the Guarantor pursuant to the Guarantee any unpaid amount by the Issuer. Upon receipt, the Principal Paying Agent undertakes to forward such amount to the Holders, waiving all rights of set off with respect to such Holders. The Principal Paying Agent is, however, entitled to deduct from the received amount all costs and expenses related to the collection of said amount, including court fees and legal fees.

## **10 Substitution of the Issuer**

The Issuer may, upon the decision of the Guarantor but without the consent of the Holders, at any time substitute itself in respect of all rights and obligations arising under or in connection with the Bonds with any Swiss legal entity of which all shares carrying voting rights are directly or indirectly held by the Issuer or the Guarantor (the **New Issuer**), provided that:

- (a) the New Issuer is in the opinion of the Holders' Representative in a position to fulfil all payment obligations arising from or in connection with the Bonds, and
- (b) the Guarantor has issued an irrevocable and unconditional guarantee as per art. 111 of the Swiss Code of Obligations in respect to the obligations of the New Issuer under the Bonds in form and content satisfactory to the Holders' Representative.

In the event of a substitution of the Issuer, notice of such substitution shall be made in accordance with the provisions of Condition 11 and any reference to the Issuer shall be deemed to refer to the New Issuer.

## **11 Notices**

All notices regarding the Bonds shall be published by Credit Suisse on behalf and at the expense of the Issuer (i) on the internet site of SIX Swiss Exchange (where notices are currently published under the address <https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html>) or (ii) otherwise in accordance with the regulations of the SIX Swiss Exchange.

## **12 Listing**

Application will be made for the admission to trading and listing of the Bonds on the SIX Swiss Exchange for the whole duration of the Bonds.

## **13 Governing Law and Jurisdiction**

The Terms of the Bonds and the Bonds shall be governed by and construed in accordance with the substantive laws of Switzerland (i.e. without regard to the principles of conflict of laws).

Any dispute which might arise based on the Terms of the Bonds and the Bonds shall be settled in accordance with Swiss law and shall fall within the exclusive jurisdiction of the courts of the city of Zurich, and if permitted, the Commercial Court of the Canton of Zurich, the place of jurisdiction being Zurich 1.

The above-mentioned jurisdiction is also exclusively valid for the declaration of cancellation of Bonds.

## **14 Amendment to the Terms of the Bonds**

The Terms of the Bonds may be amended by agreement between the Issuer and/or the Guarantor and the Holders' Representative provided that in the sole opinion of the Holders' Representative, such amendment is of a formal, minor or technical nature, is made to correct a manifest error and is not prejudicial to the interests of the Holders. Notice of any such amendment shall be published in accordance with Condition 11.



## 15 Role of Credit Suisse

Credit Suisse has been appointed by the Issuer and the Guarantor as the Principal Paying Agent and as the Listing Agent with respect to the Bonds and it will or may also act on behalf of or for the benefit of the Holders as Holders' Representative, but only in such cases stated explicitly in these Terms of the Bonds. In any other cases, the Holders' Representative is not obliged to take or to consider any actions on behalf of or for the benefit of the Holders.

## 16 Severability

If at any time one or more of the provisions of the Terms of Bonds is or becomes unlawful, invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

## 17 Definitions

**Business Day** means any day (other than Saturday or Sunday) on which banks are open the whole day for business in Zurich.

**Credit Suisse** means Credit Suisse AG, Paradeplatz 8, 8001 Zurich, Switzerland.

**Guarantor** means Lonza Group Ltd, Münchensteinerstrasse 38, CH-4002 Basel, Switzerland.

**Issuer** means Lonza Swiss Finanz AG, Münchensteinerstrasse 38, CH-4002 Basel, Switzerland.

**Listing Agent** means Credit Suisse AG, appointed as recognised representative pursuant to art. 58a of the listing rules of the SIX Swiss Exchange to file the listing application (including the application for provisional admission to trading) for the Bonds with the SIX Swiss Exchange.

**Material Subsidiary** in respect to these Terms of the Bonds means any operating Subsidiary of the Guarantor whose assets, net revenues, operating profit or profit after tax at any time, represent ten (10) percent or more of the consolidated assets or the consolidated operating profit, as the case may be, of the Guarantor and its consolidated Subsidiaries at any time, ascertained by reference to (i) the financial statements of such Subsidiary at the date to which the last audited consolidated financial statements of the Guarantor and its consolidated Subsidiaries have been prepared, or (ii) if such corporate body becomes a Subsidiary of the Guarantor after that date, the latest financial statements of such Subsidiary adjusted to take into account subsequent acquisitions and disposals or other changes in circumstances.

**Principal Paying Agent** means Credit Suisse AG in its function as principal paying agent.

If, at any time during the life of the Bonds, the Principal Paying Agent shall resign or become incapable of acting as Principal Paying Agent or as Holders' Representative as contemplated by these Terms of the Bonds or shall be adjudged bankrupt or insolvent, the Principal Paying Agent may be substituted by a duly licensed major Swiss bank or Swiss branch of a major foreign bank chosen by the Issuer. In the event of such a replacement of the Principal Paying Agent, all references to the Principal Paying Agent shall be deemed to refer to such replacement.

Notice of such a replacement shall be made in accordance with the provisions of Condition 11.

**SIX SIS** means SIX SIS Ltd, the Swiss clearing and settlement organisation, Baslerstrasse 100, 4600 Olten, or any successor organisation accepted by the SIX Swiss Exchange.

**SIX Swiss Exchange** means SIX Swiss Exchange Ltd, Hardturmstrasse 201, 8005 Zurich or any successor organisation.

**Subsidiary** of the Issuer or of the Guarantor in respect to these Terms of the Bonds means a company the financial statements of which are, in accordance with applicable law or generally accepted accounting principles, consolidated with those of the Issuer or the Guarantor (as the case may be).

## SUBSCRIPTION AND SALE

The offering described herein consists of a public offering of Bonds in Switzerland, and of private placements of Bonds to prospective investors outside of Switzerland and the United States of America (the **United States** or the **U.S.**) in reliance on Regulation S under the U.S. Securities Act of 1933, as amended, in each case in compliance with applicable laws and regulations.

The Managers have, pursuant to the Bond Purchase Agreement, severally and not jointly agreed with the Issuer and the Guarantor, subject to certain conditions, to subscribe their respective quotas of Bonds as set forth and agreed therein. The Issuer has agreed to pay certain commissions to the Managers and to reimburse the Managers for certain of their expenses in connection with the issue of the Bonds. The Bond Purchase Agreement entitles the Managers to terminate it in certain circumstances prior to the payment of the purchase price for the Bonds being made to the Issuer.

### Selling Restrictions

#### United States of America and United States Persons

No substantial U.S. market interest: The Issuer reasonably believes that at the time the offering of the Bonds began, there was no substantial U.S. market interest in its debt securities in the meaning of Rule 902.(j) (2) of Regulation S under the Securities Act of 1933, as amended, of the United States of America (the **Securities Act**).

A) The Bonds have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to or for the account or benefit of United States persons (except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act).

Each Manager has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, any Bonds constituting part of their allotment within the United States or to or for the account or benefit of United States persons except in accordance with Rule 903 of Regulation S under the Securities Act.

Each Manager has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any selling efforts directed to the United States with respect to the Bonds.

Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

B) Each Manager has represented, warranted and agreed that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Bonds, except with their affiliates or with the prior written consent of the Issuer.

#### European Economic Area

In relation to each Member State of the European Economic Area (each, a **Member State**), each Manager has represented and agreed, that it has not made and will not make an offer of Bonds to the public in that Member State except that it may make an offer of the Bonds to the public in that Member State at any time:

- (i) to any legal entity that is a qualified investor as defined in the Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Managers nominated by the Issuer for any such offer; or
- (iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Bonds referred to in clauses (i) to (iii) above shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this provision, the expression **an offer of Bonds to the public** in relation to any Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the

offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129, as amended.

## United Kingdom

Each Manager has represented and agreed that it has not made and will not make an offer of Bonds to the public in the United Kingdom (the **UK**) except that it may make an offer of the Bonds to the public in the UK at any time:

- (i) to any legal entity that is a qualified investor as defined in the UK Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation), subject to obtaining the prior consent of the Managers nominated by the Issuer for any such offer; or
- (iii) in any other circumstances falling within section 86 of the United Kingdom Financial Services and Markets Act 2000 (the **FSMA**),

provided that no such offer of Bonds referred to in clauses (i) to (iii) above shall require the Issuer or any Manager to publish a prospectus pursuant to section 85 of the FSMA.

For the purposes of this provision, the expression **an offer of Bonds to the public** in relation to any Bonds in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, and the expression **UK Prospectus Regulation** means the Prospectus Regulation as it forms a part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Each Manager has further represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FMSA) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FMSA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FMSA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the UK.

## General

Neither the Issuer nor any of the Managers has represented that Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumed any responsibility for facilitating such sale. The distribution of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. This Prospectus does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken in any jurisdiction that would permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction where action for that purpose is required.

# THE ISSUER

## General

### Risks relating to the Issuer

An investment in the Bonds will involve certain risks, including the risk that Holders will lose their entire investment in the Bonds. For a discussion of certain risks relating to the Issuer that potential investors should carefully consider before deciding to invest in any Bonds, see “*Material Risks—Risks relating to the Issuer and its Business*” beginning on page 11 of this Prospectus.

### Name, Registered Office, Incorporation, Duration and Legislation

Lonza Swiss Finanz AG (the **Issuer**) was incorporated under Swiss law as a stock corporation (*Aktiengesellschaft*) under the name “Cheminvesta AG für Chemiebeteiligungen” on 29 May 1961 and was registered with the Commercial Register of the Canton of Basel-City on 23 December 1974 under the register number CHE-102.739.418. As of 28 April 2009, the Issuer changed its name to “Lonza Swiss Finanz AG (Lonza Swiss Finance Ltd)”.

The duration of the Issuer shall be indefinite.

The registered office of Lonza Swiss Finanz AG and its principal place of business are located at c/o Lonza AG, Münchensteinerstrasse 38, 4002 Basel, Switzerland.

### Legal Entity Identifier

The Issuer's Legal Entity Identifier (LEI) is 549300DLI5QKF3Q1H556.

### Business Purpose and Financial Year

Article 2 of the Issuer's Articles of Association states (translation):

The purpose of the Issuer is the financing and providing of services, in particular within the Lonza Group Ltd companies, as well as participating in domestic and foreign industrial and trading companies of all types. The Issuer has also the power to acquire and utilise real estate properties and intangible rights.

The financial year-end of the Issuer is 31 December.

### Articles of Association

The Issuer's articles of association were last revised on 22 October 2019, and are incorporated by reference into this Prospectus.

### Position within the Group

The Issuer is a direct wholly-owned subsidiary of the Guarantor. It has no subsidiaries of its own.

## Corporate Information

### Board of Directors

The Issuer is managed by a board of directors. The names and business occupations of the directors of the Issuer are set out below:

Daniel Blaettler	Chairman
Ralf Manfred Geier-Cibin	Member of the Board

The business address of each member of the board of directors is the Issuer's registered office in Basel, Switzerland.

## **Independent Statutory Auditors**

The auditors appointed by the Issuer for the financial years ended 31 December 2020, 2021 and 2022 and for the current financial year are KPMG Ltd, Viaduktstrasse 42, CH-4002 Basel.

KPMG Ltd is supervised by and registered with the Swiss Federal Audit Oversight Authority (FAOA), and its register number currently is 501403.

## **Business Activities**

### **Principal Activities**

See "*Business Purpose and Financial Year*" above for information on the principal activities of the Issuer.

### **Net Turnover**

For information on the net turnover, please refer to the Annual Financial Statements 2021 of the Issuer incorporated by reference into this Prospectus.

### **Principal Establishments and Real Estate**

The Issuer does not have establishments other than at its registered office as stated above. It does not own real estate.

### **Interruption of Business**

The Issuer is not an operating company and it has therefore not experienced any interruptions of its business since its formation.

### **Investment Policy**

The Issuer is a wholly-owned subsidiary of the Guarantor providing financing services to the Group. No investments are planned or approved other than for general finance purposes of the Group.

## **Patents and Licences**

The Issuer is not dependent on any patent, license, or commercial contract. It will enter into material financing agreements with or on behalf of certain companies of the Guarantor or with financial institutions in connection with the use of the proceeds from this issue.

## **Court, Arbitration and Administrative Proceedings**

Save as disclosed in this Prospectus (including in the documents incorporated by reference herein), the Issuer is not involved in any litigation, arbitration or administrative proceedings which are likely to have a material adverse impact on the economic situation of the Issuer, nor are there, to the knowledge of the Issuer, any such proceedings pending.

## **Prospects**

The information in the paragraph above includes statements that constitute "forward-looking statements". By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that prospects, predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. See "*Cautionary Statement Regarding Forward-Looking Statements*" on page 10 of this Prospectus.

## Capital Structure and Bonds

### Share Capital

As of date of this Prospectus the issued and fully paid up share capital of the Issuer is CHF 100,000. It is divided into 100 registered shares of CHF 1,000 each.

The Issuer has no authorised or conditional share capital.

### Outstanding Bonds

As of the date of this Prospectus, the following bonds of the Issuer are outstanding, all of which are guaranteed by Lonza Group Ltd:

<b>Coupon</b>	<b>Maturity</b>	<b>Nominal</b>	<b>ISIN</b>
1.000%	28 April 2023	CHF 300,000,000	CH0539032877
1.250%	22 September 2023	CHF 175,000,000	CH0293173453
0.700%	12 July 2024	CHF 110,000,000	CH0367206742
0.350%	22 September 2026	CHF 150,000,000	CH0564642061

### Own Equity Securities

As of the date of this Prospectus, the Issuer does not hold any of its own shares.

## Financial Reporting

### Financial Statements

The Issuer's financial statements for the financial years ended 31 December 2020 and 2021, which are incorporated by reference into this Prospectus, have been prepared in accordance with the provisions of the Swiss Law on Accounting and Financial Reporting (32<sup>nd</sup> title of the Swiss Code of Obligations). The Issuer's financial statements are presented in CHF.

Other than set out in this Prospectus (including the documents incorporated by reference), no material changes in the assets and liabilities, financial position and results of operations of the Issuer have occurred since 31 December 2021.

## Recent Developments

### Information on the Issuer's most recent business performance

On 11 October 2022, the Issuer repaid its 3.00% Bonds 2012–2022 of CHF 105,000,000, which were due on that date.

## THE GUARANTOR AND THE GROUP

### General

#### Risks relating to the Guarantor

An investment in the Bonds will involve certain risks, including the risk that Holders will lose their entire investment in the Bonds. For a discussion of certain risks relating to the Guarantor that potential investors should carefully consider before deciding to invest in any Bonds, see “*Material Risks—Risks relating to the Guarantor and its Business*” beginning on page 11 of this Prospectus.

#### Name, Registered Office, Head Office

The guarantor is a stock corporation (*Aktiengesellschaft*) under Swiss law, registered in accordance with Article 620 et seqq. of the Swiss Code of Obligations, under the name of Lonza Group AG (Lonza Group SA) (Lonza Group Ltd) (the **Company** or the **Guarantor**). The Guarantor was founded under the name of Axera AG in the Commercial Register of Zurich on 16 March 1999. As of 16 August 1999, it changed its name to Lonza Group Ltd. On 27 March 2002, the Guarantor was registered with the Commercial Register of Basel-City (register number CH-020.3.021.634-0) and is currently registered under the register number CHE-106.841.866.

Neither the Guarantor’s articles of association nor the operation of law limit the duration of the Guarantor.

The registered office and the place of business of the Guarantor are located at Münchensteinerstrasse 38, 4002 Basel, Switzerland.

#### Legal Entity Identifier

The Issuer’s Legal Entity Identifier (LEI) is 549300EFW4H2TCZ71055.

#### Business Purpose and Financial Year

Article 2 of the Guarantor’s Articles of Association states (translation):

The purpose of the Company is the participation, in whatever form, in companies active in whatever way in the fields of chemistry, energy and related fields, as well as engaging in all commercial, financial and other activities appropriate to such interests. The Company may also engage directly in the above mentioned business fields. The Company may, subject to legal provisions, extend its activities to other fields which are directly or indirectly related to its purpose.

The financial year-end of the Guarantor is 31 December.

#### Articles of Association

The Guarantor’s articles of association were last revised on 6 May 2021, and are incorporated by reference into this Prospectus.

#### Position of Lonza Group Ltd

Lonza Group Ltd is the holding company of the Lonza Group Ltd companies (together with its subsidiaries, **Lonza** or the **Group**). The group chart of the Group may be found in the Annual Report 2021 of the Guarantor on p. 202.

## Listing of Shares

The shares of the Guarantor are listed and admitted to trading on SIX Swiss Exchange and has a secondary listing on the Singapore Exchange.

## Corporate Information

### Board of Directors

Albert M. Baehny (1952)	Chairman
Christoph Mäder (1959)	Vice-Chairman
Roger Nitsch (1961)	Member
Marion Helmes (1965)	Member
Angelica Kohlmann (1960)	Member
Barbara Richmond (1960)	Member
Jürgen B. Steinemann (1958)	Member
Oliver Verscheure (1972)	Member

The business address of each member of the board of directors is the Guarantor's registered office in Basel, Switzerland.

### Executive Committee

Pierre-Alain Ruffieux (1969)	CEO
Philippe Deecke (1972)	Chief Financial Officer
Caroline Barth (1972)	Chief Human Resources Officer
Maria Soler Nunez (1969)	Head, Group Operations
Christian Seufert (1975)	President, Capsules & Health Ingredients Division
Gordon Bates (1965)	President, Small Molecules Division
Jean-Christophe Hyvert (1972)	President, Biologics
Daniel Palmacci (1969)	President, Cell & Gene

The business address of each member of the executive committee is the Guarantor's registered office in Basel, Switzerland.

### Independent Statutory Auditors

The auditors appointed by the Guarantor for the financial years ended 31 December 2020, 2021 and 2022 and for the current financial year are KPMG Ltd, Badenerstrasse 172, CH-8004 Zurich.

KPMG Ltd is supervised by and registered with the Swiss Federal Audit Oversight Authority (FAOA), and its register number currently is 501403.

## Business Activities

### Principal Activities

Lonza is one of the preferred global partner to the pharmaceutical, biotech and nutrition markets. Lonza focuses on enabling treatments that prevent illness and support healthier lifestyles. It optimizes scientific innovation and manufacturing technology to enable our customers to serve their patients and consumers.

Lonza provides a wide range of services and products from early phase discovery to custom development and manufacturing of active pharmaceutical ingredients to innovative dosage forms for the pharma and consumer health and nutrition industries. Its scale and resources mean it can provide a one-stop solution for its customers to help people get well, feel well, and stay well. In 2021, it supported more than 780 preclinical and clinical small and large molecules, more than 245 commercial small and large molecules and produced around 250 billion capsules.



Founded in 1897 in the Swiss Alps, today, Lonza operates across five continents. With approximately 17,500 full-time employees, it comprises high-performing teams and individual talent that make a meaningful difference to its own business, as well as to the communities in which it operates. Lonza's business benefits from global supply chains, but it has worked to maintain the agility to address marketplace needs on a local level.

A commitment to responsible business and sustainability underpins everything Lonza does. Minimizing Lonza's impact on the environment, conserving energy and natural resources, and helping to improve life quality are all central to the culture. Lonza's Vision Zero initiative is an example, as it strives to achieve zero workplace accidents and injuries, zero environmental incidents, zero product transportation incidents and zero manufacturing process incidents. Lonza works to attract and retain the best talent, to make a meaningful difference to its own business, as well as the communities in which it operates.

## **Patents and Licenses**

Lonza's success depends in part on its ability to obtain and maintain proprietary protection for its products and product candidates, technology and know-how, to operate without infringing the proprietary rights of others and to prevent others from infringing its proprietary rights. Lonza seeks to protect its proprietary position by, among other methods, filing patent applications in Europe, the United States and other relevant jurisdictions where patent protection is available. Lonza also relies on trade secrets, know-how, and continuing technology innovation to develop and maintain its proprietary position.

As of 1 February 2023, Lonza had approximately 346 active patent families and 1677 granted patents globally and 127 pending patent applications in Europe. In addition, as of 1 February 2023, Lonza had more than 2,619 active trademark filings, more than 274 brands globally and more than 580 registered domains. Lonza has in the past enforced and will continue to enforce intellectual property rights in jurisdictions around the globe. The Group does not consider any particular intellectual property right to be material to its overall business.

## **Court, Arbitration and Administrative Proceedings**

Save as disclosed in this Prospectus (including in the documents incorporated by reference herein), there are no litigation or arbitration proceedings against or affecting the Guarantor or any of its subsidiaries or any of its assets, nor is the Guarantor aware of any pending or threatened proceedings, which, in each case, are or might be material in the context of the issue of the Bonds.

## **Prospects**

For information on the Guarantor's prospects, please refer to the section "*Outlook 2023 and Mid-Term Guidance 2024*" included in the Full-Year Report 2022 of the Guarantor, which is incorporated by reference herein.

The information in the paragraph above includes statements that constitute "forward-looking statements". By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that prospects, predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. See "*Cautionary Statement Regarding Forward-Looking Statements*" on page 10 of this Prospectus.

## **Capital Structure and Bonds**

### **Capital Structure**

The share capital according to the Articles of Association of the Guarantor is as follows:

#### **Article 4**

#### **Share Capital**

<sup>1</sup> The share capital of the Company amounts to CHF 74,468,752, divided into 74,468,752 registered shares, fully paid-up, each with a par value of CHF 1.

<sup>2</sup> By decisions of the Shareholders' Meeting, registered shares may be converted into bearer shares, and bearer shares into registered shares.

**Article 4<sup>bis</sup>**  
**Conditional Capital**

<sup>1</sup> The share capital of the Company may be increased through the issuance of a maximum of 7,500,000 fully paid in registered shares with a par value of CHF 1 each up to a maximum aggregate amount of CHF 7,500,000 through the exercise of conversion rights and/or warrants granted in connection with the issuance of bonds or similar debt instruments of the Company or one of its Group companies. The subscription rights of the shareholders shall be excluded. The current owners of conversion rights and/or warrants shall be entitled to subscribe for the new shares. The conditions of the conversion rights and/or warrants shall be determined by the Board of Directors.

<sup>2</sup> In connection with the issuance of the convertible or warrant-bearing bonds or any similar debt instruments, the Board of Directors shall be authorized to restrict or deny the pre-emptive rights of the shareholders if such instruments shall serve

a) to finance (including refinance) the acquisition of enterprises, divisions thereof, of participations or of newly planned investments of the Company or

b) to issue convertible bonds and/or warrants on the national and international capital markets.

<sup>3</sup> To the extent that the pre-emptive right is excluded,

a) the bonds or similar debt instruments are to be placed with the public at market conditions (including standard dilution protection clauses in accordance with market practice),

b) the term to exercise conversion rights may not exceed ten years and the term to exercise option rights may not exceed five years from the date of the bond issue and

c) the exercise price for the new shares must at least correspond to the market conditions at the time of the bond issue.

<sup>4</sup> The acquisition of shares through the exercise of conversion rights and or warrants as well as each subsequent transfer of the shares shall be subject to the restrictions of Article 6 of these Articles of Association.

**Article 4<sup>ter</sup>**  
**Authorized Capital**

<sup>1</sup> The Board of Directors shall be authorized to increase, at any time until 6 May 2023, the share capital of the Company through the issuance of a maximum of 7,500,000 fully paid-in registered shares with a par value of CHF 1 each up to a maximum aggregate amount of CHF 7,500,000.

<sup>2</sup> The issue price, the beginning of the entitlement to dividends and the kind of contributions shall be determined by the Board of Directors.

<sup>3</sup> The Board of Directors is authorized to restrict or to suspend the subscription rights of the shareholders wholly or in part.

a) in the event of issuance of shares for the participation of strategic partners,

b) for the takeover of companies, parts of companies, participations or intellectual property rights or for the financing and/or refinancing of such transactions,

c) for granting an over-allotment option ("greenshoe") of up to 20% of the preceding offer to the lead managers in connection with a placement of shares at market conditions,

d) for raising capital in a fast and flexible manner, which would hardly be achievable without the exclusion of the statutory subscription rights of the existing shareholders; or

e) for other valid reasons in the sense of Art. 652b, para 2, of the Swiss Code of Obligations.

If subscription rights are granted, but not exercised, the Board of Directors may use the respective shares in the interest of the Company.

<sup>4</sup> The new shares shall be subject to the restrictions of Article 6 of these Articles of Association.

#### **Article 4<sup>quater</sup>**

The capital increases according to Articles 4<sup>bis</sup> and 4<sup>ter</sup> over a respective maximum of 7,500,000 fully paid-in registered shares with a par value of CHF 1 each may increase the share capital of the Company only by a maximum aggregate amount of CHF 7,500,000.

#### **Article 5 Shares**

<sup>1</sup> Under the reservation of para 2 the registered shares of the Company will be constructed as uncertified securities (in the sense of Swiss Code of Obligations) and book entry securities (in the sense of the Federal Law on Book Entry Securities). As far as Swiss law is applicable they may only be transferred in accordance with the Federal Law on Book Entry Securities.

<sup>2</sup> After entry in the share register the shareholder may at any time request from the Company a confirmation on the owned registered shares. Nevertheless, the shareholder is not entitled to receive printed documents of the registered shares. The Company is at any time free to print and deliver documents of the registered shares (as single documents, certificates or in the form of a global certificate). The Company may withdraw registered shares in the form of book entry securities from the respective safe-keeping system. With consent of the shareholder the Company may without substitution invalidate issued documents.

#### **Article 6 Share Register, Nominees**

<sup>1</sup> The Company shall keep a share register in which the owners and usufructuaries of the registered shares are entered with name, address and nationality. Only those with valid entries in the share register are recognized by the Company as shareholders or usufructuaries.

<sup>2</sup> Purchasers of registered shares may submit a request to be entered, without limitation, as shareholders with voting rights in the share register, provided they expressly declare that they have acquired these shares in their own name and on their own account.

<sup>3</sup> Persons who do not expressly declare in the entry application that they hold the shares on their own account (hereafter "nominees") will, without further ado, be entered with voting rights in the share register up to a maximum of 2% of the share capital entered in the Register of Commerce. Over and above this limit, registered shares held by nominees will only be entered with voting rights when the nominee concerned reveals the names, addresses, nationalities and shareholdings of those persons on whose account he holds 0.5% or more of the share capital entered in the Register of Commerce.

<sup>4</sup> After interviewing registered shareholders or nominees, the Board of Directors is entitled to delete entries from the share register, with retroactive effect from the date of entry, should these have been obtained by misrepresentation. The affected shareholder or nominee must be immediately informed of the deletion.

<sup>5</sup> The Board of Directors settles the details and issues the necessary instructions to ensure compliance with the provisions set out above. The Board is authorized to conclude agreements with nominees about their duties of notification.

<sup>6</sup> The provisions of this Article 6 apply also to shares underwritten or acquired through the exercise of subscription or conversion rights or rights to exercise warrants.

## Outstanding Bonds

As of the date of this Prospectus, the following bonds of the Guarantor are outstanding:

<b>Coupon</b>	<b>Maturity</b>	<b>Nominal</b>	<b>ISIN</b>
1.625%	21 April 2023	EUR 500,000,000	BE6321076711

## Own Equity Securities

As of 16 February 2023, the Guarantor holds directly and indirectly 139,521 Shares.

## Financial Reporting

### Financial Statements

The Group's consolidated financial statements for the financial years ended 31 December 2020 and 2021, which are incorporated by reference into this Prospectus, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Guarantor's non-consolidated financial statements for the financial years ended 31 December 2020 and 2021, which are incorporated by reference into this Prospectus, have been prepared in accordance with the provisions of the Swiss law on Accounting and Financial Reporting (32<sup>nd</sup> title of the Swiss Code of Obligations).

The Group's and the Guarantor's financial statements are presented in CHF.

Other than set out in this Prospectus (including the documents incorporated by reference), no material changes in the assets and liabilities, financial position and results of operations of the Guarantor have occurred since 31 December 2021.

## Recent Developments

### Information on the Guarantor's most recent business performance

For information on the Guarantor's most recent business performance, please refer to the Full-Year Report 2022 of the Guarantor, which is incorporated by reference herein.

## **RESPONSIBILITY STATEMENT**

Each of the Issuer and the Guarantor confirms that this Prospectus contains all information regarding the Issuer, the Guarantor and the Bonds which is (in the context of the issue of the Bonds) material; such information is true and accurate in all material respects and is not misleading; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer and the other part of the Guarantor are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and reasonable enquiries have been made to ascertain and to verify the foregoing.

Each of the Issuer and the Guarantor accepts responsibility accordingly.

Basel, 20 February 2023

**Lonza Swiss Finanz AG**

**Lonza Group Ltd**

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**Lonza**