

## Press Release

28 June 2022

### U.S. Government to support expansion of Croda lipid systems capability

Croda International Plc ('Croda' or 'the company'), the company that uses smart science to create high performance ingredients and technologies that improve lives, announces that it has entered into a cooperative agreement with the United States ('U.S.') government in which the government will provide up to \$75 million to expand the company's U.S. manufacturing capacity of ingredients for lipid systems used in novel therapeutic drugs, such as mRNA vaccines.

In line with the company's strategy to 'Empower Biologics Delivery,' Croda will also invest up to \$58 million, bringing the total project investment to up to \$133 million. This spend is included within the company's existing capital expenditure programme, outlined in the 2021 annual results.

The investment will be used to establish a new lipid facility as part of a new multi-purpose cGMP\* site in Lamar, Pennsylvania. Construction is expected to start later this year, with the new capacity anticipated in 2025. The investment supports expansion of the portfolio of patient health care solutions offered by Croda, by creating a third manufacturing site for lipid systems, alongside Croda's existing Alabaster, Alabama, U.S. (Avanti) and Leek, United Kingdom capabilities.

The cooperative agreement is a joint award from the Biomedical Advanced Research and Development Authority (BARDA), part of Office of the Assistant Secretary for Preparedness and Response within the U.S. Department of Health and Human Services and the U.S. Department of Defense's Joint Program Executive Office for Chemical, Biological, Radiological and Nuclear Defense (JPEO-CBRND) in partnership with the Army Contracting Command's Joint COVID Response Division (ACC JCRD). The new facility is part of a programme to expand the U.S. industrial base supporting critical vaccine and therapeutic manufacturing activities. The facility at Lamar will support U.S. preparedness for future health emergencies, by ensuring enough capacity is available in the U.S. to produce the necessary components for vaccine manufacture.

Croda's Pharma business is a leading partner in the development of delivery systems for biologics. Croda's platforms enable the next generation of vaccines and therapeutics. Through acquisition of Avanti Polar Lipids in 2020, Croda was the first company to supply clinical and commercial quantities of critical lipid systems to support the roll-out of COVID-19 vaccines globally.

Lipid systems offer significant potential as the delivery system for a wide range of nucleic acid applications, including novel mRNA-based therapeutics, such as flu vaccines and cancer treatments. Given the scale of the current clinical development pipeline, the market for lipid systems is expected to grow significantly over the next ten years.

Commenting, Daniele Piergentili, President of Croda Life Sciences, said: *"We are grateful to the U.S. government for its support of Croda. The delivery technology based on lipid systems offers significant potential for the safe and efficient delivery of next generation vaccines and therapeutic drugs. As a result of this investment, Croda will be able to expand its capabilities to develop and manufacture ingredients in support of this important technology. This will help ensure that the U.S. is well prepared for future health emergencies and equipped to offer advanced treatments for some of the most prevalent illnesses in the world today."*

Nicole Kilgore, Deputy Joint Program Executive Officer (JPEO) for Chemical, Biological, Radiological and Nuclear (CBRN) Defense, said: *"The U.S. government is pleased to be a part of these Industrial Base Expansion efforts to expand production of raw materials for mRNA vaccines."*

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*\*cGMP is 'current Good Manufacturing Practice', the U.S. Food and Drug Administration's (FDA's) most stringent requirement for the manufacture of pharmaceutical products.*

### About lipid delivery systems

Lipid-based drug delivery systems carry nucleic acid material. They protect this genetic material from degradation, while also allowing it to access the cell and, once inside, be released. This allows the cellular machinery to translate the delivered genetic material into a cellular response.

Croda acquired Avanti Polar Lipids in 2020, a company that has pioneered the development of liposomal-based drug delivery systems to solve the stability and delivery issues associated with mRNA-based vaccines and therapeutics. Working with partners, Croda was the first company to supply clinical and commercial quantities of these critical lipid delivery systems to support the roll-out of COVID-19 vaccines around the world.

### About Croda's Pharma business – [www.crodapharma.com](http://www.crodapharma.com)

Croda's Pharma business is a leading partner for the development of excipients and the supply of high purity materials for pharmaceutical formulations, committed to enabling the next generation of drug delivery systems. The business is focused on empowering biologics drug delivery, through its adjuvant systems, small molecule, protein, and nucleic acid delivery platforms. With a wide range of solutions for both human and animal health markets, our pharmaceutical portfolio is unsurpassed in its excellence for drug and vaccine delivery. Croda's products, along with its in-house formulation and regulatory expertise, allow the business to meet its customers' most demanding formulation needs.

### About Croda – [www.croda.com](http://www.croda.com)

Established in 1925, Croda is the name behind sustainable, high-performance ingredients and technologies in some of the world's most successful brands: creating, making and selling speciality chemicals that are relied on by industries and consumers everywhere. Croda is a FTSE 100 company with over 6,100 passionate and innovative employees, working across manufacturing sites and offices around the world with a shared Purpose to use *Smart science to improve lives™*. As part of this Purpose, Croda has committed to be the most sustainable supplier of innovative ingredients, becoming Climate, Land and People Positive by 2030. Following an agreement to divest the majority of its industrial-focused Performance Technologies and Industrial Chemicals businesses, Croda is well on the way to becoming a 'pure-play' Consumer Care and Life Sciences company.