

Lonza to Divest its Quakertown Site Specialized in Particle Size Reduction; Business to be Renamed Microsize

- Agreement for the sale of Lonza site in Quakertown, PA (US)
 - The Quakertown site specializes in particle size reduction capabilities
 - Transaction expected to close in Summer 2022
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Quakertown, USA and Basel, Switzerland, 29 April 2022 – Lonza, a global development and manufacturing partner to the pharma, biotech and nutrition industries, today announced an agreement for the sale of its Quakertown (US) site to a group of industry veterans and investors. The agreement is subject to relevant conditions. The financial terms of the transaction were not disclosed.

The Quakertown (US) site employs approximately 45 employees and focuses on particle size reduction and control services for drug substances and excipients. The site consists of two individual buildings and supporting infrastructure, including nine cGMP suites, two developmental suites and phase-appropriate equipment for particle size reduction from early development through to commercial supply. Upon closing, the Quakertown business will become an independent company called Microsize. It will be supported by an investor group led by Derek Hennecke and TJ Higley.

Derek Hennecke and TJ Higley commented on behalf of Microsize: “Microsize will have a dedicated focus on delivering the best particle size reduction solution for the smallest biotech company all the way through to the largest pharmaceutical businesses. We have gathered a team of experienced CDMO investors, such as Mark Bamforth, founder of Brammer Bio and Arranta Bio, and Bill Mitchell, the founder of PCI Pharma Services, to provide much more than financial capacity. All our investors come from the CDMO industry and will be active in its support. We look forward to continuing to drive investment in manufacturing efficiencies and capacity expansion as an independent company.”

Christian Dowdeswell, Vice President, Head of Commercial Development, Small Molecules, Lonza, added: “With their industry experience and knowledge of the Quakertown business, the Microsize leadership team is the ideal buyer to build on the site’s two decades of experience with particle-size control technologies. As the business begins a new chapter, we are confident that the site’s capabilities in milling and micronization will be of great advantage to Microsize’s offering. Both our companies will focus on providing a smooth transition for employees and customers.”

Micronization and jet milling services will continue to be delivered from Lonza’s Monteggio (CH) site as part of Lonza’s Particle Engineering suite of services.

Notes to Editors

About Microsize

Derek Hennecke has been in the pharmaceutical industry for over 30 years and is currently Chairman of Particle Dynamics and on the boards of Grand River Aseptic Manufacturing and Everest Clinical Research. Previously, Derek Hennecke founded Xcelience, a CDMO which later acquired the Quakertown site before selling to Capsugel in 2016. Xcelience bought part of Powdersize in 2015. TJ Higley is a former owner of the Quakertown business (formerly Powdersize) and an expert in the field of micronization. He will assume the role of CEO of the Microsize organization once the transaction has closed.

About Lonza

Lonza is a preferred global partner to the pharmaceutical, biotech and nutrition markets. We work to enable a healthier world by supporting our customers to deliver new and innovative medicines that help treat a wide range of diseases. We achieve this by combining technological insight with world-class manufacturing, scientific expertise and process excellence. Our unparalleled breadth of offerings enables our customers to commercialize their discoveries and innovations in the healthcare industry.

Founded in 1897 in the Swiss Alps, today, Lonza operates across five continents. With approximately 16,000 full-time employees, we comprise high-performing teams and individual talent that make a meaningful difference to our own business, as well as to the communities in which we operate. The company generated sales of CHF 5.4 billion with a CORE EBITDA of CHF 1.7 billion in Full-Year 2021. Find out more at www.lonza.com.

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