



Vivimed

Leveraging
Global
Presence

Partnering
Innovation

Delivering
Affordable
Chemistry

Vivimed Labs Ltd

Investor Presentation – June 2019

Disclaimer

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward looking statements.

Vivimed Labs Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



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Our Business

Leveraging Global Presence (UQUIFA & SONEAS)

Partnering Innovation

Delivering Affordable Chemistry

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Financial Performance

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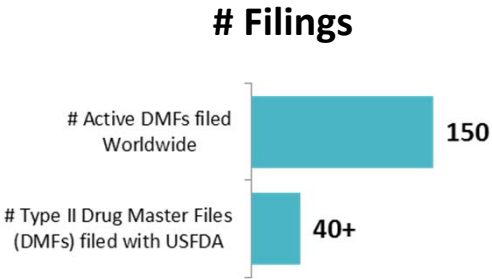


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Vivimed at a Glance



Bulk generics	Niche generics	New generics	Ethical products
Anti-ulcer	Antihistamine, sedative, hypnotic	Anti-depressant	Antiparasitic agent (veterinary)
Antibiotic	Analgesic	Anti-convulsant	Anthelmintic
Antifungal	Anti-Hypertensive	Anti-parkinsonian	Antihistamine, Antipsychotic, Anxiolytic
Antiviral	Mydriatic	Anti-ulcerative	Skeletal muscle relaxants
	Vasodilator	Bone resorption inhibitor	
	Analgesic/Narcotic	Calcium channel blocker	



Vivimed Labs in Numbers



1991

Year of Foundation



2000+

of Employees



10

No. of Facilities



6

R&D Facilities



APIs, FDFs, and
Specialty Chemicals
Product Portfolio



Across 3 Continents (Europe, Asia,
North America) covering 5 countries
Market Presence



Rs.13,384 Mn

Revenues (FY19)



Rs. 2,003 Mn

EBITDA (FY19)



Rs. 574 Mn

PAT (FY19)



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Business Snapshot



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Key Developments - Milestones



UQUIFA

- \$ 55 Mn acquisition
- Added depth to the API portfolio
- Enabled servicing European & American market effectively

Actavis Pharma

- Rs. 122 cr acquisition
- Provided access to regulated market – FDF business
- USFDA approved facility with a capacity to produce 1.2 bn Solid Oral Dosages p.a.

Divested Personal care Division

- Divested part of Specialty Chemicals business for an EV of Rs. 380 cr
- Divestment follows Company's strategy of focusing on core Pharmaceuticals business

Investment by Orbimed

- \$ 50 Mn Investment in Maserene, overseas subsidiary
- Fund Deployment - Debt reduction & Development of API business
- Investment testament to Company's proven track record

Soneas Acquisition

- € 15 Mn acquisition
- Transformed UQUIFA into an end-to-end solution provider
- Offered access to new / untapped geographies



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Our Distinguished Clientele

APOTEX
ADVANCING GENERICS

AstraZeneca

 **MERCK**

 **gsk**
GlaxoSmithKline


Unilever

Beiersdorf

L'ORÉAL

 **NOVARTIS**

 **GILEAD**

 **MERCK**

P&G

Johnson & Johnson

 **SANDOZ**

Cipla

TEVA

 **NORMON**


L E O

Pfizer


Dabur

 **Boehringer
Ingelheim**

Kodak

 **Mylan**

STADA


AET


Henkel


EGIS

COTY
BEAUTY, LIBERATED

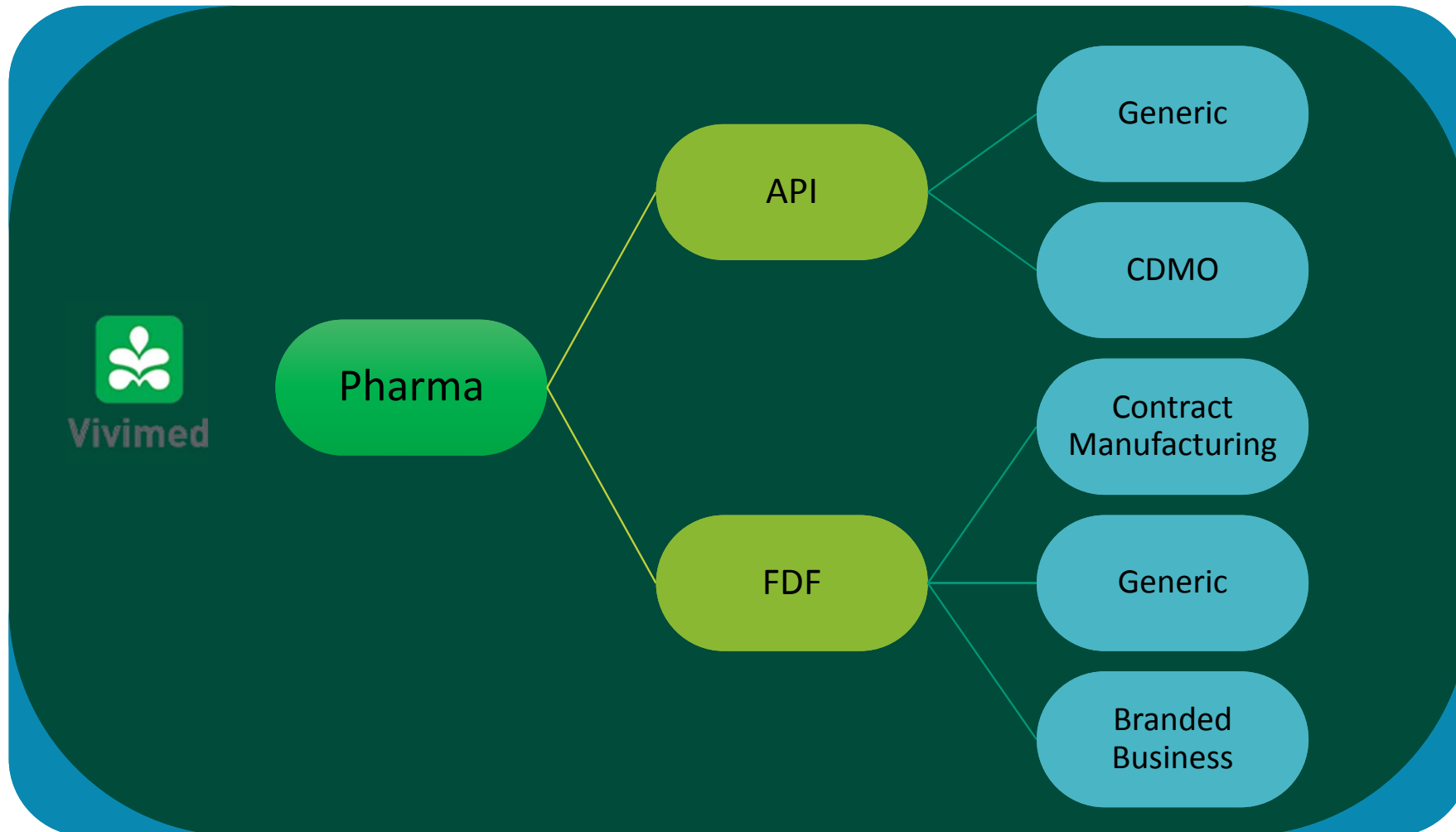


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Business Divisions...



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Business Divisions

- ✓ Global supplier of niche molecules and formulations (Pharmaceuticals)
- ✓ Integrated player – presence across critical components in value chain
- ✓ US FDA approved world class manufacturing facilities

Active Pharmaceutical Ingredient & CDMO

- UQUIFA s.a., Spanish subsidiary with 80 years of experience with USFDA approved manufacturing units in Spain(2) and Mexico(1) manufactures API for Pharmaceuticals and animal health industry globally
- Accounts for 50% of the overall revenue

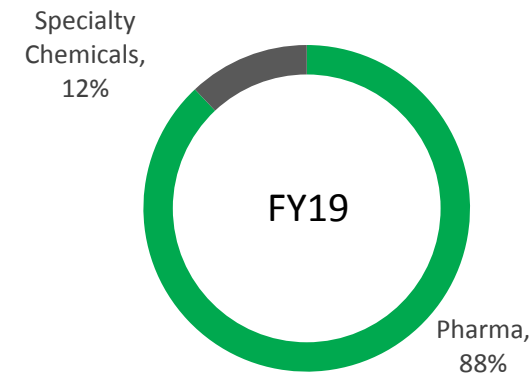
Finished Dosage Formulation

- Value added business delivering quality formulations and offering novel drug systems
- Present in generic, branded and contract manufacturing segments
- Accounts for 38% of the overall revenue

Specialty Chemicals (under divestment)

- Manufactures Hair Dyes, Photochromic Dyes, Anti-Microbials and Imaging Chemicals
- Vivimed is a world leader in the development of innovative photochromic dyes
- Vivimed has patented processes for novel dyes targeting a range of applications

Product wise Sales Mix (%)



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Sector Overview

Pharmaceuticals



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Pharmaceutical Industry – Overview (Global)

\$ 1.4 Tn

Global spending on medicines by 2022 (expected)

\$ 3.9 bn

Spending on branded medicine in developed market (past 5 years) as per IQVIA Institute

37%

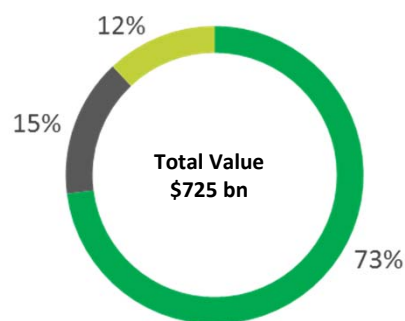
Increase in patent expiry between 2018-2022

\$1415 - \$1445 bn

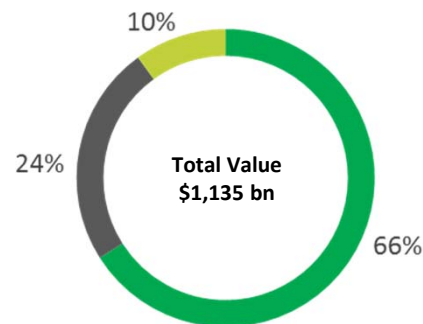
Global medicine spending by 2022 (Forecasted)

Source: Industry Reports

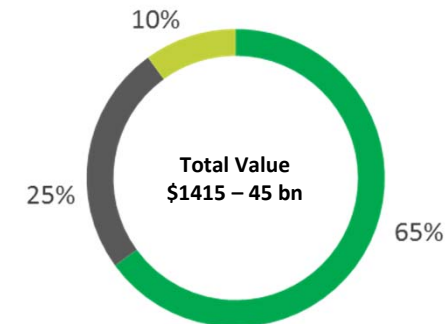
Global Spending by Region (2007)



Global Spending by Region (2017)



Global Spending by Region (2022)



Source: Industry Reports

■ Developed markets ■ Pharmmerging markets ■ Rest of the World

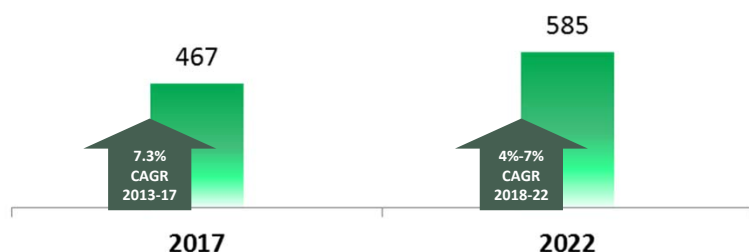


Pharmaceutical Industry – Developed Markets

\$ 915-945 bn Pharmaceutical spending in developed markets by 2022

United States

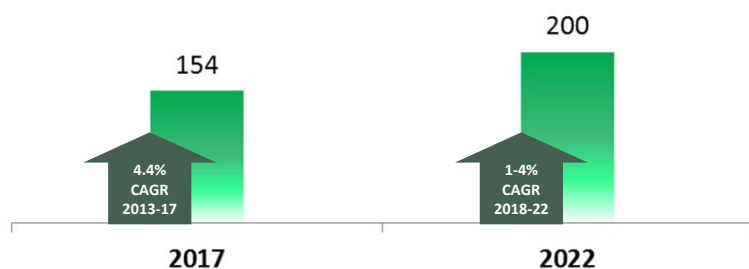
■ Pharmaceutical Spending (\$ bn)



- US pharmaceutical market is estimated to grow by 4-7% CAGR from US\$ 466.6 Billion in 2017 to US\$ 585-615 Billion in 2022
- Price increases and introduction of new specialty medicines to drive the growth

Europe

■ Pharmaceutical Spending (\$ bn)



- CAGR for the next five years for EU5 markets is estimated at 1-4%, with overall spending in these markets likely to escalate from US\$ 154.4 Billion in 2017 to US\$ 170-200 Billion in 2022
- Ageing population of countries and increased incidence of chronic ailments to drive the growth

Source: Industry Reports

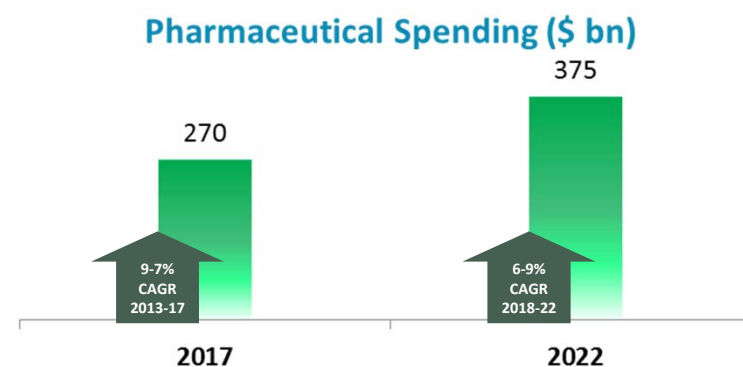


Pharmaceutical Industry – Pharmerging Markets

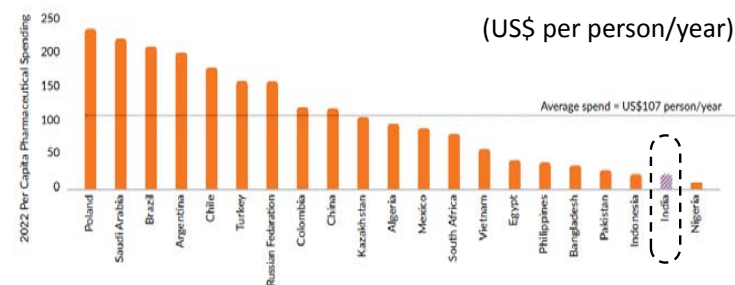
\$ 345-375 bn Pharmaceutical spending in Pharmerging markets by 2022

Region / country	2017	2013-17 CAGR	2022	2018-22 CAGR
China	122.6	9.4%	145-175	5-8%
Tier 2 Markets	67.3	11.2%	89-93	7-10%
Brazil	33.1	11.5%	38-42	5-8%
India	19.3	11.0%	26-30	9-12%
Russia	14.9	10.8%	20-24	7-10%
Tier 3 markets	79.7	8.9%	95-125	6-9%
Total	269.6	9.7%	345-375	6-9%

- Branded generic medicines comprise the largest proportion of medicine spending in these economies
- China, the largest pharmerging market, will grow at a modest 5-8% in the next half decade, reaching US\$ 145-175 Billion in 2022
- India and Russia are expected to grow faster, in comparison, averaging at 10% in the same time span, while the other pharmerging markets will average 6-9%
- India's spending on medicines will propel its entry into the top 10 countries in 2018, and to the ninth position overall between 2019 and 2022



Source: Industry Reports



Notes: Spending per capita, per capita growth and overall spending growth in Constant US\$.





API & CDMO Business
(UQUIFA & SONEAS)



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Global presence: a strategic advantage

A global platform that combines quality with competitiveness



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Leveraging Global Presence

Global Platform provides Strategic advantage

- UQUIFA operates across Spain, Mexico, Hungary, and India with a strong transnational management team.
- Global customer base with clients in more than 70 countries worldwide.
- Pharma Co has 42 distributor arrangements across 56 countries.

Trusted Franchise in its markets

- Combination of quality manufacturing and track record of reliability with marquee clients.
- Switching sources of API supply is not easy due to evolving industry dynamics and importance of compliance position
 - These have become barriers of entry and are now benefiting experienced players like UQUIFA.
- A strong “under-development” pipeline of new products.
- In terms of intellectual property, more than 150 active DMFs filed and 20 CoS approved.
- More than 75 years of experience in the pharmaceutical industry.

UQUIFA Group in Numbers



Acquired in 2011, UQUIFA is home to our API business comprising of generics & Contract development and manufacturing organisation (CDMO)

Rich Heritage – Serving leading pharmaceutical and animal health companies in Spain and Mexico for the last 8 decades

Strategically located Manufacturing Unit – Spain (2), Mexico (1)

Global Presence – Spanish facilities to meet / cater European Market; Mexican facility to supply to US market

75%

API %
(Revenue share)

25%

CDMO %
(Revenue share)

70%

Spain
(Geography mix)

30%

Mexico
(Geography mix)

4

Multi-Product plants
across continents

40+

Type II Drug Master
Files (DMFs) filed with
USFDA

150

Active DMFs filed Worldwide



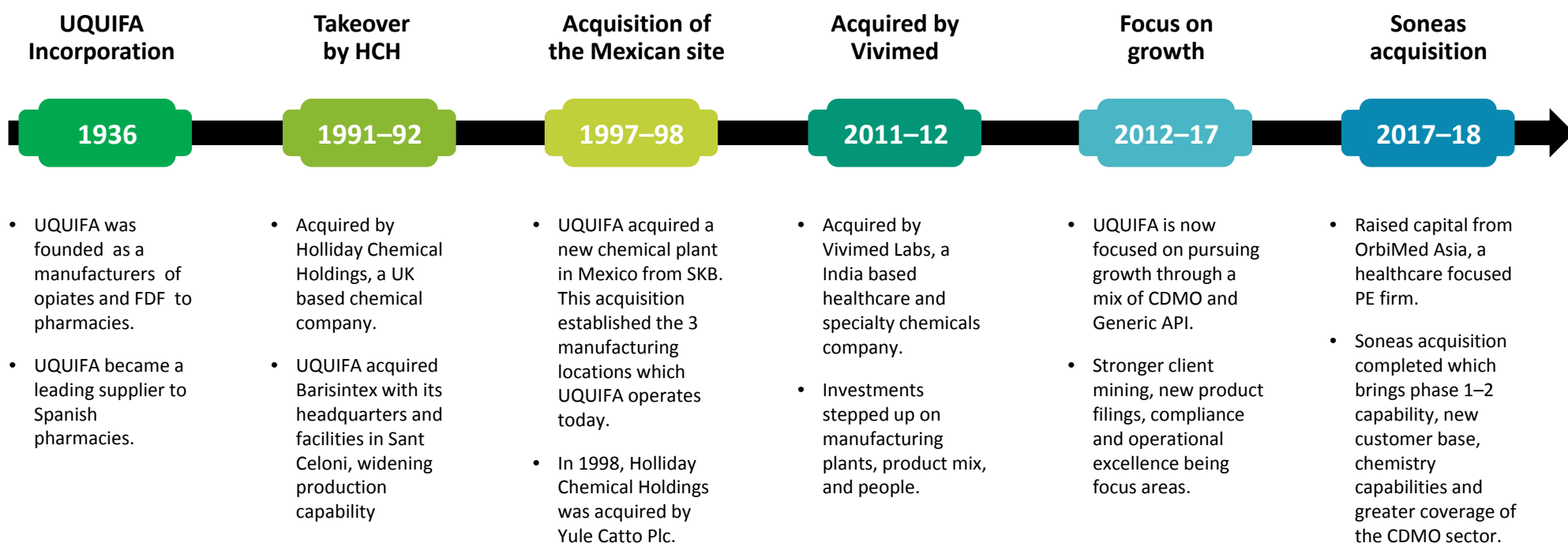
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Timelines and key milestones

Consistent record of reliability and adherence to quality standards

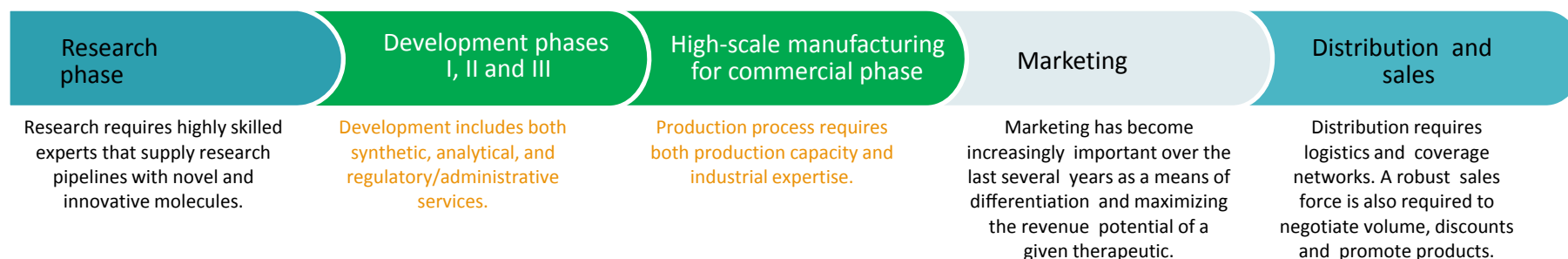


What is UQUIFA's core positioning ?

Originator and Generic customers require support for chemical intermediates and API production in both the development and commercial phases

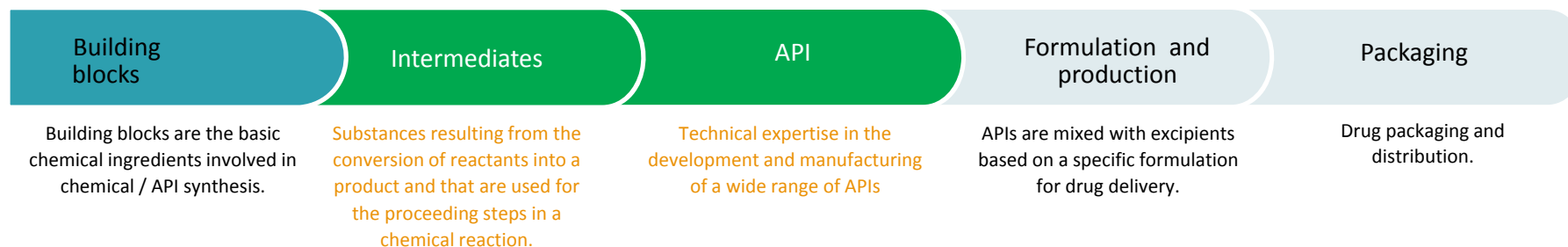
Drug development

UQUIFA's core positioning



Drug manufacturing

UQUIFA's core positioning



UQUIFA Group's – Manufacturing Facilities

	Lliçà de Vall Spain	St Celoni Spain	Cuernavaca Mexico	Budapest Hungary
Capacity	140, 000 L	170, 000 L	180, 000 L	208, 000 L
Number of reactors	29 reactors	29 reactors	30 reactors	58 reactors
US FDA Inspection	September 2015 Yes	May 2017	July 2018 Yes	—
GMP Approval	June 2011 Yes Multipurpose	Yes	June 2011 Yes Multipurpose	Yes
Korean	Mercaptan incinerator, biological effluent treatment	June 2011 Yes Multipurpose	Biological effluent treatment off-site	—
FDA Japanese	Sulphur chemistry, wiped film evaporation, hydrogenation, micronisation, sieving	Biological effluent treatment	Nitration, hydrogenation, in- situ prep, chlorination	—
Certification Pilot plant in site				Multipurpose Catalytic incinerator, off-site waste treatment
Residues treatment on-site				Optical resolutions, cryogenic and organometallic, high temperature, cyclopropanation, phosgenation (triphosgene), hydrogenations, halogenations, acid chloride preparations, carbene additions, diazotizations, Friedel-Crafts reactions, isomerizations, cyanations, carbonylation with CO
Technical expertise		Sulphur chemistry, roller compact unit, micronisation, sieving, lyophilisation		



Regulatory expertise

Highly trained regulatory experts at each site with experience in all major geographies

- Filing Experience in all major geographies
 - Over 50 Type II DMF's filed with the FDA
 - More than 150 active DMF's worldwide
- Over 25 valid Certificates of Suitability
- Many years of successful regulatory audits by different agencies

Registration Dossier: Capabilities

- UQUIFA developed registration dossiers with in-house APIs and is well versed with EU filings and ANDAs for the USA
- UQUIFA works with partners to develop the formulation, perform the bio-equivalency and files the dossier to obtain Marketing Authorizations
- UQUIFA is willing to license either the dossier and/or the Marketing Authorization



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New generic pipeline

Under development



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Products	Therapeutic Category	Trademark
Apixaban	Anti thrombotic	Eliquis
Bilastine	Antihistamine	Bilaxten
Brexpiprazole	Anti psychotic	Bilaxten
Brivaracetam	Anti epileptic	Briviact
Dabigatran	Anti thrombotic	Pradaxa
Edoxaban	Anti coagulant	Savaysa USA, Lixiana in EU
Lesinurad	Antigout	Zurampic
Mebendazole	Anthelmintic	Vermox
Minocycline	Antibiotic	Minocin
Mirabegron	Overactive bladder	Myrbetriq
Pimavanaserin	Parkinsons treatment	Nuplazid
Ricobendazole	Anthelmintic	Albendazole sulfoxide
Tapentadol	Analgesic	Nucynta
Tavorole	Anti fungal	Kerydin
Apixaban	Anti thrombotic	Eliquis





CDMO



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Why UQUIFA for CDMO?



Protection

We protect your intellectual property



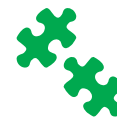
Quality

Strong quality system approved by regulators and customers



Expertise

Technical expertise in the development and manufacture of wide range of API's



Integration

Backward integration ensures cost efficient operations and the location of our manufacturing base a source of risk mitigation.



Flexibility

Flexible and adaptable to fulfil your needs



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CDMO platform

Evolving constantly

Based in Barcelona, Spain, we are one of the first API/ advanced intermediates manufacturing companies offering R&D and cGMP manufacturing across three continents. Post Soneas acquisition, we also use manufacturing facilities in Budapest, Hungary.

Services include:

- Development of novel synthetic routes and optimisation of existing laboratory processes
- Scale-up from Laboratory to Pilot Plant
- Scale-up from Pilot Plant to commercial
- Optimising laboratory developed routes of synthesis to reduce isolation steps, improve yield, reduce batch production time and eliminate the use of toxic and/or dangerous reagents
- Transfer of commercial scale processes



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Chemistry capabilities

Grignard reactions & Organometallic Chemistry

Fisher esterification & trans-esterification

Chiral Synthesis, Chiral resolution and Asymmetric Synthesis

Borane derivatives & coupling reactions

Heck reactions

Ozonolysis

Halogenations, Nitrations and Sulphur Chemistry

Hydrogenations (up to 5 bar) & reductions with reductive agents and different kind of hydrides

Triphosgene reactions (industrial precursor for phosgene)

Protection & de-protection Chemistry

Solid phase reactions

Crystallisation

PSD expertise

Polymorphism Studies

Pellets manufacturing capability in Spain



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Development and scale up capability

International R&D

Spain and Mexico R&D Lab



Custom synthesis, process improvement

- Capable of producing compounds from 1g to 1kg
- Small-scale glassware up to 20L glass reactors
- Make processes scalable, safe and environmentally friendly:
 - Reduces isolation steps
 - Improves yield
 - Minimizes batch production time
 - Eliminates use of toxic and/or dangerous reagents

Dedicated Analytical group for method development

- HPLC, GC-MS, IR, UV, TGA, DSC, PSD (Malvern Mastersizer and Air-Jet)

Spain and Mexico Pilot Plant



Scale-up and small scale production

- Producing 1kg to multi-kg quantities for Phase I, II and III clinical trials and for small scale commercial production
- Variety of vessel sizes and materials of construction

Installations are flexible allowing many combinations of reactors, filters and dryers

- Cryogenic capability
- Ozonolysis, hydrogenation and nitration

Qualified technicians run the plants under cGMP, on FDA approved sites

- The quality control systems in the PP are identical to those used for commercial production



CDMO case study

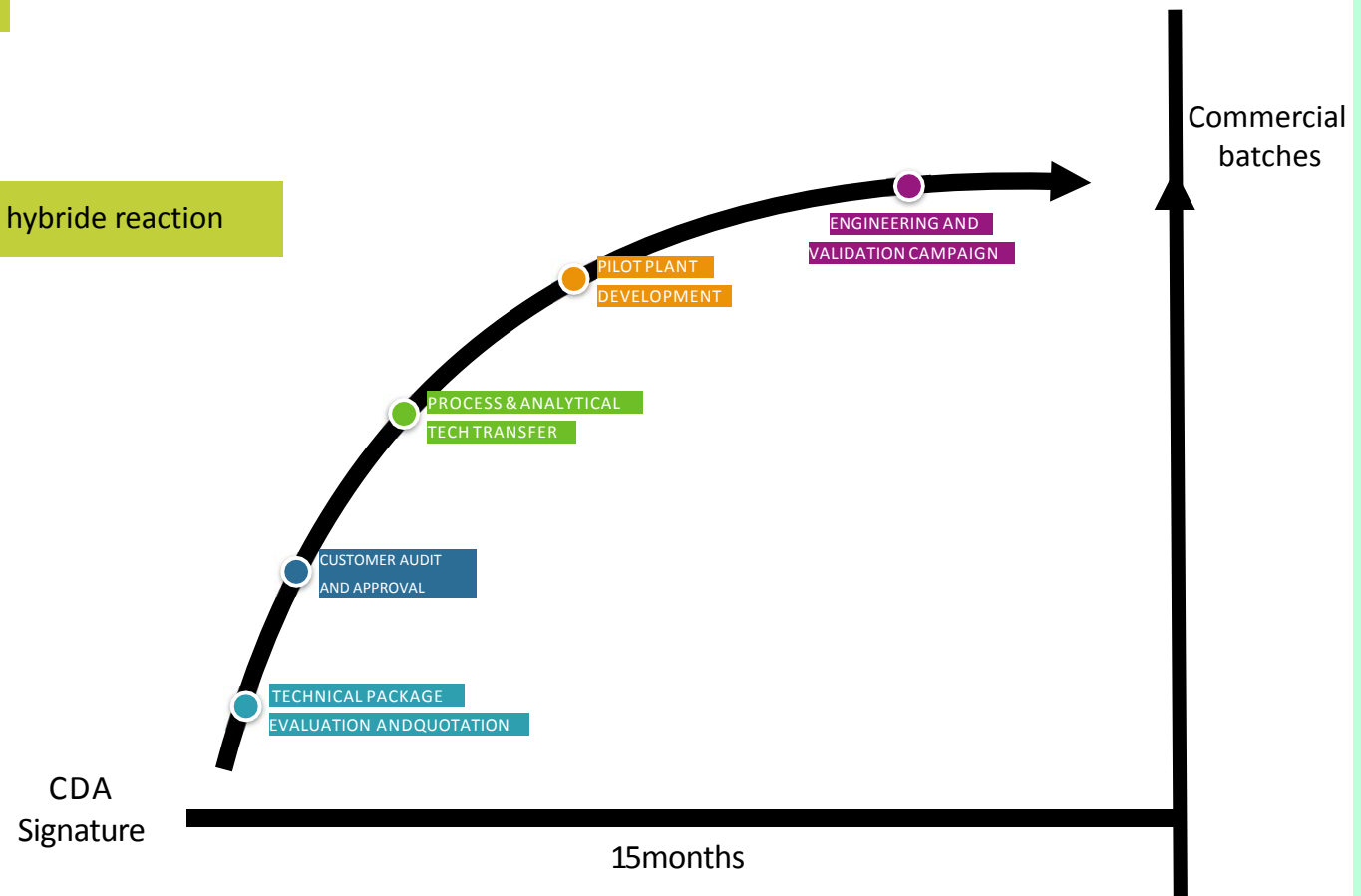
R&D product from US Biotech company

Therapeutic area: ARV compound, VIH

5 different FDF

5 reaction steps

Industrial challenge: nucleoside chemistry, hybride reaction



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Soneas' Offerings

Soneas Research

➤ Product Development –

- Rapid development of APIs and their intermediaries
- Custom contract manufacturing of cGMP APIs and their intermediaries (laboratory to pilot plant scales)

7

Laboratories

20

Chemists & Support

4.4_{m3}

Reactor Capacity

Soneas Chemicals

➤ Large Scale non-cGMP contract manufacturing –

- Rapid development of APIs and their intermediaries

200_{m3}

Reactor Capacity

Soneas has advanced capabilities in new chemical entity (NCE) development as well as emerging technologies such as metal catalysis and heterocyclic chemistry. It also has capabilities for varied end usage, which includes neurology, dermatology, metathesis catalysts and synthetic hormones.



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Soneas Facilities

Soneas Research

R&D laboratories:

- 7 research labs
- 3 analytical labs
- NMR lab

Pilot Plant (7847 m2):

- 1 kilo lab
- 1 analytical lab
- 1 IPC lab
- 2 process & scale-up labs
- 3 pilot plant production units

Soneas Chemicals

Large scale manufacturing site (63.000 m2):

- 2 production units
- Hydrogenation unit
- Distillation unit
- Drying and packaging unit

Reactor capacity – 208,000 L



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CDMO – Value Proposition



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Integrated solution provider following acquisition of Soneas

Protect clients' intellectual property

Strong quality-control system approved by regulators and customers

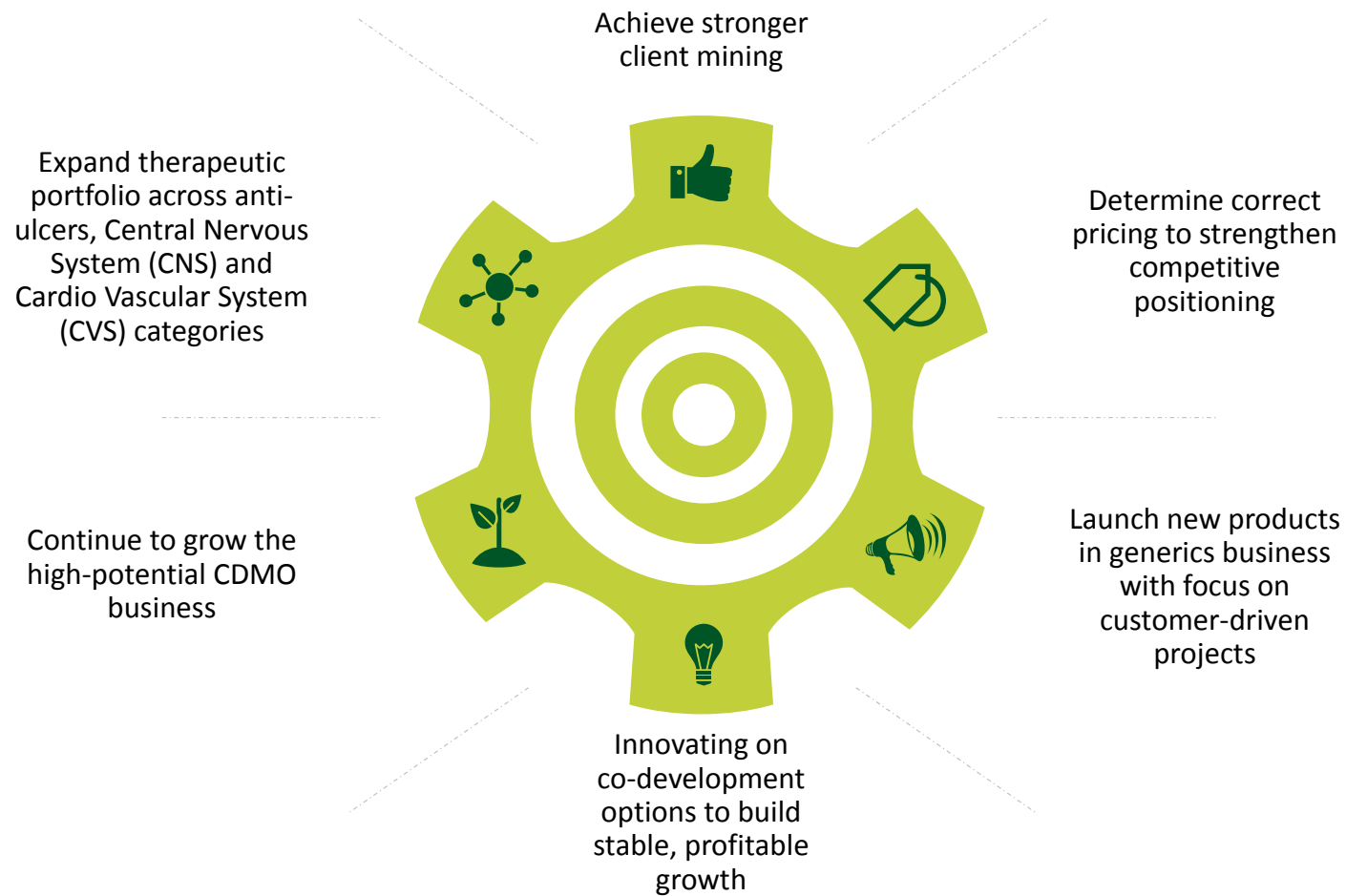
Technical expertise in manufacturing a wide range of APIs benefits in the co-development of the CDMO products

Higher cost-efficiencies owing to backward integration in the business



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Key Strategic Focus Areas



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UQUIFA dynamics

A summary of growth drivers in generics and CDMO

Generics

- Molecule portfolio with growing demand in areas such as anti- ulcer, CNS, and CVS
- Operational and cost efficiency is improving market share Expansion in Japan, Korea, and India
- Competitive advantage of regulatory compliance
- Pipeline of new products and improving market shares in Generic 50+ DMFs and 20+ approved CoS

CDMO

- Industry with a 6–7% annual growth
- Operational and cost efficiency is expanding market share
- Growth in EU, USA ,and Japan with Soneas technology
- Competitive regulatory advantage and compliance Increased
- capacity — Phase 1/2, NCE (Soneas)
- Full range "Lab — Pilot — Commercial Production"



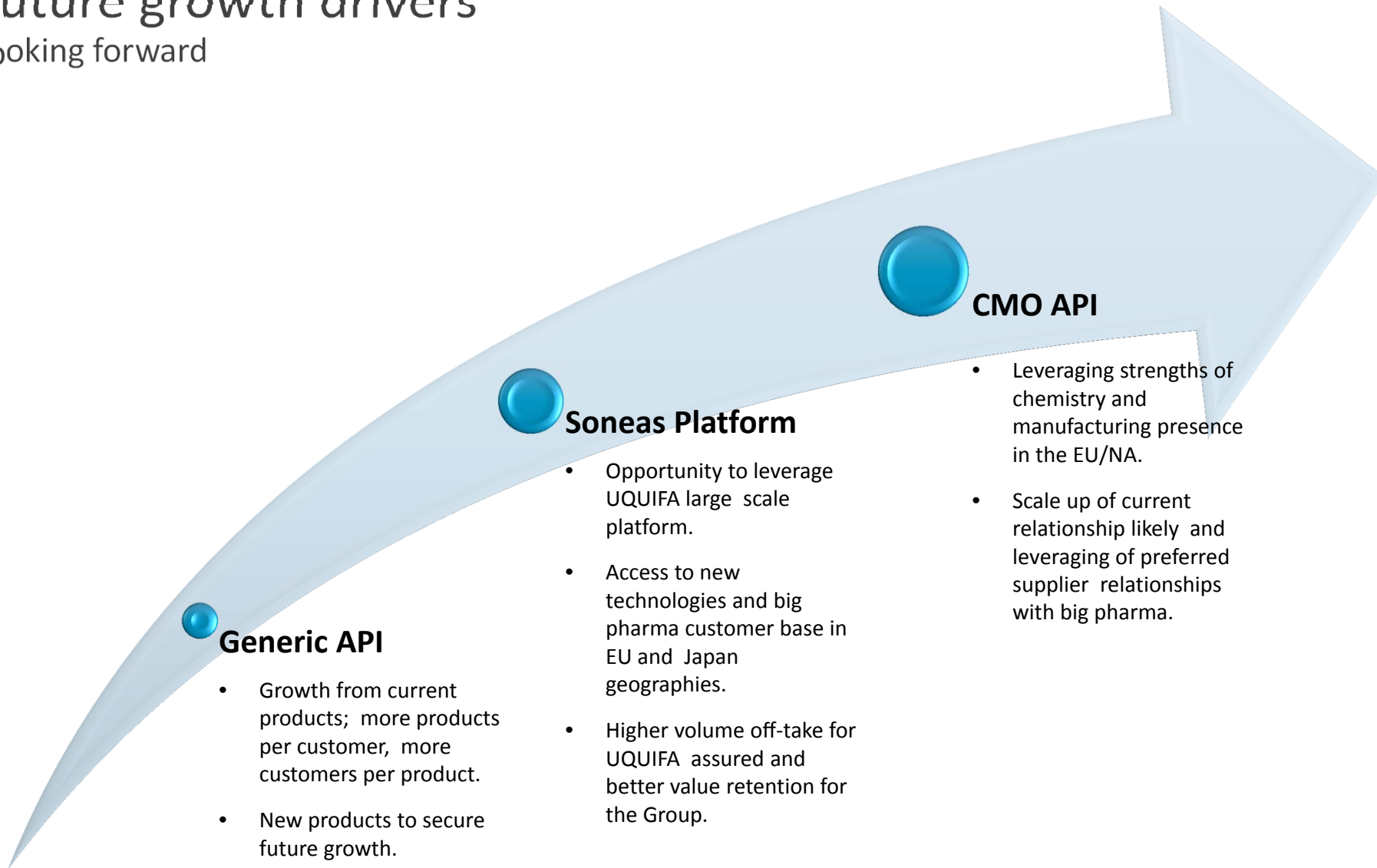
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Future growth drivers

Looking forward



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FDF



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Finished Dosage Formulation

- Value added business with focus on delivering quality and novel drug formulation
- Present in generic, branded and contract manufacturing segments
- Capacity – 2 bn solid oral dosages
- Marquee clients – GSK, Dr. Reddy's, Cipla, Merck Serono etc.
- Focused on expanding into non – USA based regulated generic markets such as CIS and African countries

FDF

**Contract
Manufacturing
(CM)**

Generics

**Branded
Products**



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Details of Facilities

Name of the Facility	Approvals
Jeedimetla, Hyderabad	PICs/NDA/WHO-GMP approvals
Kashipur, Uttarakhand	ISO 9001-2000; ISO 4001 & OHSAS 18001 certifications; WHO-GMP/ NAFDAC approvals
Jeedimetla Unit-2, Hyderabad	ISO 13485 certified; CE certificate for medical devices
Haridwar Uttarakhand	2000, ISO 14001 and OHSAS 18001 certifications; ISO 13485 certified

Key Strengths

Dedicated team of 60 scientists working on formulation developments for USA / Australia / EU and India market



Pan India presence in Institution Businesses like ESIC, Railways and many Central Government rate contracts



Registered and commercialized 4 products which includes Antiviral like Valaciclovir, Aciclovir, Pas Granules for supplies to the tuberculosis program in Russia



4 commercial ANDAs today



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Partnering Innovation

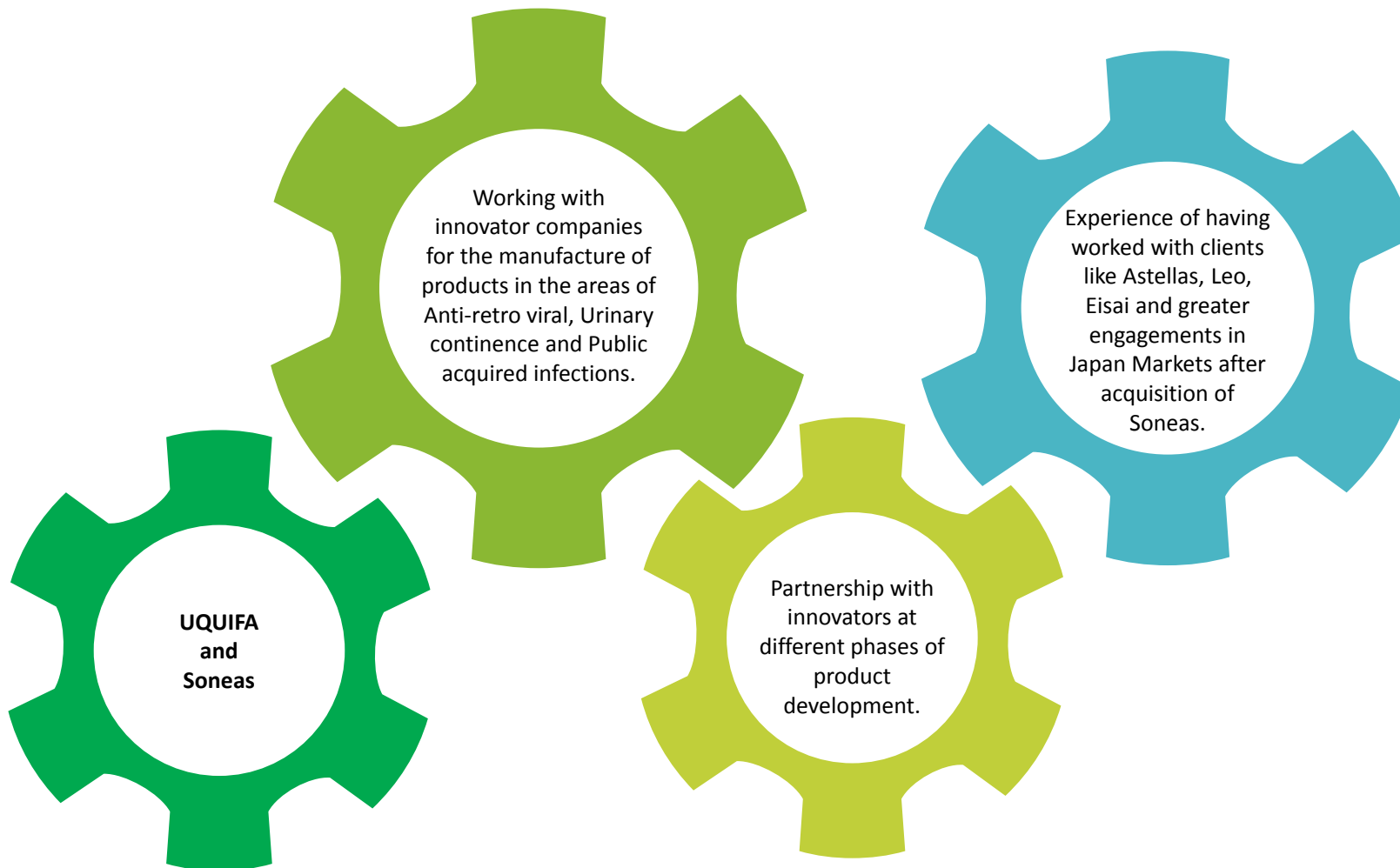


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Partnership with Innovator Companies



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Delivering Affordable Chemistry



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Delivering Affordable Chemistry

- We ensure all IPs are safe at all stages.

IP Protection

- Good R&D teams with highly accomplished professionals across all locations – Spain, Mexico, Hungary and India.
- State-of-the-art R&D equipment.
- Experience of working on development phases I, II and III, and scale up from lab to commercial scale.

Right Chemistry

- Manufacturing plants spread across Spain, Mexico and Hungary are all well recognized cost effective manufacturing hubs with demonstrated manufacturing capabilities.

Cost Effective

- FDA approved plants in Spain (2) and Mexico (1).
- cGMP approved R&D facilities in Soneas.
- 150+ active DMFs filed worldwide and 40+ type II DMFs filed with US FDA.

Regulatory Compliances

- Technical expertise in the development and manufacture of wide range of API's.

Expertise

- Backward integration ensures cost efficient operations and the location of our manufacturing bases a source of risk mitigation.

Integration

- Flexible and adaptable to fulfil all the customer needs.

Flexibility



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Growth Levers

- Launching formulations based on UQUIFA APIs in India and other parts of the world
- Developing innovative formulations across multiple delivery formats for different parts of the world
- Strengthening filing pipeline of four to six new files every year
- Ramping up the Contract Research and Manufacturing Services (CRAMS) business
- Achieving optimum utilization of existing capacities



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Specialty Chemicals Business



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Overview

Description



- Manufacturing active ingredients for home care, personal care and industrial products
- Product range - hair dyes, photochromic dyes, photochromic products, anti-microbials and imaging chemicals
- Maintains leadership position through captive manufacturing (Bidar-Karnataka) or with other partnerships
- Current portfolio consists of 100+ products serving 300 + Customers with supply expertise for any volumes
- Vivimed maintains world-class R&D capabilities with scientists who have a combined dye chemistry experience of greater than 100 years, both in Huddersfield-UK and Hyderabad-India.

Recognitions



- R&D certified as a GLP Laboratory by CISR - a government of India undertaking
- Awards from Johnson & Johnson– Quality Promise to Zero Defect in 2010 and Implementation of Supplier Enabled Innovative Idea in 2005
- Certificate of Appreciation from Hindustan Unilever Limited in 2009
- Recipient of the Queens Award in 2008
- UK's R&D team got the Centenary Medal by The Society of Dyers and Colorists (SDC) for Photochromic Dyes in 2005

Manufacturing Facilities



Manufacturing Facility – Bidar, India (Since 1991)

- Designed in compliance with US FDA norms & highest environmental standards
- Environmental certification: ISO 9001: 2008 QMS and ISO 14001:2004; Safety Management system ISO 18001: 2007

Research & Development Facilities- Nacharam in India and Huddersfield in UK

- Focus on idea-generating research right from creation of molecule and collaborative manufacturing



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Top Customers

Hair Dyes

COSMOTEC

COTY

L'ORÉAL

Henkel

MASSÓ



PARCHIMY
EUGENEPERMA
PARIS

WOOSUNG
Cosmetic & Trading

Photochromatic



Keystone
Innovation in Color Solutions

VISION
EASE®



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Financial Overview

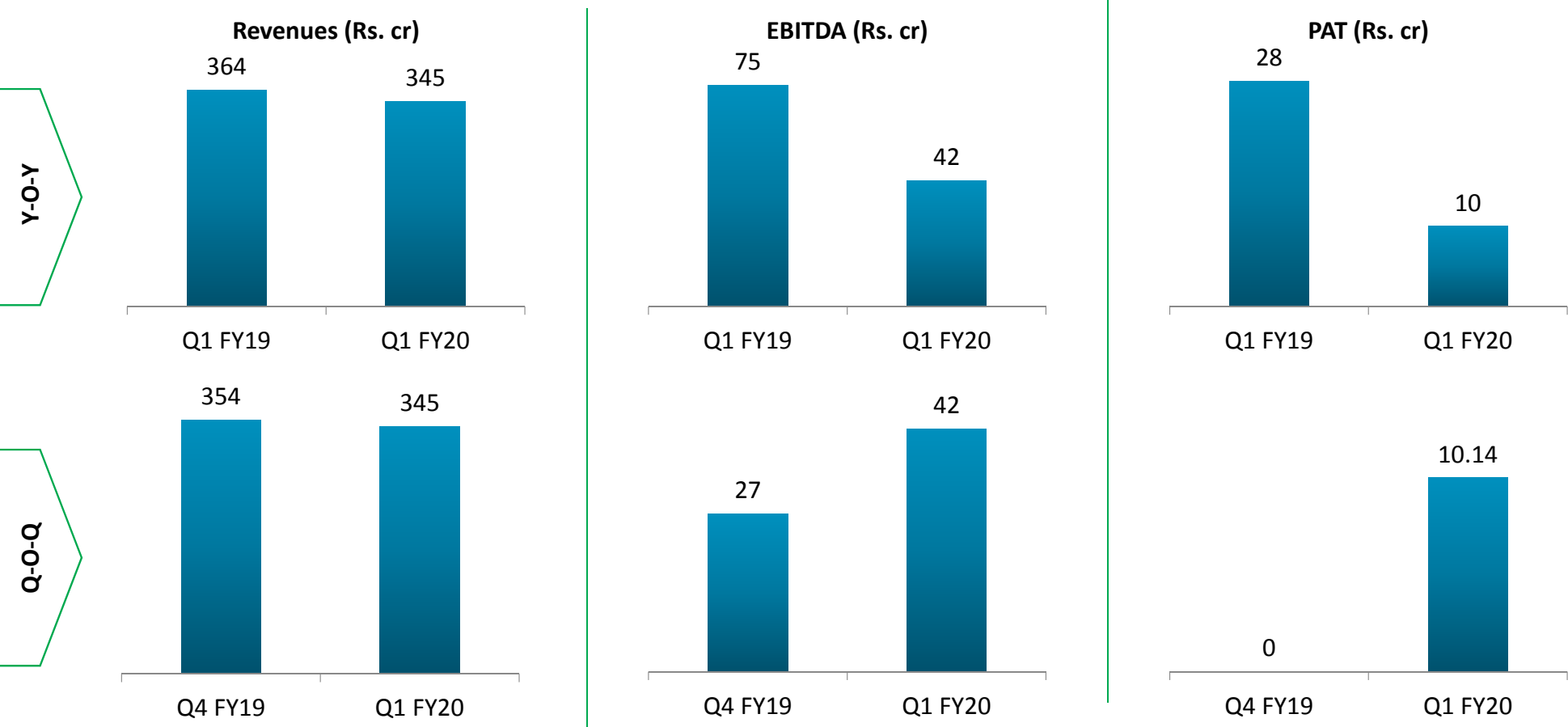


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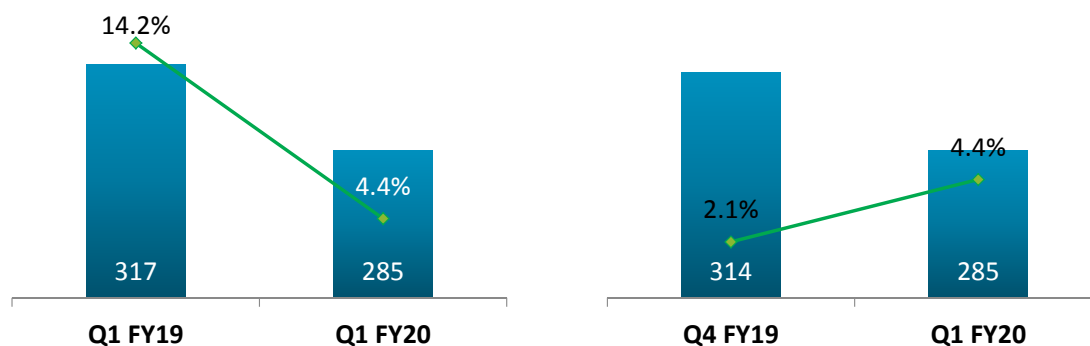
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Financial Highlights –Q1 FY20



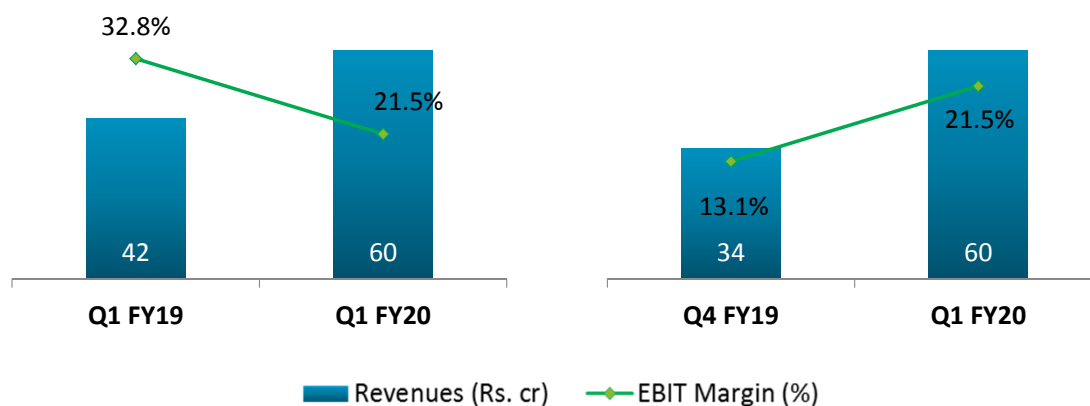
Segmental Performance –Q1 FY20

Pharma Business



- Revenues fell by 10% y-o-y to reach Rs. 285 cr.
- Margins for Q1 FY20 stood at 4.4% as against 14.2% for Q1 FY19.

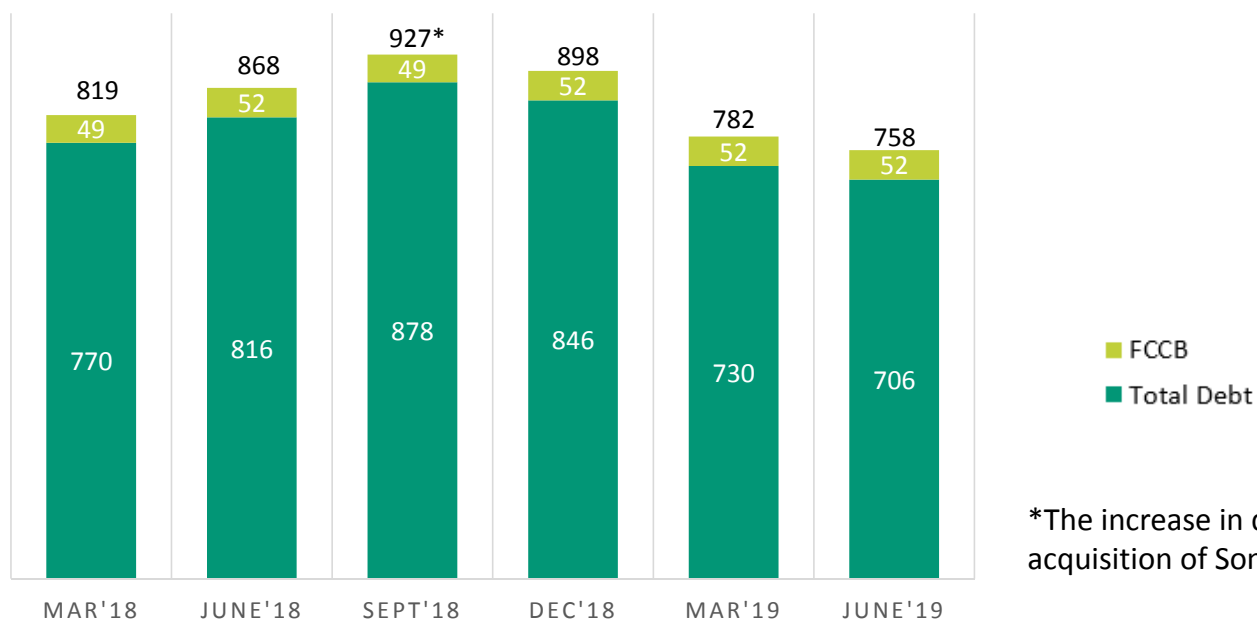
Specialty Chemicals Business



- Revenue from the business stood at Rs. 60 cr for Q1 FY2020 an increase by 42.8% compared to previous year.
- Profitability on the other hand declined to 21.5% in Q1 FY20 from 32.8% in Q1 FY19.



Debt Movement – Group Level

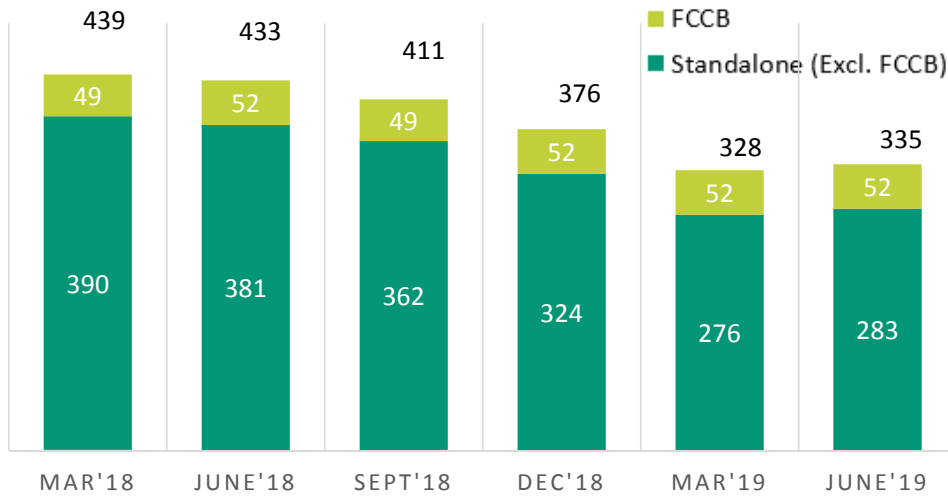


Vivimed has been focussed towards debt reduction and reducing the cost of funds.

Figures in Rs. Crore, as per IndAS

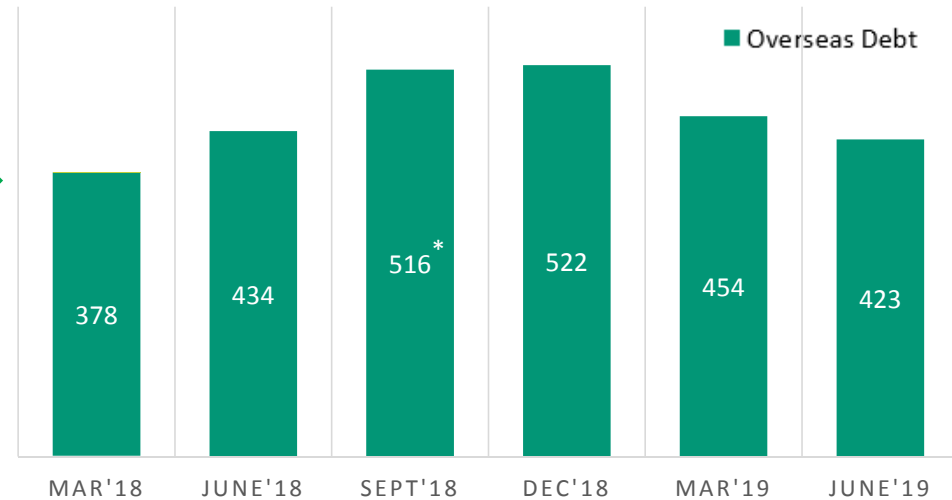


Debt Movement – Standalone and Overseas



← Debt levels - Standalone

Debt levels - Overseas →



*The increase in debt is due to the acquisition of Soneas.





Vivimed

Thank You

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