Africa Business Forum
Aspen Holdings
About Aspen

- Global supplier and manufacturer of branded and generic pharmaceutical products as well as infant nutritionals and consumer healthcare products in selected territories

- Well positioned in both developing and developed markets

- 26 manufacturing facilities at 18 sites on six continents and manufactures 24 billion tablets annually

- Produces products renowned for quality, efficacy and affordability

- No.1 in Anaesthetics globally (ex-USA)

- No.2 in injectable Anticoagulants globally (ex-USA)

- Leading global producer of regulated hormonal products

- Largest pharmaceutical company listed on the South African securities exchange, JSE Limited (“JSE”) and one of the top 20 companies listed on this exchange
  - USD 10 billion market cap
<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>Began trading</td>
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<tr>
<td>1998</td>
<td>Listed on JSE</td>
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<tr>
<td>1999</td>
<td>Acquired SA Druggists</td>
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<tr>
<td>2001</td>
<td>Obtained rights to HIV/AIDS drugs from GSK, BMS, Boehringer Ingelheim</td>
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<td>2003</td>
<td>Launched Aspen-Stavudine; the first generic ARV drug developed and manufactured in Africa</td>
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<td>2003</td>
<td>Product fostering agreement concluded with GSK in South Africa</td>
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<td>2005</td>
<td>Unit 1 facility in Port Elizabeth became world’s first site to receive tentative US FDA approval for production of certain generic ARVs</td>
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<td>2008</td>
<td>Entered Latam market</td>
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<td>2008</td>
<td>Acquired IP rights to four GSK global brands</td>
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<td>2009</td>
<td>Concluded a series of strategic transactions with GSK: 1) acquired rights to distribute GSK products in SA; 2) formed “The Collaboration” for SSA; 3) acquired eight specialist brands and 4) acquired Bad Oldesloe site in Germany</td>
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<tr>
<td>2011</td>
<td>Acquired Australian-based Sigma Pharmaceuticals Limited</td>
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<td>2013 &amp; 2014</td>
<td>Nestle infant milk transactions in Australia, SA &amp; Latam</td>
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<tr>
<td>2013 &amp; 2014</td>
<td>Acquired API business and products from Merck; anticoagulants portfolio and specialised sterile production site from GSK</td>
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<tr>
<td>2015</td>
<td>Synergy realisation plans established following 2013/2014 acquisitions</td>
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<td>2016</td>
<td>Restructured business to align with therapeutic focus areas</td>
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<td>2016</td>
<td>Acquired exclusive rights to commercialise AstraZeneca’s global anaesthetics portfolio (ex-USA)</td>
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<tr>
<td>2016</td>
<td>Exercised option to acquire Fraxiparine and Arixtra from GSK for commercialisation in China, India &amp; Pakistan</td>
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<tr>
<td>2017</td>
<td>Acquired remaining rights to IP and manufacturing know-how related to AstraZeneca’s anaesthetics portfolio</td>
</tr>
</tbody>
</table>

### Future

**Commercial focus on specialised therapies**

- Increased complex manufacturing capabilities
- Leverage of geographic footprint
- Portfolio expansion through development and acquisition
Manufacturing capability

**Key sites**

**Finished Dose**
- Port Elizabeth, South Africa
  Sterile manufacturing, solids, high-potency, hormonal
- Notre Dame de Bondeville, France
  Sterile manufacturing, solids & semi-solids
- Bad Oldesloe, Germany
  Solids & semi-solids, liquids, blow-fill seals

**API**
- Oss, the Netherlands
  Biochemical API, hormonal API, Chemical API
- Notre Dame de Bondeville, France
  Biochemical API, Chemical API
- Cape Town, South Africa
  Specialised API
- Sioux City, USA
  Biochemical API
- Vizag, India
  Intermediate API

**Regional sites**
- Vitoria, Brazil
- Vallejo, Mexico (Nutritionals)
- Nairobi, Kenya
- Johannesburg, South Africa (Nutritionals)
- East London, South Africa
- Dar es Salaam, Tanzania
- Melbourne, Australia
- Auckland, New Zealand (Nutritionals)
- Hyderabad, India
Sales representation in 43 countries

*As at H1 2017
## FY2017 Group revenue | by customer geography

### Revenue by customer geography

<table>
<thead>
<tr>
<th>Geography</th>
<th>FY 2017 (R'million)</th>
<th>FY 2016 (CER)* (R'million)</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed Europe</td>
<td>11 431</td>
<td>10 161</td>
<td>13%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>10 957</td>
<td>7 490</td>
<td>46%</td>
</tr>
<tr>
<td><strong>Sub-Saharan Africa</strong></td>
<td><strong>9 892</strong></td>
<td><strong>9 185</strong></td>
<td><strong>8%</strong></td>
</tr>
<tr>
<td>Latin America</td>
<td>4 184</td>
<td>3 254</td>
<td>29%</td>
</tr>
<tr>
<td>Developing Europe and CIS</td>
<td>2 589</td>
<td>2 223</td>
<td>16%</td>
</tr>
<tr>
<td>MENA</td>
<td>1 117</td>
<td>820</td>
<td>36%</td>
</tr>
<tr>
<td>USA &amp; Canada</td>
<td>1 043</td>
<td>618</td>
<td>69%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41 213</strong></td>
<td><strong>33 751</strong></td>
<td><strong>22%</strong></td>
</tr>
</tbody>
</table>

* FY 2016 restated at FY 2017 average exchange rates

### Sales contribution

- Developed Europe: 28%
- Asia Pacific: 27%
- Sub-Saharan Africa: 10%
- Latin America: 6%
- Developing Europe and CIS: 3%
- MENA: 2%
- USA & Canada: 24%

* FY 2016 restated at FY 2017 average exchange rates
Strategic Objectives

- Deliver sustainable growth from a diversified portfolio of products and geographies
- Provide high quality, affordable products to customers and patients
- Increase the direct promotion of Aspen products worldwide
- Deliver superior returns on investment for our shareholders over the long term
- Continuously increase and improve our offering to healthcare professionals and patients through a prolific pipeline
- Achieve a strategic advantage through our production capabilities
- Provide a safe, challenging and rewarding environment for our employees
- Practice good corporate citizenship
- Be alert to opportunities to enhance the value of the Group for its stakeholders
Strategic Objectives | How these are accomplished

- Selecting management teams that are decisive and entrepreneurial
- Empowerment of accountable in-market management
- Accredited strategic and regional manufacturing capabilities that are flexible and scalable to demand
- Achieving economies of scale
- High quality production standards
- On-going investment in manufacturing facilities
- Establishing and maintaining a diverse, differentiated and market-focused pipeline
- An organic pipeline based on target therapies
- Innovation and leverage from acquired intellectual property
- Establishing partnerships with both multinationals and regional developers/manufacturers
- Expanding territorial coverage by establishing representation and distribution platforms across selected markets where there is sufficient critical mass
- Significant presence in emerging markets
Aspen’s Presence in Sub-Saharan Africa

- One of the largest pharmaceutical manufacturing companies in SSA
- Market leader for crucial therapeutic categories
- Plant equipped with modern, automatic equipment for both solid and liquid oral preparations with full compliance to cGMP

Manufacturing Capacities:
- Tablets - 1.2 billion
- Semi-solid - 15 tons
- Liquids - 1 500 Kl

- Aspen uses its own strong sales representation and distribution infrastructure across the region to supply a range of quality pharmaceutical products to meet the needs of the local population

**Key territories:**

- Southern Africa: Botswana, Namibia, Zambia, Zimbabwe
- East Africa: Kenya, Uganda, Tanzania, Ethiopia
- Anglo West Africa: Nigeria, Ghana
- French West Africa: Ivory Coast, Senegal

- Situated in Nairobi’s Industrial Area, the hub of industrial activity in Nairobi
- State of the art cGMP compliant pharmaceutical plant capable of manufacturing a variety of products
- Wide range of product portfolios comprising of OTC’S, prescriptions and branded pharmaceutical products
- Domestic customer base is spread throughout Kenya
- Export sales generated from other parts of East and Central Africa, including Tanzania, Uganda, Rwanda, Democratic Republic of Congo, Zambia, Malawi, Burundi and Ethiopia
- A pioneer in Kenya, developing lifestyle brands that are serving niche yet crucial needs of the Sub-Saharan African population

Manufacturing Capacities:
- Tablets - 0.5 billion
- Liquids - 488 Kl
Aspen’s Presence in Sub-Saharan Africa

As a subsidiary of Aspen Pharmacare Holdings Limited, commenced trading in April 2013
Covers all the six Geo political zones of the country

Planned strategies:
Growing the market share
Register almost 50 brands in various therapeutic categories including anti-infectives, cardiovascular, pain management, gastrointestinal, respiratory and nutritionals

Acquired approval from authorities:
Corporate Affairs Commission (Federal Republic of Nigeria)
The Pharmacists Council of Nigeria

In May 2015, Aspen Pharmacare Holdings Limited entered Ghana by acquiring a 65% stake of local company, Kama Industries Limited
An established business in Ghana with well-known OTC brands
The acquisition included the existing production facility

Manufacturing Capabilities:
Small to medium volume liquids

Manufacturing Capacities:
Liquids - 567 KL

Supply chain for Aspen products to other entities in Sub-Saharan Africa
Commercialisation of products in Southern Africa
Have field force via distributor infrastructure
Our Research and Development Centre is aimed at:

- Widening our product portfolio, to develop new products and improve on the strength, efficacy and quality of our products
- Pursue research, development and manufacture of new products of proven quality, affordable and economically viable, and as a tool to drive business in the region and beyond
- Ensuring products meet the requirements of our esteemed customers
- Making Beta Healthcare International Limited a centre of competence in pharma formulations, design and development in Sub-Saharan Africa
- Innovative approaches to business for profitability and enhancement of quality of life

Quality Management and Control:

- Beta Healthcare International has a well established Quality Management System that ensures that the products that reach the consumer are safe, efficacious and of high quality as well as a well established and equipped Quality Control Laboratory
- A vigorous due diligence is done on all our new products to ensure that we only have quality products. To this end, the Technical team is charged with the responsibility of ensuring that the suppliers and the contract manufacturers are all (GMP) Compliant
Challenges

Socio-political challenges
• Elections have a negative effect on the business
• Unrest in key countries
• Changes in local legislation

Tax changes
• Frequent changes to Tax legislation
• Ambiguous interpretation of Tax legislation

Forex fluctuations
• Regular unfavorable fluctuations when benchmarked against the USD
The way forward

Lessons learnt

- Having the correct business models dependent on the dynamics in each individual country.
- Selecting staff with values aligned with that of Aspens core values.
- Establishing robust relationships with all key stakeholders in the various territories.

Future Plans

- Further exploration and penetration into French West Africa
- Business enhancement in Nigeria
- Diversification of portfolio across the region and capitalizing on recent acquisitions
Thank you