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FLAMMA to invest \$200M over the next 3 years

Chignolo D'Isola, Bergamo, Italy – March 20, 2023 – The **Flamma Group** (“Flamma”), a global, fully integrated company producing and commercializing small molecule Active Pharmaceutical Ingredients (APIs) for the life science industry as well as a preeminent Contract Development and Manufacturing Organization (CDMO) of New Chemical Entities (NCEs) and late stage intermediates for the Innovator Companies, announced the commitment to invest \$200M over the next three years. This significant investment will propel Flamma forward as it continues to respond to market demands that require future growth and opportunity.

Flamma will use the investments for the following projects:

- Revamping and improvement of the Bulciago, Italy site that was acquired in 2022.
- Completion of a new GMP facility at its Dalian, China location. Flamma Honkai will increase from 200 m³ of small molecule API/NCE capacity to initially 400 m³ and then ultimately to 800 m³.
- The addition of new technologies across its sites in Italy, China and the USA.
 - Including growing the existing flow chemistry capabilities at Flamma Italy
 - Build out of an API clean room at Flamma USA
 - Additional improvements to the HPAPI capabilities at Flamma USA
- Additional improvements will be made at Flamma’s two other Italian facilities, Chignolo and Isso. These site improvements include upgrades to the existing analytical services offered as well as the installation of new equipment, including reactors, filter dryers, distillation units. To harness the power of renewable energy, Flamma will be adding solar panels as well.

In consideration of the current geo-political environment, Flamma is proactively securing customers supply chains by having the ability to transfer projects from China (Flamma Honkai) to Italy (specifically its Bulciago site). Flamma offers the market a unique value proposition where one can still work in China but also have the security to also work simultaneously in Italy. Alternatively, work can be done in China but can be internally transferred to Italy if unforeseen events transpire giving customers the piece of mind that cannot be afforded by other CDMOs. Flamma believes that having a supply chain that is protected is extremely important. In addition, the Chinese domestic market will grow dramatically in the coming years and Flamma Honkai’s facilities in China can be the right choice for developing and producing APIs in China for its domestic market.



Dr. Gianpaolo Negrisoni, Chief Executive Officer of Flamma, noted, “Flamma will continue to reinvest in itself to provide further flexibility between all of our sites.”

Flamma Bulciago has reactor capacities up to 25,000 L with an average reactor size of 12,000 L. This GMP site is an attractive option for those companies looking for additional capacities in Europe. The combination of Bulciago along with Chignolo and Isso provides Flamma with 900 m³ of small molecule manufacturing capacity in Italy.

Flamma has built a network that now consists of sites located in Europe, North America and China. The continued development of Flamma USA in near Philadelphia provides innovator companies the flexibility to begin early stage small molecule projects within the USA and then consider using the rest of the Flamma Group for its needs as the project grows. Since Flamma can often make the necessary RSMs, the security of supply is strengthened by Flamma’s ability to provide internal backup to manufacturing.

“Our future is very bright. We are aware of customer sensitivity about their supply chain. Years of work and huge investments have been placed into their molecules. This cannot be jeopardized by looking for the lowest price or underestimating the risks of a weak supply chain. We have manufacturing facilities with different characteristics to meet customer needs. This includes capacity and technologies along with a very skilled and committed team that works hard to be a long term partner”, concludes Negrisoni.

For further information, please visit the Flamma website at <http://www.flammagroup.com>.

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About Flamma:

FLAMMA is a family owned & run, fully integrated CMO based in Bergamo (near Milan in Northern Italy) established in 1950.

FLAMMA is a company specialized in the cGMP manufacture of APIs, NCEs, RSMs, and advanced intermediates for the pharmaceutical industry. Flamma has particular expertise in high value chiral materials specifically amino acid related materials. Flamma also manufactures specialty compounds and advanced intermediates for the nutraceutical and cosmetic industries and has several generic products.



FLAMMA has five manufacturing facilities- Italy (3), China, and the USA. The cGMP Italian locations (Chignolo, Isso and recently acquired Bulciago) are regularly inspected by the FDA and AIFA. Flamma Honkai, located in Dalian, China, is a cGMP manufacturing facility that has been inspected by Chinese National Medical Products Administration (NMPA) formally known as the Chinese FDA. Flamma provides security when working in China with our 100% owned, self-managed facilities that deliver results without worry. Flamma reliably supplies materials directly to customers and/or delivers materials to its cGMP facilities in Italy in order to deliver the customer's compound on-time and with the desired specifications. Flamma offers cost-effective services to customers looking for a trusted partner within China.

Flamma USA is located outside Philadelphia provides Flamma with the ability to service customers looking to keep materials in the USA for pre-clinical/early stage clinical development.

Being a fully integrated company allows Flamma to move customer compounds quickly along their journey by taking into consideration all aspects necessary for the success of customer's projects.

Flamma can be of assistance for early stage pre-clinical development of small molecules as well as for large-scale commercial manufacturing. With a total reactor capacity of 1,100 m³ and over 750 employees, see why Flamma should be your next contract manufacturer.

FLAMMA - THE THINKING CDMO™.

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