

August 22, 2022



LTS LOHMANN Therapie-Systeme AG acquires Tapemark Inc.

TAPEMARK External Q&A

Q: Can you provide a few details about your latest notification regarding LTS acquiring Tapemark?

A: To further strengthen our business and better serve our global customer base, we are excited to announce the closing of the acquisition of Tapemark, MN, US, by LTS, Germany. Financial details of the transaction cannot be disclosed.

LTS is widely recognized as a leading global pharmaceutical technology company that develops and manufactures innovative drug delivery systems such as Transdermal Patches ("TTS or TDS"), Oral Thin Films ("OTF") and Micro Array Patches ("MAP") for major Bio- /Pharmaceutical, Generic, and Consumer Health companies around the world.

Q: Who is LTS?

A: LTS is a world-class CDMO who also specializes in transdermal delivery systems and oral thin films. Tapemark's portfolio perfectly complements LTS' capabilities and demonstrates our commitment to set the standard as the best CDMO in TTS and OTF.

Q: How many employees are at LTS? Can you explain what happens to Tapemark's team?

A: LTS has 1,200 employees. All of Tapemark's 200 employees will join LTS.

Q: What locations exist at LTS and what will happen to their facilities?

A: LTS has world-class manufacturing and R&D capabilities in Andernach, Germany and West Caldwell, New Jersey. The manufacturing location in St. Paul will become part of the LTS global operations network, which includes the large facility in Andernach, Germany and their existing North American manufacturing plant in West Caldwell, NJ. Tapemark's R&D capabilities will strengthen LTS' global R&D network and will allow us to bring even more innovation and development support to our global book of customers and patients.



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Q: What products will be manufactured at Tapemark's facility in the future?

A: The St. Paul facility will continue to manufacture TTS, OTF, iontophoresis (IontoPatch), and semi-solid unit dose products.

Q: Why was Tapemark selected over other acquisition targets?

A: Tapemark's portfolio and infrastructure perfectly complement LTS capabilities to provide the best possible drug delivery solutions to customers and patients. The acquisition also strengthens LTS R&D capabilities in North America which will allow LTS to bring even more innovation and development support to customers developing innovative therapies. In addition, the Tapemark team enables LTS to bring additional talent into the organization. Further, Tapemark's best-in-class marketing capabilities will allow LTS to reach even more markets and clients around the globe.

Q: Who will be my key contact after the acquisition?

A: Your respective Account Manager/ Business Development Manager / Project Manager will remain unchanged at this point. During the integration process, we may identify overlaps in customer assignments or find ways to enhance customer coverage and service. Any future changes to your assigned business relationship lead will be communicated to you in advance of a change. The same applies to your Customer Service and Technical contacts who will continue to serve as your primary contacts for all orders and projects.

Q: What will happen to my current order or project?

A: There will be no changes in business processes or project programs at this time. We are committed to ensure a smooth transition and the best experience possible for all customers.

Q: Do you expect future changes to business processes?

A: During the integration process, we will actively look for options to improve our performance and customer focus while we harmonize business processes between LTS and Tapemark. This may result in changes to the way we operate today. We will not change for the sake of change and will only do so for the ultimate benefit of customers and the patients that rely on our products. Rest assured, we will engage you proactively to communicate and discuss such process improvements. Our objective is to optimize the interaction for all customers.



Q: How will you keep us updated about the progress during the transition process?

A: We will actively reach out to you to discuss the acquisition in more detail. If you are interested, we will offer joint meetings between our respective management teams to enable a broader dialogue about the integration of Tapemark into LTS. The focus of these meetings will be the benefits of our expanding technology and service portfolio to support you as a single partner from feasibility to post-commercialization.

Also, we will proactively communicate any change to existing business processes or account allocations. At any time, you are encouraged to contact your respective Account Manager or Business Development manager with suggestions, questions, or concerns.

Q: I have some concerns about my current business / project with Tapemark / LTS considering this acquisition. What should I do to discuss my concerns?

A: We encourage you to immediately address questions to your respective Account Manager or Business Development Manager. We will follow-up with you ASAP to discuss your concern. We are committed to an open dialogue with each customer during the transition and for the entirety of our business relationship.

Q: What will happen to my existing agreement (MSA, Development Agreement, Strategic R&D Agreement, SOW, or CDA)?

A: LTS will honor your existing agreements with LTS and/or Tapemark. If during the integration process we identify potential synergies in contractual arrangements, we will proactively reach out to you to discuss the benefits.

Q: Will prices for the products I currently source from Tapemark or LTS change as a result of this acquisition?

A: LTS will honor existing pricing in all current agreements with Tapemark. Potential price changes are not driven by the integration of Tapemark into LTS. Rather, any unknown future changes will be driven by changing costs for materials, energy, utilities, and labor.

