

Press Release

Lonza to Divest Peptides Business and Operations in Braine-l'Alleud, Belgium, to PolyPeptide

Basel, Switzerland, Braine-l'Alleud, Belgium, Malmo, Sweden, 7 December 2016 – Lonza and the PolyPeptide Group jointly announced today that PolyPeptide Laboratories Holding (PPL) has entered into a definitive agreement with Lonza Sales AG and Lonza AG (both 100% affiliates of Lonza Group AG) to acquire the peptides business and operations of Lonza in Braine-l'Alleud, Belgium. Lonza's Braine facility, with approximately 280 employees, is the center for peptide chemical development and manufacturing within Lonza. The agreement is expected to close in the next weeks, subject to customary closing conditions.

The acquisition will enhance PolyPeptide's manufacturing capacity and capabilities and will enable seamless support for its broad portfolio as many products progress toward regulatory approval and commercial supply. Lonza Braine will provide immediate access to additional large-scale capacity in synthesis, purification and isolation of peptides, while PolyPeptide's existing, complementary portfolio of late-stage products offers opportunities for synergies and continued growth for the company.

"The addition of Lonza's Braine facility to PolyPeptide is a great fit and will offer customers an even more comprehensive range of services for every stage of development," said Jane Salik, CEO of the PolyPeptide Group. "With this acquisition we will be expanding our capacity to meet the needs of customers who demand the highest quality products with the most robust, scalable and cost-efficient peptide manufacturing processes at every scale."

Marc Funk, Chief Operating Officer of Lonza's Pharma&Biotech segment, said: "This agreement is the result of our strategy of continuously reviewing our business portfolio and streamlining and optimizing our site and production platforms. The peptides chemical business is a niche business for Lonza, with only limited synergies with other small molecule technologies. PolyPeptide is focused and dedicated to the production, operations and sales of peptides; so we believe that we have found the optimal partner for the business to give new perspectives to the Braine site and its employees. This move will also allow us to fully focus on our many other technologies, which we will continue to develop further."

Both PolyPeptide and Lonza have long and distinguished histories in peptide manufacturing. Lonza acquired the Braine peptide business in 2006 from UCB, while PolyPeptide's corporate

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roots in peptide therapeutics date back to the 1950s. Both companies became successful in peptide manufacturing by building excellent reputations for quality, service and GMP support.

The acquisition announced today will not affect ongoing activities at the Belgian facility before or after close, and the integration process is expected to be seamless to customers. PolyPeptide Group announced that the harmonization of procedures to ensure consistency, continuity and quality within its expanded Group will be implemented in the coming months. With this acquisition the PolyPeptide Group will employ close to 800 people worldwide with GMP facilities in the United States (Torrance and San Diego, California), France (Strasbourg), India (Ambernath), Belgium (Braine-D'Alleud) and Sweden (Malmo).

The financial terms of the transaction are not disclosed. Lonza will book a non-cash related write-off of CHF 44 million in the second half of 2016 and then book a non-cash currency translation impact at the closing of the transaction.

About Peptides

Peptides, like proteins, are naturally occurring chains of amino acids involved in virtually every life process. They help regulate body functions such as the release of hormones and the regulation of blood-sugar levels. Advances in formulation and delivery platforms have boosted the demand for peptides, particularly in the development of pharmaceuticals. Synthetic peptides serve as the active pharmaceutical ingredient (API) in peptide-based drugs that treat diabetes, obesity, various types of cancer, endocrine and nervous system disorders, and other health conditions.

About Lonza

Lonza is one of the world's leading and most-trusted suppliers to the pharmaceutical, biotech and specialty ingredients markets. We harness science and technology to create products that support safer and healthier living and that enhance the overall quality of life.

Not only are we a custom manufacturer and developer, Lonza also offers services and products ranging from active pharmaceutical ingredients and stem-cell therapies to drinking water sanitizers, from the vitamin B3 compounds and personal care ingredients to agricultural products, and from industrial preservatives to microbial control solutions that combat dangerous viruses, bacteria and other pathogens.

Founded in 1897 in the Swiss Alps, Lonza today is a well-respected global company with more than 40 major manufacturing and R&D facilities and approximately 9,800 full-time employees worldwide. The company generated sales of CHF 3.8 billion in 2015 and is organized into two market-focused

PolyPeptide Laboratories AB
Limhamnsvägen 108
SE-200 61 Limhamn
www.polypeptide.com

Lonza Group Ltd
Muenchensteinerstrasse 38
CH-4002 Basel
www.lonza.com

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segments: Pharma&Biotech and Specialty Ingredients. Further information can be found at www.lonza.com.

About the PolyPeptide Group

The PolyPeptide Group is a privately held leading provider of custom and generic GMP-grade peptides for a range of pharmaceutical and biotechnology applications. With corporate roots that began in the 1950s, the Group was formally launched in 1996. Today, it operates a growing international network of peptide manufacturing facilities.

With its multinational organization, exclusive focus on peptides and solid financial base, the PolyPeptide Group offers a unique guarantee of quality, service and security of supply to its customers. More information about the PolyPeptide Group is available at www.PolyPeptide.com.

Lonza Contact Information

Lonza Group Ltd
Head Investor Relations
Dirk Oehlers
Tel +41 61 316 8540
Fax +41 61 316 9540
dirk.oehlers@lonza.com

Lonza Group Ltd
Head Corporate Communications
Dominik Werner
Tel +41 61 316 8798
Fax +41 61 316 9540
dominik.werner@lonza.com

Lonza Group Ltd
Head External Communications
Constance Ward
Tel +41 61 316 8840
Fax +41 61 316 9840
constance.ward@lonza.com

PolyPeptide Contact Information

PolyPeptide Laboratories AB
CEO
Jane Salik
Tel +1 310 782 3569
Fax: +1 310 782 3645
jane.salik@polypeptide.com

PolyPeptide Laboratories AB
Global Director, Sales
Jan Christensen
Tel +45 20 74 70 73
Fax: +46 40 36 63 86
jan.christensen@polypeptide.com

Additional Information and Disclaimer

Lonza Group Ltd has its headquarters in Basel, Switzerland, and is listed on the SIX Swiss Exchange. It has a secondary listing on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Lonza Group Ltd is not subject to the SGX-ST's continuing listing requirements but remains subject to Rules 217 and 751 of the SGX-ST Listing Manual.

Certain matters discussed in this news release may constitute forward-looking statements. These statements are based on current expectations and estimates of Lonza Group Ltd, although Lonza Group Ltd can give no assurance that these expectations and estimates will be achieved. Investors are cautioned that all forward-looking statements involve risks and uncertainty and are qualified in their entirety. The actual results may differ materially in the future from the forward-looking statements included in this news release due to various factors. Furthermore, except as otherwise required by law, Lonza Group Ltd disclaims any intention or obligation to update the statements contained in this news release.