



ZIM **LABORATORIES** Limited

CORPORATE Presentation

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An Innovative Drug Delivery Solution Provider

ZIM develops, manufactures and supplies oral, solid differentiated generic pharmaceutical formulations and pre- formulation intermediaries (PFI) in certain key therapeutic segments.

We have in-house R&D capabilities to provide various delivery solutions that bring differentiation in generic pharmaceutical products.

Our delivery solutions are comprehensive and cover product conceptualisation product development, filing for registration, manufacture and supply of various pharmaceutical products.



Company Overview



Focussed on Differentiated Generic Products

Our value proposition is our ability to develop complex generic products as well as introduce novel drug delivery techniques, which provide unique therapeutic benefits to the patient and competitive edge to our partners. We strive to bring product differentiation by developing:

Combination generic products – for better patient convenience and compliance

Novel drug delivery platforms – like the Oral Thin Film solutions for serving specific patient groups

New dosage form and release patterns – like sustained release, immediate release , targeted release in pellets, capsules, granules, tablets, oral suspensions etc. to enhance efficacy and better patient convenience.



Company Overview



With a Partnership Business Model

We partner with pharmaceutical marketing and distribution companies which provide solutions for their development for brand/Product exclusivity extensions, sourcing and marketing of pharmaceutical products.

We have initiated development and supply of unique pharmaceutical products for the Developed Markets through new business partnerships.

Company Overview



Catering to Key Therapeutic Segments

ZIM's products are focussed in the following therapeutic segments:

- Urology
- Gastrointestinal
- Cardiovascular and Anti Coagulants
- Antibiotics and Anti Infectives
- NSAID / Pain Analgesics
- Vitamins and Supplements



Company Overview



Across Several Global Markets

ZIM's products and business initiatives cover several markets:

- Europe, Canada and Australia
- Latin America
- CIS Countries including Russia
- Asian Countries including SE Asia and South Asia
- MENA, Middle East and Turkey

Company Overview





BUSINESS

Complex / Combination Generic Products

Need for Complex / Combination Generics

- Support from Governments of various countries to provide approvals for alternates to high priced innovator products, thereby improving patient's access to low cost medicines (Regulators have been promoting Drug Competition Action Plan), thereby reducing cost of treatment while lowering side effects.
- For successful developers of these products, competition gets limited, allowing prices to be retained even after losing exclusivity
- These are difficult products which require complex and innovative product development and production methods, hence high entry barriers for competition and better margins for successful players

Current Status

- In 2019 ZIM entered into Co-Development, Production and Supply contracts for multiple Combination Generic products with milestone based delivery and payment schedules
- Under the leadership and guidance of a highly experienced R&D team, over a dozen products have completed Formulation & Process Development, Analytical Method Development and technology transfer.
- 3 of these products have completed Pilot, Pivotal BE Studies and Accelerated / Intermediate Stability Studies and applications submitted to the Ministry of Health (MoH), Turkey and are also ready for EU submissions

Growth Drivers

- These products have seen originator patent expiry in recent times / likely to see patent drops in near future and have high business upside
- Develop these products for registration and marketing in EU and across global markets as Finished Formulations in partnership with leading Marketing Co's, also market as Pre Formulation Intermediaries (PFI) to Pharmaceutical Companies for registration and marketing across markets including Developed Markets

Present Focus

- Pivotal BE Studies at a larger scale for registration of these products prior to commercial marketing
- Marketing tie ups and partnerships – including for Co-marketing in specific regions, Own Branding of these products

Targeted Markets

- EU Region
- Latin America
- Across RoW

Contracts Executed

- Turkey

Products Under Co-Development

- Gemifloxacin Tablet
- Pancreatin Capsule
- Mirabegron ER Tablet
- Sodium Bi-Carbonate Capsule
- Festerodine Fumarate ER Capsule
- Potassium Citrate ER Tablet
- Ferrous Glycin Sulphate Capsule
- Nicardipine Capsule

Products for BE Studies

- Di Methyl Fumarate Capsule
- Dabigatran Capsule
- Tamsulosin HCL and Dutasteride Capsule
- Acitretin Capsule
- Tofacitinib ER Tablet



Novel Drug Delivery Platform : Oral Thin Films - ZIM is a Pioneer and Leader in OTF

Need for OTF as a New Drug Delivery Platform

- Non-Invasive characteristic enables easier administration to paediatric, geriatric, mentally challenged and bed-ridden patients
- Quick disintegration, leading to quick onset of action is also used for sublingual and buccal absorption routes, improved bio-availability
- Enhances safety with high-precision dosage and low excipient load
- Non invasive mode of administration, Large molecules / proteins (incl. complex generics, injectable) can be formulated for sublingual / transmucosal delivery

Current Status

- In 2014, ZIM ventured into investing in developing this Novel Drug Delivery Platform, its technology provides cost effective products using a robust manufacturing process
- Over the years ZIM has conceptualised, developed, manufactured and commercially marketed several OTF products across markets including India. Products cover Pharmaceutical as well as Nutraceutical segments
- Zim possess valid US patent for this innovative technology platform
- Several Co Development and Supply Contracts have also been entered with milestone based payment and delivery schedules
- Over 15 of these products have completed Pilot, Pivotal BE Studies and Accelerated / Intermediate Stability Studies and submitted for registration with Health Authorities

Growth Drivers

- New platform provides differentiation for the original drug manufacturer for extending product lifecycle
- Competitive pricing with the original dosage form along with additional benefits makes it a next gen pill
- Opportunity to convert products to oral delivery from invasive delivery

Present Focus

- Investment in registration of products, marketing partnerships and ZIM's own branding
- BE / Clinical Studies for entry into Developed Markets

Targeted Markets

- EU Region
- Latin America
- North America
- ROW including Russia and CIS
- USA (Nutraceutical)

Contracts Executed

- In Europe - NurexPharm, FarmlItalia, Novatin, Major MNC's
- In Brazil - Hypera
- In India: Eisai, Sun Pharma, Cadila, RPG, Mankind etc.
- Canada – Jamp Pharma

Products Under Co-Development

- Opioid Analgesic
- Anti-Diabetic
- Vitamin & Supplements
- Anti-emetic
- Healthcare & Wellness

Commercial Products

- Ondansetron
- Donepezil
- Sildenafil and Tadalafil
- Rizatriptan and Zolmetriptan
- Methyl Cobalamin
- Vitamin D3



Differentiated Generic products : New Dosage Form and Release Pattern

Need for New Dosage Form and Release Pattern

- Rising competition in generics space is driving the need for differentiated products and repurposing of existing molecules for new therapeutic indications.
- These products enhance competitiveness and increase profitability for specialty pharma Co's thereby driving preference for incremental innovation through NDDS over new drug discovery
- New forms and release patterns lead to better drug efficacy, lower dosage frequency, improved bio-availability, minimisation of side effects and increased patient adherence

Current Status

- ZIM acts as a single window partner for multiple proprietary innovative offerings which cover a wide range of dosage forms and products – like pellets, capsules, oral suspensions, granules, tablets etc
- Specialises in differentiation in products through various drug release patterns like Sustained Release (SR) , Immediate Release (IR) , Targeted Release, Taste Masking etc

Growth Drivers

- Several products coming off patent – potential for tie up with clients for supply of differentiated PFIs for Developed Markets
- Leverage on existing product basket and the PFI business to grow Finished Formulations in specific therapeutic segments
- Increase marketing efforts and add more partnerships, JVs with local players in new Pharmerging and ROW markets
- Develop own branding strategy for Finished Formulations

Present Focus

- Strategic shift to (i) high margin export business from Institutional and Deemed Export Business (ii) Pharmerging and Developed Markets from RoW and (iii) more differentiated generic products from conventional products
- Marketing tie ups and partnerships – including for Co-marketing, JVs in specific regions, ZIM's own branding strategy

Targeted Markets

- Africa
- CIS Countries including Russia
- Latin America
- Asia including South and SE Asia
- India

Contracts Executed

- ROW Markets

Established Technologies

- Palletisation
- Taste-masking by drug complexion
- Stabilization
- Casting
- Multi-layered Pellet technologies offering different release patterns.

New Technologies / Platform in Pipeline

- Double layer oral thin film
- 2D Printing with drug carrier ink on various oral solids
- Lipid soluble drugs in pellets form
- Nano-fibre generation and loading.
- Submicron suspension technology for low bioavailable drugs. The products are available in pellets in capsule form
- Multi-layered pellets technology offering different release patterns includes drug delivery at different pH range from intestine to colon.
- Novel technology for alternative to OROS technology products.

Strategic Initiatives

Showing Initial Results



Focus on Growing our Core business of Exports of Formulation and PFI

- Total export business registered a **CAGR @ 12%** over the last 3 years (FY18 – F21E)
- Of this, Formulation export has tripled (**over 40% CAGR**) over the last 3 years (FY18 – F21E)
- Pre-Formulation Intermediaries exports has grown at around **5.7% CAGR** in the same period
- ZIM has registered over **660** formulations in its own name across **52** markets In addition it has also registered in its own name over **370** brands across various markets ; several filings are also awaiting registration

While reducing Institutional and Other Non Core Businesses:

- Institutional business has reduced by half (De-growth of **21% of CAGR** in the period FY18 – FY21E)
- Deemed Export has degrown by **9%** in the same period

Resulting in Export Business, as part of the Total Revenue, being estimated 77% in F21E vs. 59% in FY18

Note: FY21E indicates Estimated numbers for FY21

Strategic Initiatives

Showing Initial Results

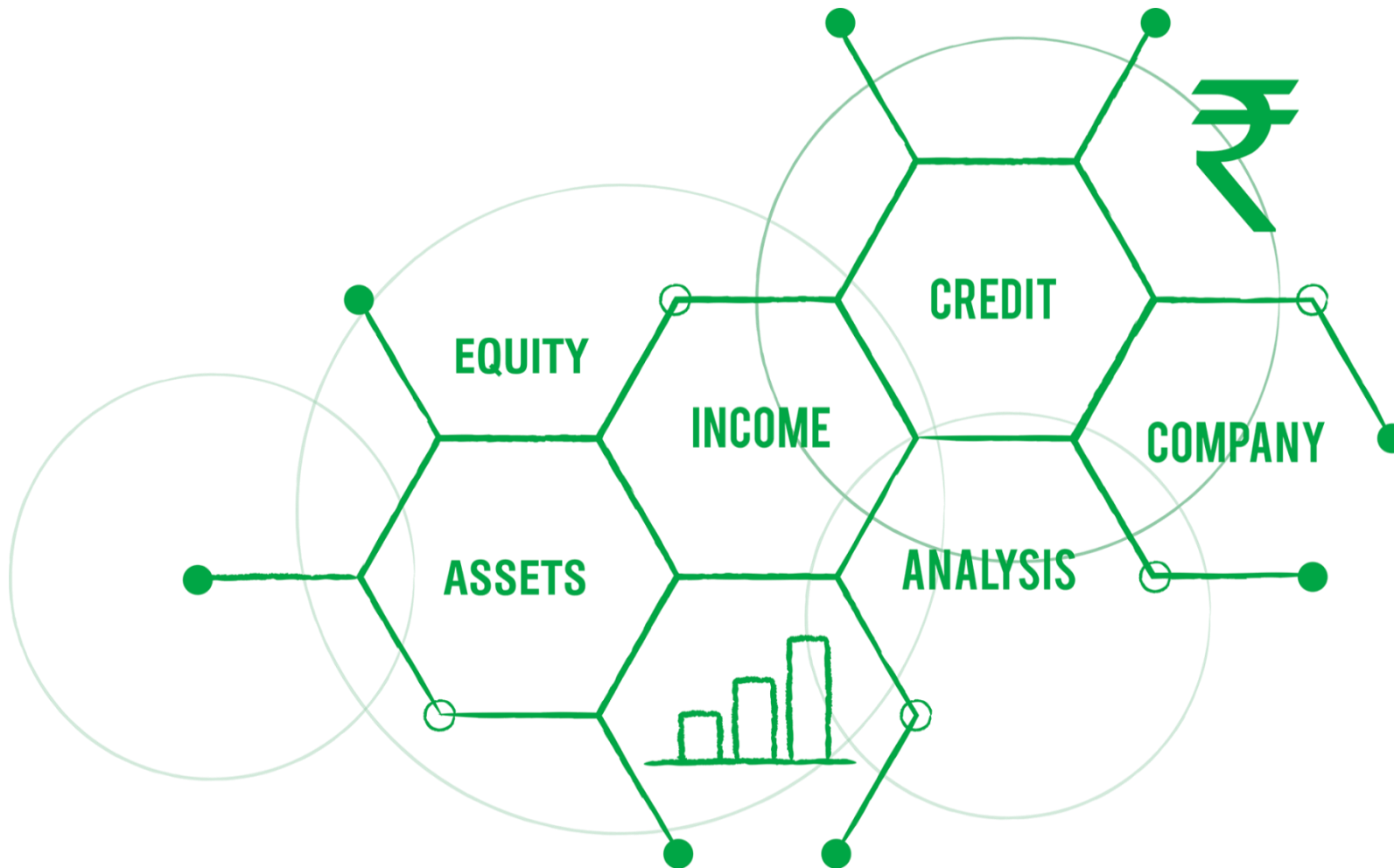


Developing the “Thin Film” delivery platform – several products commercially launched

- Estimated to have commercial revenue of around **INR 110 Mn** in FY21E including Co – Development Fees
- **6** registrations filed for Developed Markets - Europe (3), Brazil (2) and Canada (1) in collaboration with global partners
- In advance discussion for Nutraceutical products for USA

Strengthening R&D, QA, QC and Operations for partnering Pharmaceutical Companies in Co-Development and supply

- Revenue of around **INR 150 Mn** estimated as milestone payments till FY21E
- Presently **14** complex generic Co-Development projects in pipeline for Europe, Brazil and Turkey markets
- **4** OTF products are signed under Co-Development projects



FINANCIALS

Financial Information

Statements of Financial Positions

INR in Millions

Assets	FY19	FY20	9M FY21
Gross Block - Fixed & Intangible Assets including WIP	1,435	1,630	1,675
Net Block- Fixed & Intangible Assets including WIP	1,141	1,209	1,152
Other Non- Current Assets	195	257	255
Debtors	904	633	726
Current Assets	1,009	1,129	1,125
Total	3,249	3,229	3,257
Liabilities	FY19	FY20	9M FY21
Equity	1,512	1,517	1,558
Long term Borrowings (including current maturity)	371	402	348
Short term Borrowings	402	497	489
Other Non- Current Liabilities	-	6	4
Current Liabilities	964	807	858
Total	3,249	3,229	3,257

Income Statements

INR in Millions

Particulars	FY19	FY20	9M FY21
Income from Operations	3,227	2,578	2,173
Other Operating Income	90	165	132
Total Income from Operations	3,317	2,743	2,305
Operating Costs	2,735	2,371	1,915
EBITDAR	582	372	390
R&D Expenses	137	128	91
EBITDA	445	244	299
EBIT	333	112	192
Profit/(Loss) before exceptional item & tax	227	-15	112

ZIM has been incurring Capital investments in Plants and equipment's, BE studies, Brand Purchase, etc. and Reducing Debtors:

- Gross Block grew by **35%** over last 3 years
- Funding of these assets has been through internal generation; Overall Gearing (TL only) has been reduced from **95%** to estimated **55%** over last 5 years (from 60% to 55% in last 3 years)
- Debtors days estimated to improve to around **85 days** in (FY21E vs. 122 days in FY18)

Margins have shown an improvement in 9m FY21E:

- EBITDA margins have improved to **13%** in 9m FY21, up from only **9%** in FY20
- Pre-tax profit margins have improved to **5%** in 9m FY21 vs. loss in FY20



Zeal & Innovation in Medicine

THANK YOU