



# Project Aida

*Leading Specialty Pharmaceutical Company with a Strategic Focus on Complex Medicines in Europe*

*Lenders Presentation – March 2021*

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# Today's Presenters

## ADVANZ PHARMA



**Graeme Duncan**

**Chief Executive Officer**

- Appointed as CEO in July 2018
- Joined in 2014 as UK General Manager and Global Marketing Director

*Launched and grew Seretide, Serevent COPD, Avandia amongst a number of NCE's*



**Adeel Ahmad**

**Chief Financial Officer**

- Appointed as CFO in July 2018
- Joined in 2013 as Vice President Finance and Controller

*Extensive M&A, optimization and restructuring track record including execution of post-acquisition synergies*



**Paul Burden**

**Chief Commercial Officer, Strategic Growth**

- Appointed as CCO in July 2018
- Joined in September 2016 as Vice President of UK&I Commercial

*Led the growth of MacroBID Grown brands such as Mucodyne, Easi-Breathe, QVAR*



## Nordic Capital



**Christof Ratjen**

**Partner**

- Joined Nordic Capital in 2011
- Christof is the Head of Capital Markets at Nordic Capital

*Extensive banking background and has led numerous multi-product debt financings for Nordic Capital's portfolio investments*





# Agenda

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# Transaction Overview

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**ADVANZ**  
PHARMA

# Executive Summary

- On 27 January 2021, funds advised by Nordic Capital (“Nordic”) announced a recommended cash offer to acquire the entire issued share capital of ADVANZ PHARMA Corp. Limited (“ADVANZ PHARMA” or the “Company”). The offer values ADVANZ PHARMA’s equity at approximately \$846m
  - ADVANZ PHARMA is a highly diversified and cash generative specialty pharmaceutical company with a strategic focus on complex medicines across therapeutic areas with direct sales access in Europe and a global distribution network
  - As of FY20 ADVANZ PHARMA generated \$551.9m of PF revenue<sup>(1)</sup> and \$239.6m of pro-forma adjusted EBITDA (43.4% margin)
- Nordic is very well placed to be a strong partner for the business given their relevant knowledge and track-record in the healthcare industry, which will support management’s strategy to continue to expand into niche growth products to capitalise on the tangible growth prospects
- The acquisition financing package comprises **\$1,380m**, comprising of:
  - **\$360m (Euro denominated), 7-year Term Loan B**
  - **\$1,020m Other secured debt**
  - **Supplemented by a \$200m undrawn multicurrency 6.5-year RCF**
- Equity contribution stands at c.44% of the net capitalisation
- Pro Forma for the transaction, the Company will have a total net leverage of 5.2x based on \$239.6m of pro-forma adjusted EBITDA
- The transaction is being implemented via scheme of arrangement, which is expected to complete in Q2-2021

<sup>1</sup> Pro forma adjusted for Alprostadil and Correvio.

# Financing Structure

Sources	\$m	Uses	\$m
First Lien Term Loan B (EUR)	360	Enterprise Value including fees and expenses <sup>(2)</sup>	2,185
Other secured debt	1,020	Cash Overfunding	150
Equity Contribution <sup>(1)</sup>	955		
<b>Total</b>	<b>2,335</b>	<b>Total</b>	<b>2,335</b>

\$m	All Senior			Tenor
	Amount	x PF Adj. EBITDA <sup>(3)</sup>	% Cap.	
Cash and Cash-equiv.	(150)	(0.6)x	(7%)	
New \$200m RCF	-	-		6.5 years
First Lien Term Loan B (EUR)	360	1.5x	16%	7.0 years
Other secured debt	1,020	4.2x	47%	
Lease Liabilities <sup>(4)</sup>	8	0.0x	1%	
<b>Total Net Debt</b>	<b>1,238</b>	<b>5.2x</b>	<b>56%</b>	
Equity Contribution <sup>(1)</sup>	<b>955</b>	<b>4.0x</b>	<b>44%</b>	
<b>Total Net Capitalisation</b>	<b>2,193</b>	<b>9.2x</b>	<b>100%</b>	
Dec-20 pro-forma adjusted EBITDA	239.6			

1. Represents total equity valuation (Nordic investment plus potential rolled equity); 2. Consists of Equity Value (\$846m), repayment of existing net debt (\$1,164m) and other liabilities (\$83m) as of Dec-20, and transaction fees and expenses (\$92m); 3. refers to the GoE adjusted PF EBITDA see page "Limited Adjustments to EBITDA"; 4. Rounded figure as of Dec-20

# Indicative Structure Post Closing (Simplified)

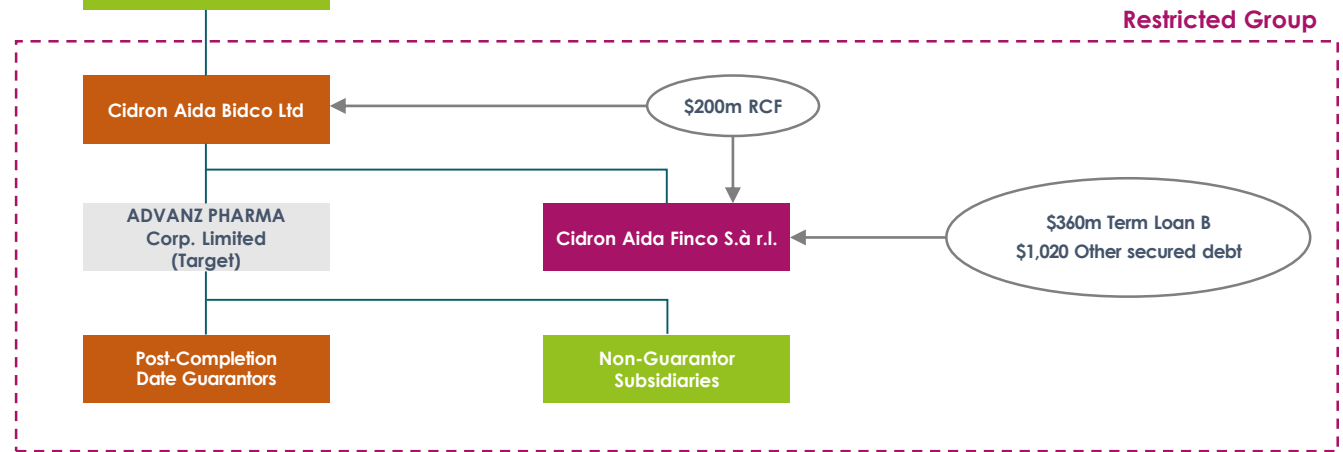


## Comments

- The financing will benefit from a guarantor coverage requirement of 80% of EBITDA with material subsidiaries (>5% of EBITDA)

## Legend

- Non-Guarantors
- Guarantors
- Issuer / Borrower
- Shareholders / Investors
- All Shareholdings are 100% Unless Otherwise Stated
- Borrowing Entity



# Summary Terms

	Senior Secured Term Loan B
<b>Borrower</b>	<ul style="list-style-type: none"> <li>▪ Cidron Aida Finco S.A.R.L. (Lux FinCo)</li> </ul>
<b>Facility</b>	<ul style="list-style-type: none"> <li>▪ \$-equiv. of 360m</li> </ul>
<b>Currency</b>	<ul style="list-style-type: none"> <li>▪ EUR</li> </ul>
<b>Maturity</b>	<ul style="list-style-type: none"> <li>▪ 7.0 years</li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>▪ Pari passu</li> </ul>
<b>Guarantors</b>	<ul style="list-style-type: none"> <li>▪ Guaranteed on a senior basis by (i) on the Completion Date, substantially simultaneously with the guarantees granted in favour of obligations under the Senior Facilities Agreement, by Cidron Aida Bidco Limited (the "Company") and Lux FinCo and (ii) post closing, subject to the Agreed Security Principles, the Post-Completion Date Guarantors (Amdipharm Limited, Mercury Pharmaceuticals Ltd, Advanz Pharma Generics (UK) Ltd. and Mercury Pharma International Limited)</li> </ul>
<b>Security</b>	<ul style="list-style-type: none"> <li>▪ Shares in the Company, the issuer and over each material subsidiary (not in an excluded jurisdiction), intercompany loans from Topco to Company, Company to Lux FinCo and Lux FinCo to Target, material bank accounts of the Company, all asset security from US obligors and floating charges from UK obligors (in each case with customary exclusions)</li> </ul>
<b>Optional redemption</b>	<ul style="list-style-type: none"> <li>▪ 6 months Soft Call @ 101</li> </ul>
<b>Margin</b>	<ul style="list-style-type: none"> <li>▪ E+475-500bps</li> </ul>
<b>Floor</b>	<ul style="list-style-type: none"> <li>▪ 0.0%</li> </ul>
<b>Change of Control</b>	<ul style="list-style-type: none"> <li>▪ Put at par</li> </ul>

# Expected Transaction Timeline

March 2021				
M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	<b>16</b>	17	<b>18</b>	<b>19</b>
22	23	24	<b>25</b>	26
29	30	31		

## Key dates

Date	Event
16 <sup>th</sup> March 2021	■ Syndication launch
18 <sup>th</sup> -19 <sup>th</sup> March 2021	■ Lender Meeting and 1x1s
25 <sup>th</sup> March 2021	■ Commitments






















# Shareholder Overview

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**ADVANZ**  
PHARMA

# Shareholder Overview

Nordic Capital		Healthcare Related Investments
<p><b>Overview</b></p> <p><b>Unparalleled Experience in Healthcare</b></p> <p><b>Large and Experienced Healthcare Team</b></p>	<ul style="list-style-type: none"> <li>Pioneer in private equity in Northern Europe, established in 1989</li> <li>Invested over €16bn in more than 110 companies and c.255 material add-on acquisitions since inception</li> <li>Consistent track record of successful investments</li> <li>Strong annual average sales and EBITDA growth at 8% and 12% respectively in portfolio companies<sup>(1)</sup></li> <li>155 employees across 9 offices</li> </ul>	<p><b>Selected Existing Investments</b></p> <div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="text-align: center;">  <p><b>ArisGlobal</b> We Bring the Future to Life® (2019 – Present)</p> </div> <div style="text-align: center;">  <p><b>ORCHID</b> (2019 – Present)</p> </div> <div style="text-align: center;">  <p><b>prospitalia</b> (2018 – Present)</p> </div> <div style="text-align: center;">  <p><b>EUROPEAN DENTAL GROUP</b> (2018 – Present)</p> </div> <div style="text-align: center;">  <p><b>ALLOHEIM</b> SENIOREN-RESIDENZEN (2018 – Present)</p> </div> <div style="text-align: center;">  <p><b>SUNRISE MEDICAL</b> (2015 – Present)</p> </div> <div style="text-align: center;">  <p><b>GHD</b> (2014 – Present)</p> </div> <div style="text-align: center;">  <p><b>GesundHeits GmbH Deutschland</b> (2014 – Present)</p> </div> <div style="text-align: center;">  <p><b>acino</b> (2013 – Present)</p> </div> <div style="text-align: center;">  <p><b>Binding Site</b> (2011 – Present)</p> </div> </div>
	<ul style="list-style-type: none"> <li>One of the most active and experienced investors in healthcare globally, with more than €6.1bn of equity capital deployed to date in the sector</li> <li>26 platform healthcare investments since 1990</li> <li>16 fully realized healthcare investments with strong returns and proven ability to drive value creation</li> </ul>	<p><b>Selected Realised Investments</b></p> <div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="text-align: center;">  <p><b>ERT</b> (2016 – 2020)</p> </div> <div style="text-align: center;">  <p><b>ConvaTec</b> (2008 – 2018)</p> </div> <div style="text-align: center;">  <p><b>Capio</b> (2006 – 2017)</p> </div> <div style="text-align: center;">  <p><b>Unilabs</b> (2007 – 2016)</p> </div> <div style="text-align: center;">  <p><b>fougera</b> A Sanofi company (2006 – 2012)</p> </div> <div style="text-align: center;">  <p><b>NYCOMED</b> (2005 – 2011)</p> </div> <div style="text-align: center;">  <p><b>Atos</b> Breathing-Speaking-Living (2005 – 2011)</p> </div> <div style="text-align: center;">  <p><b>Mölnlycke</b> (1997 – 2005)</p> </div> <div style="text-align: center;">  <p><b>MEDA</b> (1991 – 1995)</p> </div> </div>

**Nordic Capital's deep sector network, operational experience and capital support will enable ADVANZ further to continue to drive strong results and accelerate growth**

Source: Nordic Capital Website Information as of 31 December 2020. Note: 1. In the last 20 years.

# Proven Track Record of Successful Partnerships with Healthcare Investments



Entered:  
**2005**  
Exited:  
**2011**

- Nordic Capital Funds first acquired Nycomed in 1999, and remained as an investor until 2002, during which it successfully repositioned the business into spec pharma
- Nordic Capital re-entered in 2005
- Nycomed then successfully executed on its growth strategy, including the strategically important acquisition of Altana Pharma in December 2006
- The EUR 9.6bn sale to Takeda in 2011 was awarded the "Deal of the Last 20 Years" award



Entered:  
**2008**  
Exited:  
**2016**

- Grew to become one of the leading medical products and technology companies in the world
- Sales growth was accelerated by improving the efficiency of the company's global manufacturing platform through increased automation, enhanced sourcing and site optimization
- Revenue growth over 90%, employee growth from 3,400 to 8,500



Entered:  
**2014**  
Exited:  
**2018**

- AniCura grew fourfold during Nordic Capital's four year ownership, shaping the European vet care market
- Number of clinics grew to 200 from 50, employees from 1,000 to 4,000, and pro forma revenues grew from approx. SEK 0.9 bn to SEK 3.3 bn
- The sale of AniCura to Mars Petcare represented one of the largest vet care deals globally

# Investment Thesis

1

**Established, Highly Diversified Platform with Strong Pipeline and Focus on Niche Products**

- Over 170 molecules and niche generic medications across more than 800 individual SKUs, many of which are critical care products. Focus on attractive therapeutic areas ("TAs"), such as endocrinology
- ADVANZ' key differentiators are direct sales capabilities in Europe as well as its strong pipeline of strategic growth assets, with ~60 pipeline deals signed between 2017-2020
- Highly scalable platform, value-add yet cost-efficient Indian Centre of Excellence and strong technical expertise support future development

2

**Platform Expansion through Attractive M&A Opportunities**

- Increasing focus on European high-growth acquisitions with hard to replicate specialty and value added medicines across TAs such as anti-infectives, endocrinology, cardiovascular, CNS and critical care
- The increasing scale underpinned by strong M&A history and integration capabilities is expected to bring operational efficiencies as recently seen with the expansion into European hospital channel
- Regular meetings with potential pharma divestors and targets to unlock exclusive pipeline opportunities

3

**Accelerate the Targeted Strategy to Expand Deeper into High Growth and Hard-to-Replicate Areas**

- Drive focus on niche, value-add and hard-to-replicate product areas predominantly in the hospital channel under the Strategic Growth Business Unit which experienced extensive investment for several years
- Leveraging leading hospital channel capability through the existing hospital-focused European commercial infrastructure that can be further extended as the portfolio expands
- International scale, pipeline focus and commercial capabilities position ADVANZ as partner of choice to major biopharma

4

**Favourable Underlying Market Characteristics**

- Global pharmaceuticals market expected to grow at a mid-single digit rate through to 2024, with the global established brand market forecast to grow at a faster pace than the overall market, driven by patent expiries (expected to grow at a rate of 6-8% from 2020 to 2024), biopharma divestments and brand loyalty<sup>(2)</sup>
- Spend on de-novo generics is expected to grow at a faster pace than the overall market, with the key drivers being the launch of new generics and shifting spending by healthcare systems to control budgets

5

**Consistently Stable Cash Generation and Optimal Capital Structure**

- Rebalanced capital structure enables the business to unlock its full potential, build on the strong M&A opportunities and make the right additions without previous limitations imposed by the existing cap structure
- Superior adj. EBITDA margins of >40% thanks to the asset-light nature and low maintenance capex requirements
- Strong cash flow generation throughout the Covid-19 pandemic with c.97.5% 2020A cash conversion<sup>(1)</sup>

1. Conversion = (Adjusted EBITDA less Capex) / Adjusted EBITDA. Calculation based on Reported Capex; 2. Based on publicly available industry reports. CAGR refers to the estimated annual rate of growth from 2019-2024.



## Company Overview

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# ADVANZ in Brief



**170+**  
Molecules in the  
current portfolio



Distributed to **~100**  
Countries



Partners with **~130**  
CMOs, primarily located  
in Europe / US, ensuring  
supply chain security

**ADVANZ**  
PHARMA

*A leading specialty  
pharmaceutical company  
with a strategic focus on  
complex medicines in  
Europe*

2020PF Revenues<sup>(1)</sup>:  
**\$551.9m**

2020PF Adjusted EBITDA:  
**\$239.6m**

2020PF Adjusted EBITDA  
margin:  
**43.4%**

2020A Pre-Tax Organic Free  
Cash Flow Conversion<sup>(2)</sup>:  
**97.5%**

Three-year cumulative FCF<sup>(3)</sup>:  
**~\$700m**

Employees:  
**552**

## Strategic Drivers

### Business Development

Stable  
Existing  
Portfolio

Product  
Pipeline

Product  
Acquisitions

Corporate  
M&A

Centered around  
essential, niche and  
chronic use medicines

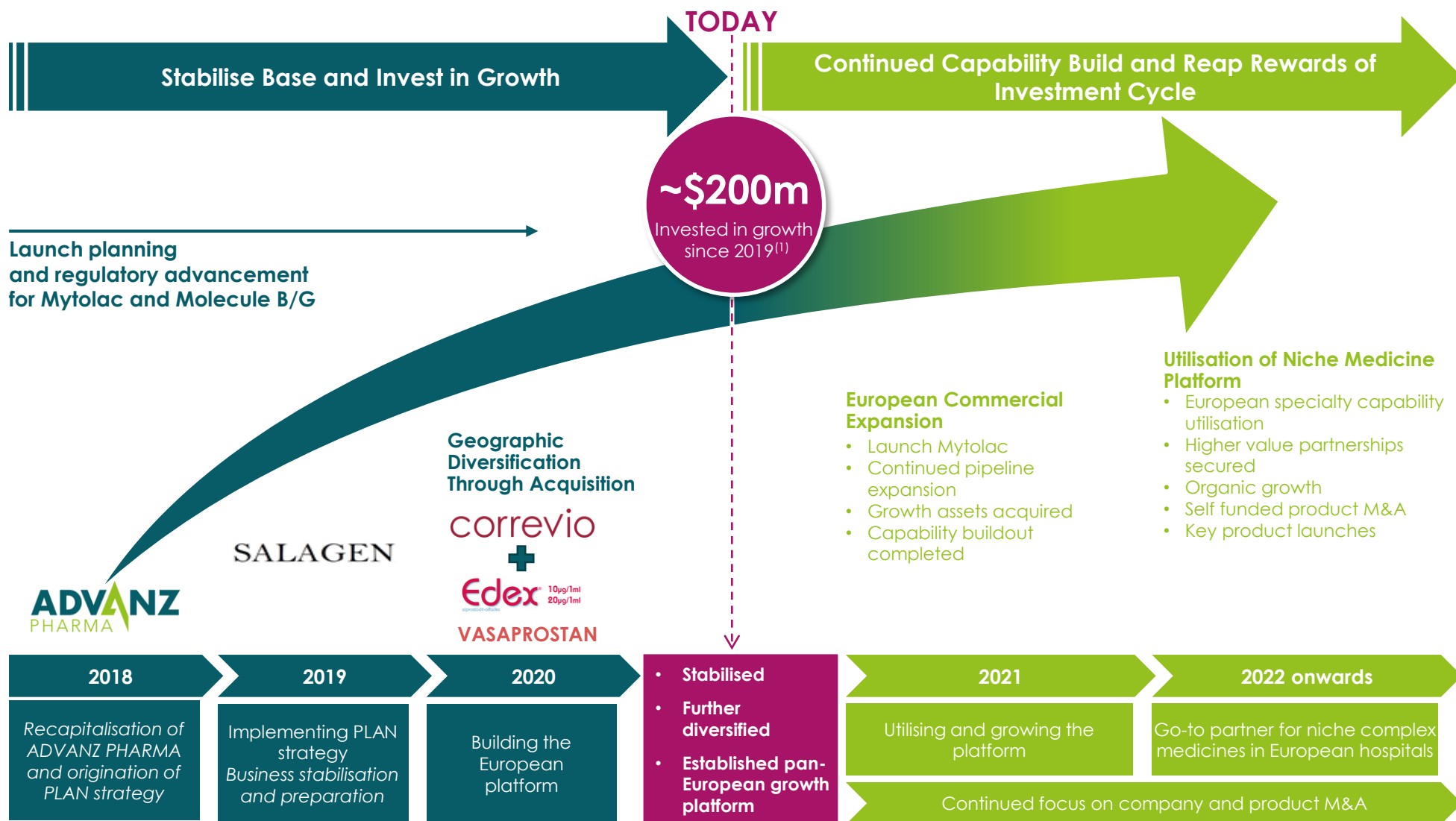
**~150** New  
product  
launches<sup>(4)</sup>

**19** Near-term  
product  
opportunities

**21** Identified  
potential M&A  
Co. targets

1. Pro forma adjusted for Alprostadil and Corvevio; 2. Calculated as Adjusted EBITDA – Capex (ex Acquisitions); 3. FCF defined as Adjusted EBITDA – Capex; 4. Defined as launch of a molecule in a specific form in a given country.

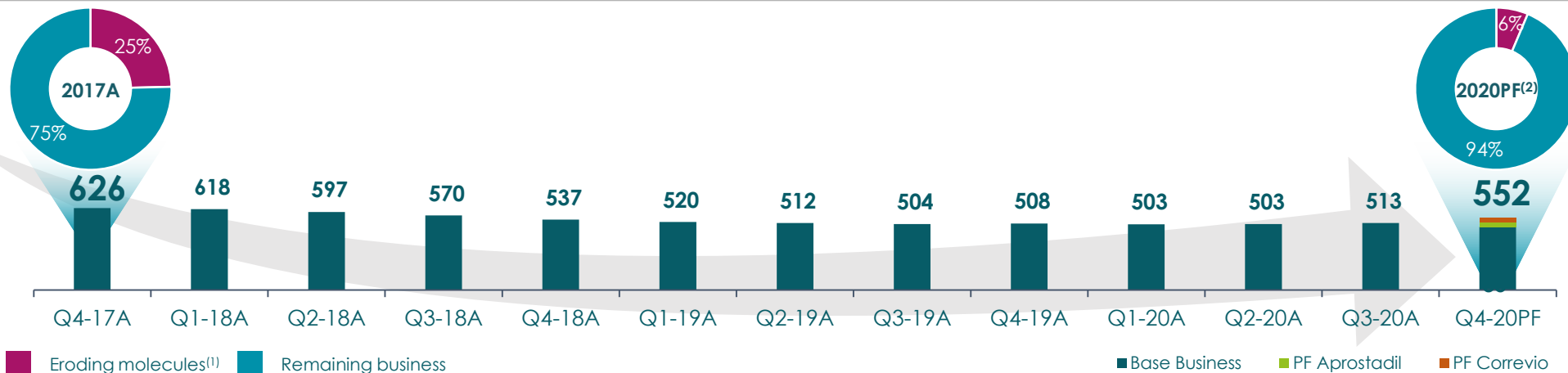
# Our Strategic Journey



1. Includes growth acquisitions (e.g. Correvio, Alprostadil and Salagen / Panretin), and other employee investments (including PDO Office, BD&L and Medical).

# Stabilised Base Business with Top Molecules Exhibiting Strong Defensibility

## Historical Revenue and Top Products Evolution (LTM, \$m)



### Top 5 Products 2017

Molecule (Product)	Revenue (\$m)			Strong competitive pressure	Sole supplier in key markets	Marketed as a Generic
	2017A	2020PF <sup>(2)</sup>	CAGR			
Donnatal	44	9	(40%)	✓	✓	
Liothyronine Sodium (UK cap)	34	5	(47%)	✓	✓	✓
Zonisamide (Zonegran)	37	46	8%			
Nitrofurantoin (UK suspension /caps)	23	6	(37%)	✓	✓	✓
Levothyroxine Sodium	28	19	(13%)	✓		✓
<b>Sum Top 5</b>	<b>166</b>	<b>85</b>	<b>(20%)</b>			
<b>Total</b>	<b>626</b>	<b>552</b>				
<b>% of total</b>	<b>27%</b>	<b>15%</b>				

### Top 5 Products 2020

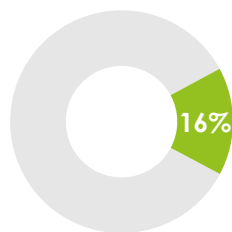
Molecule (Product)	Revenue (\$m)	Strong competitive pressure	Sole supplier in key markets	Marketed as a Generic
	2020PF <sup>(2)</sup>			
Zonisamide (Zonegran)	46			
Nitrofurantoin (MacroBID)	35		✓	
Alprostadil	35			
Hydroxychloroquine	32	✓		
Codeine phosphate (Zapain/Codipar)	27			
<b>Sum Top 5</b>	<b>175</b>			
<b>Total</b>	<b>552</b>			
<b>% of total</b>	<b>32%</b>			

1. Defined as molecules with an decline of >20% CAGR between FY18-FY20, which include Nitrofurantoin (suspension and caps in the UK), Levothyroxine (UK Generics), Prednisolone, Liothyronine (UK Solus), Carbimazole (UK Generics) in UK&I, and Donnatal and Dyrenium in US; 2. Pro forma adjusted for Alprostadil and Corvevio.

# Two Complementary Divisions Ensuring Sustainable Growth

## European Strategic Growth Business Unit

Revenue (\$m)<sup>(1)</sup>



**Xydalba**  
500 mg

**Zevtera**<sup>™</sup>  
Ceftabiprole medocartil

**MacroBID**<sup>®</sup>

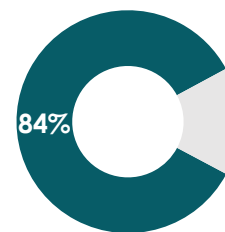
**Mytolac**  
LANREOTIDE

**Molecule B**

**Molecule H**

## Established Products Business Unit

Revenue (\$m)<sup>(1)</sup>



**150+**

molecules

**~100**

countries

**~75%**

molecules in market since >50 years<sup>(2)</sup>

### Focus

- Responsible for strategic growth brands
- Focused on direct European markets
- Predominantly in the hospital channel

- Responsible for established products and partner relationships
- Focused on international markets

### Capabilities

- Direct capabilities in strategic European territories
- In-country sales teams
- Brand marketing / market access
- Commercial excellence
- Includes existing commercial operations
- Expert Medical Office

- International distribution partner markets
- Dedicated commercial management of Established Products portfolio
- Capability to further scale through new BD-led established product acquisitions

### Scope

- Anti-infective, endocrinology and critical care portfolio
- Hospital channel and pipeline, including Mytolac launch

- Focuses on international established product portfolio
- Includes Correvio's cardiology portfolio

1. Represents FY20 Pro forma adjusted for Alprostadil and Correvio; 2. Based on top 30 Established Products molecules.

# Blue-Chip CMO Network Supported by Strong Supply Chain Management and Tech Transfer Capabilities

## Strong Relationship with Key Western CMOs Ensuring Supply Chain Reliability

- On-going supply relationship with **a range of the top European CMOs**
- Partnered CMOs mainly European and US based, **ensuring local presence, supply reliability and continuity**
- Key CMOs have been suppliers for **10+ years**
- **No concentration risk** with largest CMO contributing only ~10% of 2020PF revenue
- **Access to wide product technologies and formulations including hard to replicate formulations such as sterile injections**
- **Favourable supply terms** with MAs directly or indirectly controlled by ADVANZ



## CMOs Managed by a Seasoned and Dedicated Supply Chain Management Function of 39 FTEs



Supplier Alliance Management



Inventory Management



Operations Management

## Strong Tech Transfer Capabilities Underpin Smooth Product Acquisitions and Integrations










- Highly qualified and experienced tech transfer team led by 8 project managers
- Experienced in manufacturing or formulation science and accredited prince 2 (project management methodology) practitioners
- Project managers supported by the functional teams
- A tech transfer process at ADVANZ typically takes 18 months

Wide network of high quality CMOs managed by experienced supply chain function, and strong tech transfer capabilities, ensuring supply chain security and continuity at all times

1. New relationship but with valuable brands transferring.

# Partnering with Domain Experts to Create a Strong Pipeline



<b>Assessment</b>	Extensive (TA, market, competition, etc.)	Moderate	Streamlined
<b>Business Case</b>	Detailed NPV	Detailed NPV	Incremental profit analysis
<b>Due Diligence</b>	High	Moderate	Confirmatory
<b>Negotiation</b>	Fee-for service IP split Profit share	Dossier licensing fee Supply prices	Distribution fee
<b>Regulatory</b>	Lead process or co-manage if co-development	Shared responsibility	Limited requirement
<b>Timing</b>	3-6 years	1-3 years	Up to 12 months
<b>Examples</b>	  	  	  



**European, Hospital-  
focused Strategic  
Growth Division**

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**ADVANZ**  
PHARMA

# Introducing Our Strategic Growth Business

**Clear strategic objective and ongoing investment for several years**

- Invested over \$85m<sup>(1)</sup> in strategic growth to date, focusing on complex products, with the **launch of Mytolac expected in Q2 2021**
- Building a European hospital channel platform and extending UK success since 2015

**Developed specific in-house expertise in anti-infectives**

- Built advanced medical and commercial expertise in anti-infectives on the back of MacroBID promotion from 2016 onwards
- Able to leverage and plug in the Correvio anti-infectives range within existing capabilities



**Successfully acquired platform with demand generation capabilities**

- KAMs and Market Access personnel with central and in-market expertise driving demand
- MSLs with advanced clinical expertise supporting engagement with KOLs and the medical community
- Multiple synergistic opportunities identified showing strong market potential for further consolidation



**Paul Burden**  
CCO, Strategic Growth

VP UK&I Commercial

UK & Ireland Commercial

Global Director Commercial Excellence<sup>(2)</sup>



Country Director UK&I



Country Director France/Belgium



Country Director Germany/Nordics



Country Director Italy



Country Director Spain

Head of Corporate Communications

Corporate Communications

**EU Strategic Growth**

Delivery of UK&I P&L for commercial products

Delivery of regional / country anti-infectives P&L  
Brand marketing, market access and commercial excellence for Xydalba, Zevtera and Mytolac

Investor relations / internal & external comms.

1. Includes Correvio, investments in Mytolac and Molecule B to date, and strengthening of our BD, M&A and medical capabilities since 2019; 2. Global Director, not responsible for delivery of regional P&L.

# Well Established and Qualified Pan European Hospital Commercial Organisation

## Strong Hospital Backbone Established <sup>(1)</sup>

- 5** Regional leaders providing management oversight
- 39** Sales force specialists with deep expertise in anti-infectives and strong relationships with HCPs
- 5** Tender management professionals enabling access into centralised and decentralised tenders
- 4** Market access professionals developing pharma-economic models to strengthen value propositions
- 7** Marketeers with responsibility for different brand franchises
- 16** Field based medical science liaison professionals

***Ambition to scale up team as further pipeline products come to market***

1. Also includes current vacancies

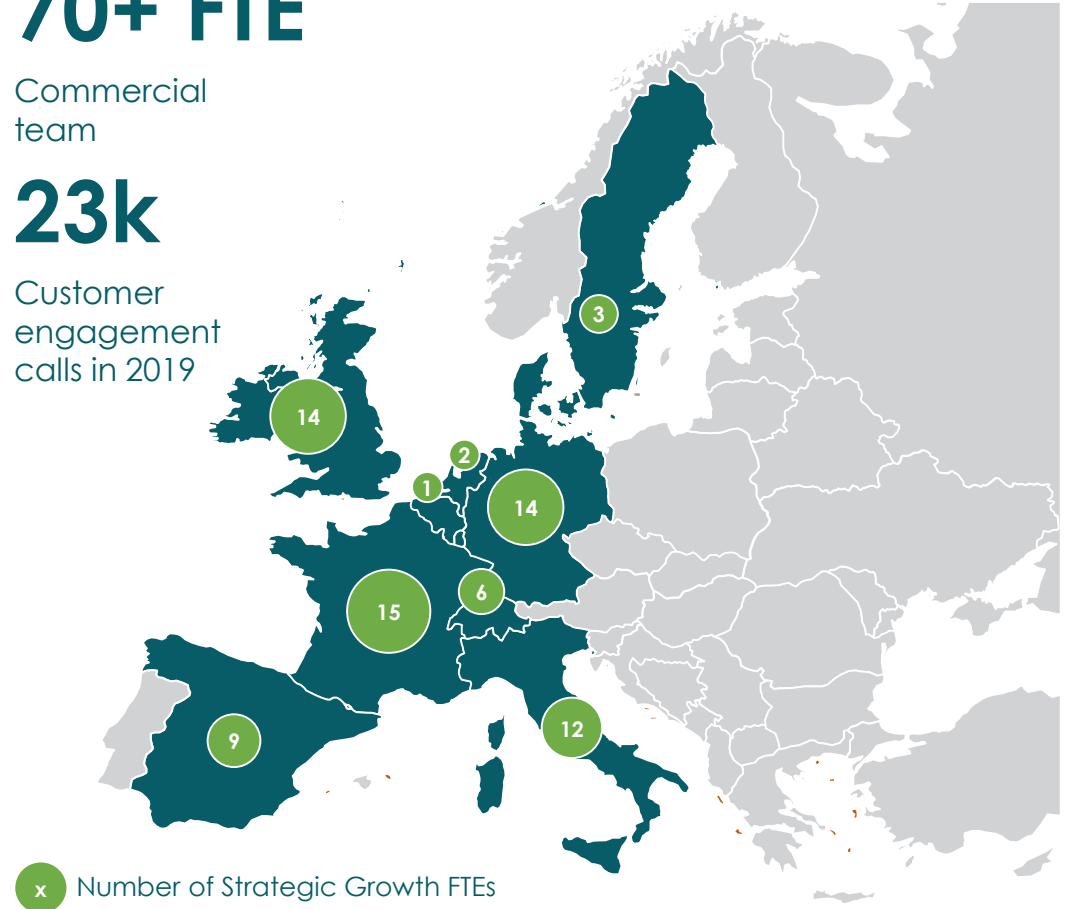
## Pan European Presence

# 70+ FTE

Commercial team

# 23k

Customer engagement calls in 2019



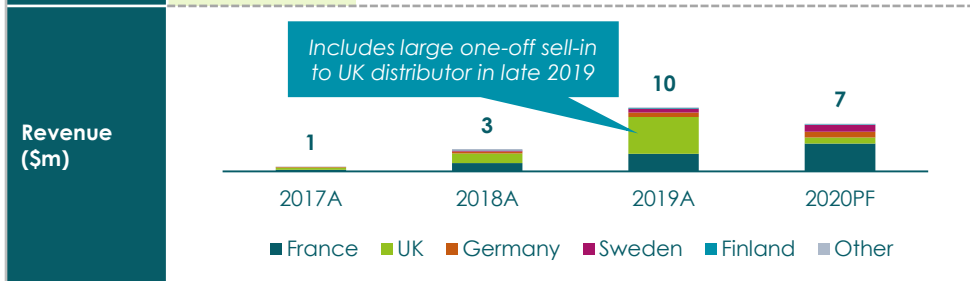
# Proven Anti-infectives Launch Success

The acquisition of Correvio enabled ADVANZ PHARMA to develop critical mass in Europe and launch two products in the hospital channel



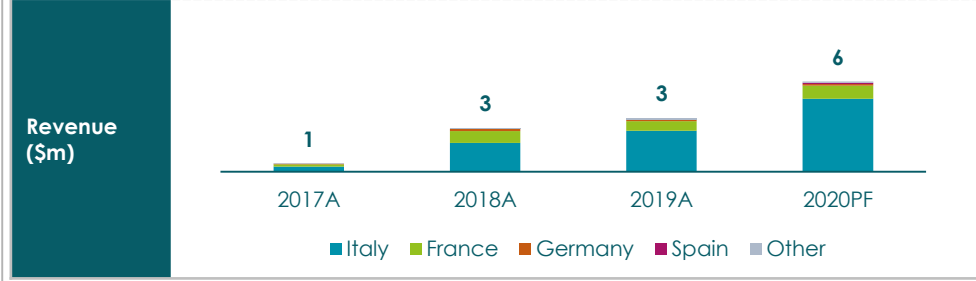
## Treatment of acute bacterial skin and skin structure infections in adults in a 30 minute single-dose infusion

Brand Objectives	Generate demand for a new treatment paradigm	<ul style="list-style-type: none"> <li>Increase depth of prescription</li> <li>Differentiate vs. competition</li> <li>Communicate the impact of the new treatment paradigm</li> </ul>
	Strengthen Xydalba value	<ul style="list-style-type: none"> <li>Support data generation in fields with unmet needs</li> <li>Publish and disseminate new data (incl. from Allergan and Angelini)</li> <li>Strengthen scientific collaboration with KOLs and scientific societies</li> </ul>



## Advanced generation cephalosporin for the treatment of HAP (excluding VAP) and CAP with rapid bactericidal activity and early clinical improvement<sup>(1)</sup>

Brand Objectives	Reinforce product positioning and further establish Zevtera	<ul style="list-style-type: none"> <li>Increase depth of prescription</li> <li>Differentiate vs. competition</li> <li>Reinforce HCP engagement</li> </ul>
	Generate new data to further differentiate	<ul style="list-style-type: none"> <li>Support dissemination of all existing data</li> <li>Develop a bacteraemia indication bridge strategy</li> <li>Strengthen scientific collaboration with KOLs and scientific societies</li> </ul>

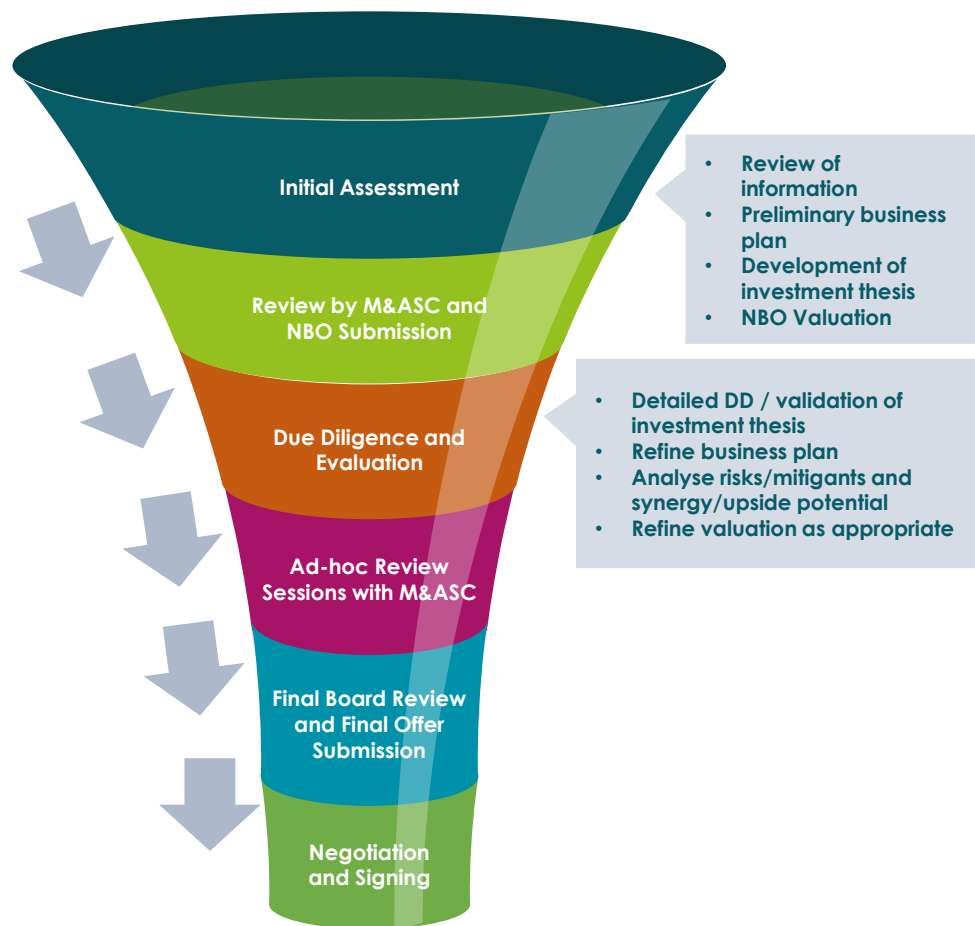


Potential for continued growth after LoE for both products in the likely scenario that there is no generic competition launch

1. HAP = Hospital-acquired pneumonia; VAP = ventilator-associated pneumonia; CAP = Community-acquired pneumonia.

# Highly Selective M&A Lens and Rigorous Assessment Process

## Rigorous and Disciplined Assessment Process...



## ...Resulted in Highly Selective Acquisitions

	FY2019	FY2020
Leads	93	92
Further engaged	>40	33
Due diligence	11	8
Final bid	5	6
Signed/ Completed	1 <i>1% of leads</i>	3 <i>3% of leads</i>

Over the past two years, we entered full DD exercises on ~10% of total deal leads, with only ~6% approved for final offers, and only ~2% being signed/completed due to our disciplined approach



# Key Credit Highlights

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**ADVANZ**  
PHARMA

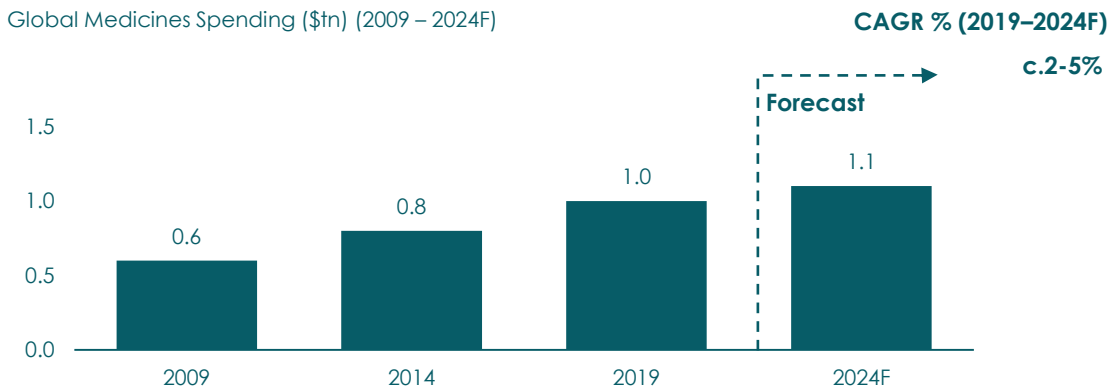
# Key Credit Highlights



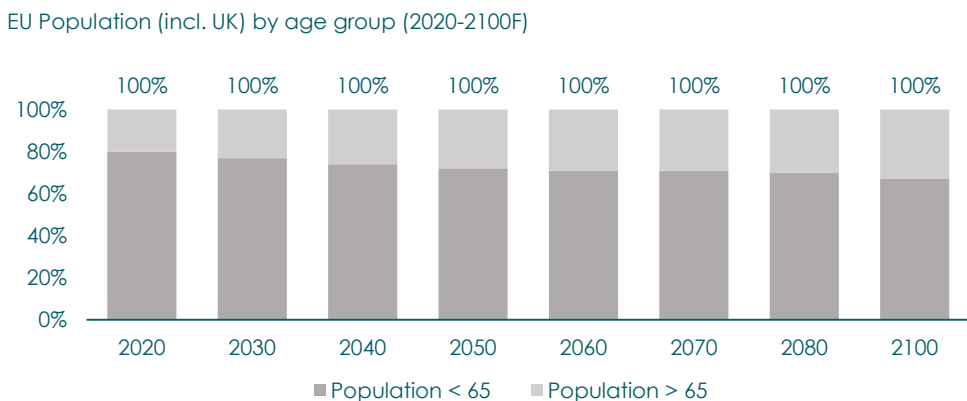
- 1 Attractive and resilient sector with structural and demographic tailwinds supporting secular growth trends
- 2 Highly-diversified portfolio with limited concentration across molecules, formulations, and geographies
- 3 Niche and essential medicines with long prescription history and stable demand
- 4 Near-term pipeline of differentiated and value-add products to deliver organic growth
- 5 Lean, asset light operating model underpinned by the unique India Centre of Excellence, delivering leading scalability and synergy potential
- 6 Strong margins coupled with high cash flow generation
- 7 Experienced management team with proven operational track record and strong relationships with large cap pharma

# Attractive and Resilient Sector with Structural and Demographic Tailwinds Supporting Secular Growth Trends

## Global pharmaceuticals market expected to grow at mid-single digits



## Ageing population is driving prevalence of chronic diseases and drug consumption



## Key Drivers of Growth

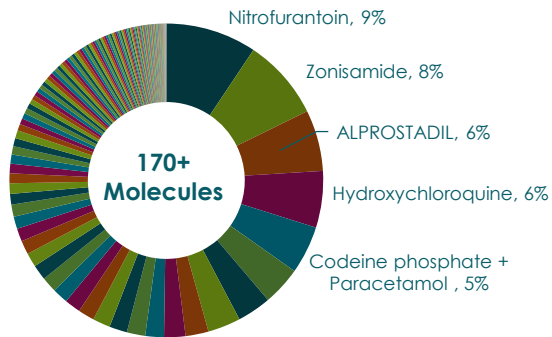
- ✓ Global pharmaceuticals market expected to **grow at mid-single digits to 2024F**
- ✓ **Addressable population** across key ADVANZ molecules **expected to continue growing** as global demographics shift
- ✓ **Continued divestment of assets** by major biopharma to companies that specialise in promoting established brands
- ✓ Healthcare systems increasingly controlling budgets by **shifting drug spending towards generic products**
  - ✓ FDA help increase generic competition for complex drugs by releasing product-specific guidance (PSGs) to support Gx developers with methodology and evidence required for approval

Source: Publicly available industry reports.

# Highly-diversified Portfolio with Limited Concentration Across Molecules, Formulations, and Geographies

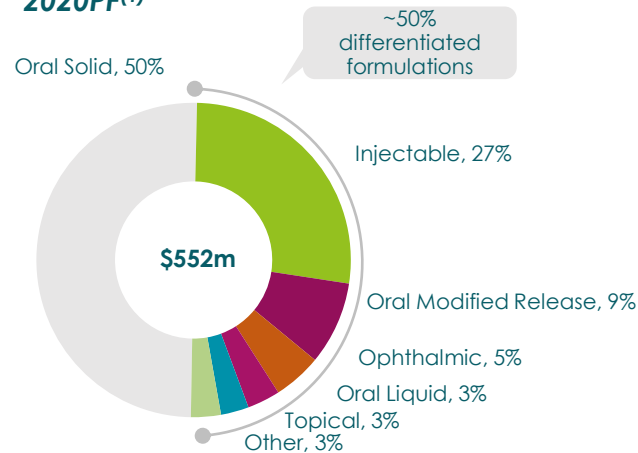
## Revenue by Molecule

2020PF<sup>(1)</sup>



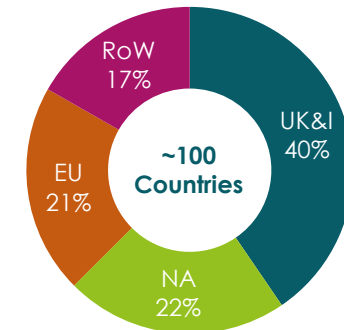
## Revenue by Formulation

2020PF<sup>(1)</sup>



## Revenue by Geography

2020PF<sup>(1)</sup>



## Commentary

- ✓ 170+ molecules across 800+ SKUs, with portfolio diversification expected to further increase through business development activities
- ✓ Focus on differentiated formulations which are complex to manufacture
- ✓ Well-diversified revenue exposure with RoW complementing Western markets
- ✓ Disciplined business development strategy to further diversify portfolio by adding differentiated assets in highly attractive channel areas

1. Pro forma adjusted for Alprostadil and Corveio.

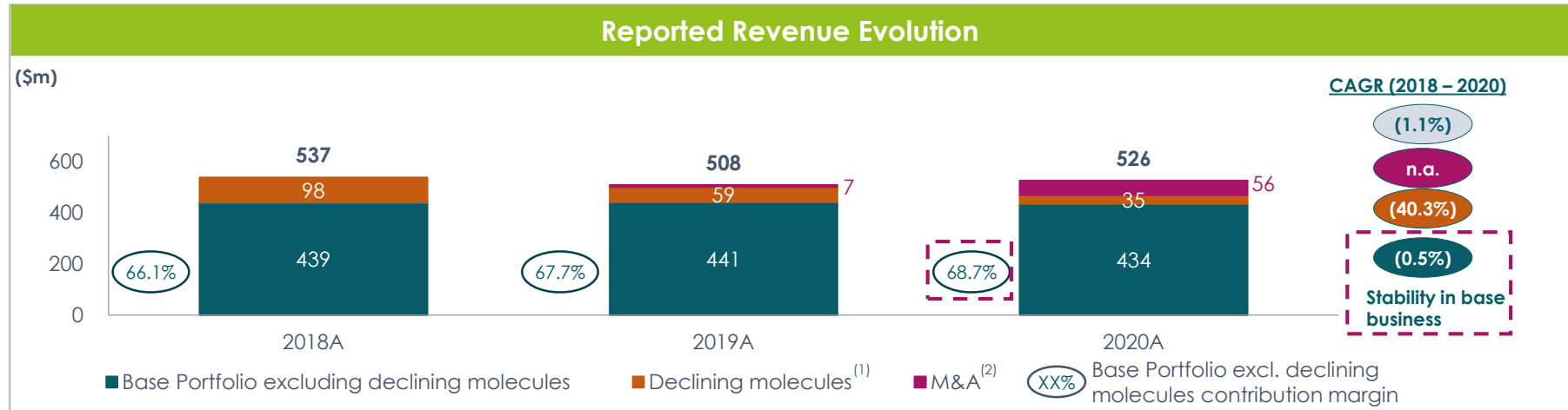
# Niche and Essential medicines with Long Prescription History and Stable Demand

## Top 10 Existing Molecules 2020

Molecule (Key Product)	Launch Year	Key Indication(s)	Revenue (\$m)	Key Highlights
			2020PF <sup>(1)</sup>	
Nitrofurantoin (MacroBID)	1953	Urinary Tract Infections	52	MacroBID is the only extended release form, physicians satisfactory of the dosing schedule
Zonisamide (Zonegran)	1989	Epilepsy	46	Long safety profile, patient loyalties, and physicians' unwillingness to switch
Alprostadil	1998	Erectile dysfunction; Peripheral arterial occlusive disease	35	A leading brand in France, the biggest market, with strong brand loyalty
Hydroxychloroquine (Plaquenil)	1955	Rheumatic Disorders	32	Niche base of Rheumatoid Arthritis patients with stable demand
Codeine phosphate (Zapain)	1950s	Pain & Inflammation	27	Preferred 1L post-operative analgesic before stronger opioids
Fusidic Acid	1962	Bacterial Eye Infections	22	Highly diversified antibiotics product with 50+ SKUs across geographies, including high growth MEA countries
Tirofiban HCL	1998	Early myocardial infarction	19	Life-saving medicines with increased awareness in acute care setting due to clinical efficacy over alternatives
Levothyroxine Sodium	1962	Hypothyroidism	19	High efficacious therapies in hypothyroidism, hard to manufacture; historically faced intense competition but market has since stabilised
Ibuprofen (Fenbid)	1969	Pain & Inflammation	13	Essential pain management medicine
Pilocarpine (Salagen)	1947	Xerostomia (dry mouth)	12	Rare indications in well-diversified small markets
<b>Sum top 10</b>			<b>277</b>	
<b>Total PF Revenue</b>			<b>552</b>	

1. Pro forma adjusted for Alprostadil and Corvevio.

# Historical Revenue – Deep Dive



## Key Competitive Advantages

- ✓ Historic revenue has moderately declined on a like-for-like basis mainly driven by a few selected molecules which no longer represent a significant part of ADVANZ (c.7% of 20A revenues)
  - ✓ ADVANZ's portfolio has historically had top molecules where ADVANZ were the sole supplier / originator, and the highly attractively market dynamic led to increased competition from new entrants, eroding ADVANZ's market share
- ✓ The declining molecules no longer materially impact ADVANZ as they only contribute to c.7% of 2020A revenue vs. 18% of 2018A
- ✓ The 2020 base portfolio has been very stable historically with a revenue CAGR of (0.5%) whilst contribution margins expanded c.+260bps leaving the business with slight growth on a contribution margin level, underpinning the robustness of the majority of ADVANZ's current revenue base
- ✓ The new executive team (2018) has been focusing on stabilising the base business, whilst investing in a pipeline of hard to replicate complex established brand and strategic growth products

1. Declining molecules include Nitrofurantoin (suspension and caps in the UK), Levothyroxine (UK Generics), Prednisolone, Liothyronine (UK Solus), Carbimazole (UK Generics) in UK&I, and Donnatal and Dyrenium in US. 2. Includes 2019 and 2020 acquisitions of Salagen/Panretin portfolio, Alprostadil and Correvio.

# Near-term Pipeline of Differentiated and Value Add Products to Deliver Organic Growth

Top 10 Pipeline Products					
Molecule	Product Type	Deal Type	Expected Launch Year	Status	Expected Launch Territories
Estradiol	Niche Gx	In-licensing	2020	Marketed	UK
Mytolac	Hard to Make Specialty	Co-development	2021	Approved	FI, PL, NO, NL, IT, FR, ES, PT, DK, DE, BE, CZ, SK, HU, LT, LV, EE, RO, AUS, NZ, IE, AT
Molecule A	Niche Gx	Portfolio optimisation	2021	Signed	Canada
Molecule B	Hard to Make Specialty	In-licensing	2022	Submitted	BE, DE, DK, ES, FI, IE, IT, NL, NO, SE, UK
Molecule C	Niche Gx	Development	2022	Submitted	France
Molecule D	Niche Gx	In-licensing	2022	Submitted	Nordics, NZ
Molecule E	Niche Gx	In-licensing	2022	Submitted	UK
Molecule F	Niche Gx	Distribution	2023	Under Assessment	China
Molecule G	Hard to Make Specialty	In-licensing	2024	Signed	BE, DE, DK, ES, FI, IE, IT, NL, NO, SE, UK
Molecule H	Differentiated Gx	Development	2024	Signed	UK, DE, ES, IT, Nordics, IE, BE, NL
Molecule I	Hard to Make Specialty	Co-Development	2024	Under Assessment	UK, FR, BE
Other	Includes >40 molecules				

Deep low-risk pipeline of assets in development across a variety of product and deal types, with staggered launches to support organic growth on an ongoing basis

Strategic Growth
  Established Products

# Key Pipeline Products of Higher Value-Add and Complexity

## Mytolac (Lanreotide)

- First to the market generics with an improved device. Indicated for:
  - Treatment of acromegaly;
  - The relief of NETs symptoms such as flushing, diarrhea, in NETs patients;
  - Treatment and control of GEP-NETs<sup>(1)</sup> (when tumours can't be removed by surgery)
- **Highly complex and difficult to make product and formulation**
- Highly promising results from the recent market study<sup>(2)</sup> suggesting >85% of key stakeholders preferred ADVANZ drug concept over the originator
- **Significant milestone: ADVANZ and partner received approval in early March-21**
- Expected to be a **significant contributor** to ADVANZ's organic growth

## Molecule B

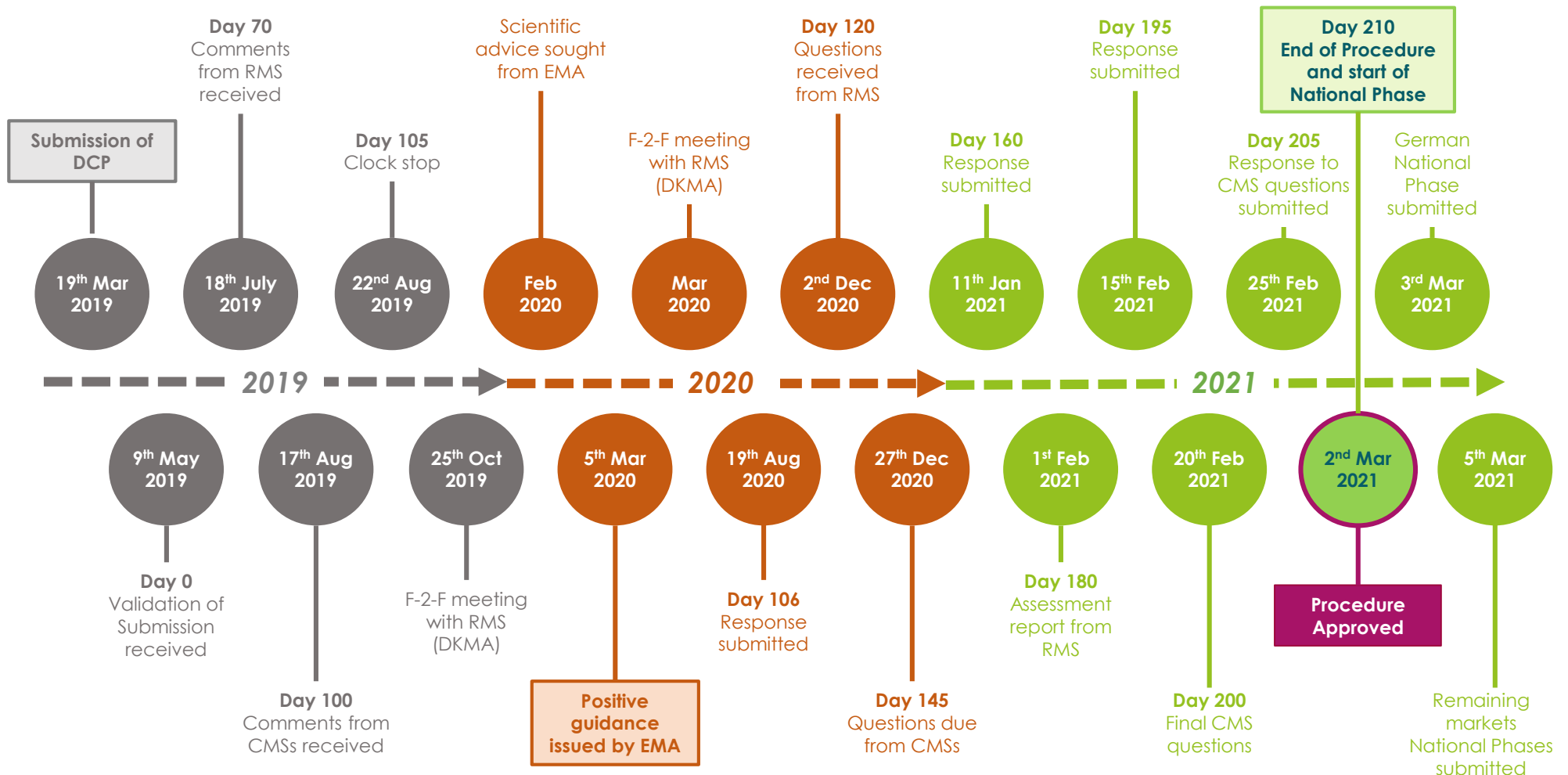
- Long-acting PFS injection indicated for the treatment of schizophrenia
- Available in PFS and four strengths (50mg, 75mg, 100mg and 150mg)
- **Hard to make product, with complex development, clinical and regulatory pathway**
- **ADVANZ, together with Partner, started development in 2016, and submitted the MA application in 2019**
- Deal on molecule G was signed in April 2020, and expected to launch in 2024 as a natural extension for patients stabilised on molecule B

## Molecule H

- Anti-inflammatory with a broad range of therapeutic uses
- Injected dose form is used for adrenal crisis (decline in cortisol hormone levels), an emergency condition which untreated can lead to death
- Current product presentation of ampoule plus needle plus syringe, that requires 8 steps before injection based on feedback from both patient organisation and prescribers
- **ADVANZ creating a unique formulation which would be of immediate and significant benefit** vs. standard of care

1. GastroEnteroPancreatic NeuroEndocrine Tumours; 2. Company data on file N=138 across all studies.

# Mytolac Regulatory Procedure Timeline



**We successfully navigated a first of its kind, highly complex regulatory process involving multiple regulatory agencies in under two years**

DCP = Decentralised Procedure; RMS = Reference Member State, CMS = Concerned Member States, EMA = European Medicines Agency; DKMA = The Danish Medicines Agency.

# Lean, Asset-light Operating Model Underpinned by Differentiated India Centre of Excellence

## Lean, Asset-light Operating Model

### Business Development

- BD-led pipeline and product acquisition
- Strong integration team
- Product development outsourced

### Medical and Scientific Affairs

- Strong internal team of regulatory, quality and technical experts
- Expert Medical Office
- Professional and scalable project delivery organisation

### Manufacturing

- Outsourced to CMOs
- Managed by internal supply chain team
- Highly experienced tech transfer team

### Sales and Marketing

- Direct sales
- Commercial management
- Longstanding distributor relationships
- Global commercial support team

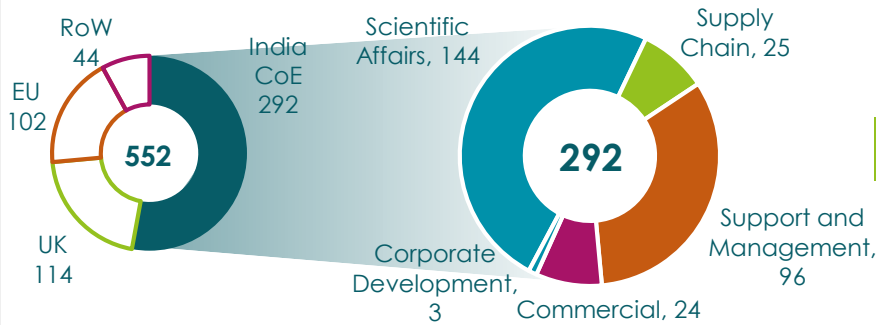
- Robust corporate infrastructure
- Critical parts of value chain managed internally
- Minimal capex requirements
- No manufacturing
- Lower operating costs



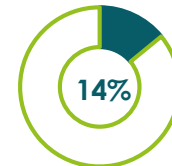
## Highly Differentiated India Centre of Excellence

52% of Employee Base

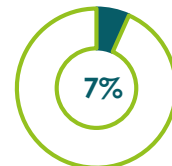
### Employee Breakdown



14% of Employee Costs



7% of Total Costs



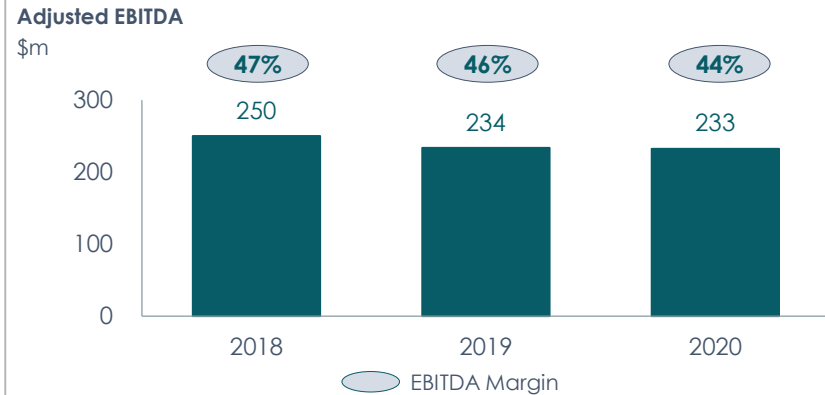
- Full range of operating activities
- Highly qualified team
- Cost effective
- Scalable

**Key competitive advantage**

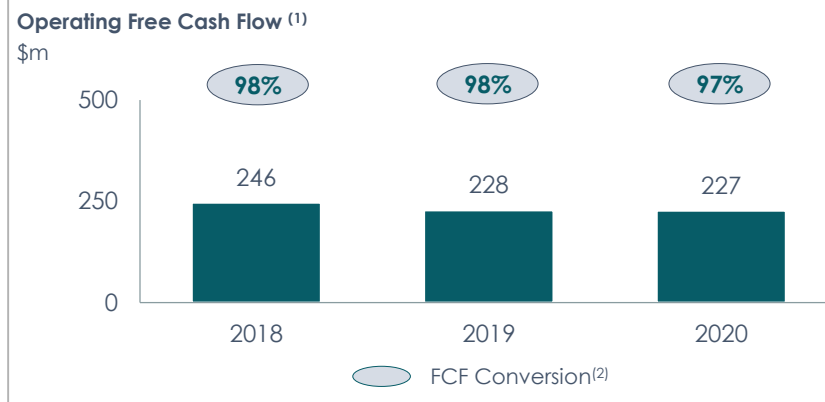
Lean, cost efficient and scalable operating model providing distinctive competitive advantage

# Strong Margins Coupled with High Cash Flow Generation

## Robust Margins...



## ... and strong Cash Conversion



## Key Competitive Advantages

- ✓ Diversified, resilient portfolio leads to predictable and stable revenue stream
- ✓ Stable EBITDA with consistently high margins
- ✓ Critical parts of value chain managed internally
- ✓ No in-house manufacturing
- ✓ Minimal capex requirements and lower operating costs, resulted in high cash conversion
- ✓ Strong cash generation from base business provide ample firepower to fund strategic growth

1. Calculated Adjusted EBITDA – Capex ; 2. Calculated as Adjusted EBITDA – Capex / Adjusted EBITDA.

# Experienced Management Team with Proven Operational Track record and Strong Relationships with Large Pharma

 <p><b>Graeme Duncan</b> Chief Executive Officer</p>	 <p><b>Adeel Ahmad</b> Chief Financial Officer</p>	 <p><b>Guy Clark</b> Chief Corporate Development Officer</p>	 <p><b>Karl Belk</b> Chief Operations Officer</p>	
<ul style="list-style-type: none"> <li>Appointed as CEO in July 2018</li> <li>Joined in 2014 as UK General Manager and Global Marketing Director</li> </ul> <p><b>Launched and grew Seretide, Serevent COPD, Avandia amongst a number of NCE's</b></p> 	<ul style="list-style-type: none"> <li>Appointed as CFO in July 2018</li> <li>Joined in 2013 as Vice President Finance and Controller</li> </ul> <p><b>Extensive M&amp;A, optimization and restructuring track record including execution of post-acquisition synergies</b></p> 	<ul style="list-style-type: none"> <li>Appointed as Chief Corp. Dev. Officer in May 2018</li> <li>Joined in 2010 as Chief Strategy Officer</li> </ul> <p><b>Launched the Elleste HRT range, and grew other brands such as Zydol and Arthrotec</b></p> 	<ul style="list-style-type: none"> <li>Appointed as Chief Operations Officer in July 2018</li> <li>Joined in 2012 as Director of Global Ops.</li> </ul> <p><b>Extensive track-record of Day 1 patent expiry, first to market generic launch, inc. Mesalazine, Atorvastatin and Simvastatin</b></p> 	
 <p><b>Paul Burden</b> Chief Commercial Officer, Strategic Growth</p>	 <p><b>Simon Tucker</b> Chief Commercial Officer, Established Products</p>	 <p><b>Nick Warwick</b> Chief Medical Officer</p>	 <p><b>Fiona Huzarski</b> Vice President Global Human Resources</p>	 <p><b>Rob Sully</b> General Counsel</p>
<ul style="list-style-type: none"> <li>Appointed as CCO in July 2018</li> <li>Joined in September 2016 as Vice President of UK&amp;I Commercial</li> </ul> <p><b>Led the growth of MacroBID</b> Grown brands such as Mucodyne, Easi-Breathe, QVAR</p> 	<ul style="list-style-type: none"> <li>Appointed as CCO in July 2018</li> <li>Joined in June 2000 as Int. Commercial Manager</li> </ul> <p><b>Expanding product portfolio through in-licensing of niche Gx and portfolio optimisation of the Established Products</b></p> 	<ul style="list-style-type: none"> <li>Joined ADVANZ PHARMA in June 2020</li> <li>25 years experience in the sector; 18 years of which at Abbott and Abbvie</li> </ul> <p><b>Supported multiple launches incl. Klacid, Kaletra and Humira</b></p> 	<ul style="list-style-type: none"> <li>Joined ADVANZ PHARMA in August 2019</li> <li>Previously Head of HR at Britannia Pharmaceuticals</li> </ul> <p><b>Led recruiting and onboarding process for key positions, and employee engagement &amp; support through COVID</b></p> 	<ul style="list-style-type: none"> <li>Appointed as GC in August 2018</li> <li>Joined in June 2011 as Group Head of Legal</li> </ul> <p><b>Extensive experience in M&amp;A, integration and anti-trust dispute resolution in the pharma sector</b></p> 

**New executive team since 2018 focused on stabilising the base portfolio and driving sustainable growth**



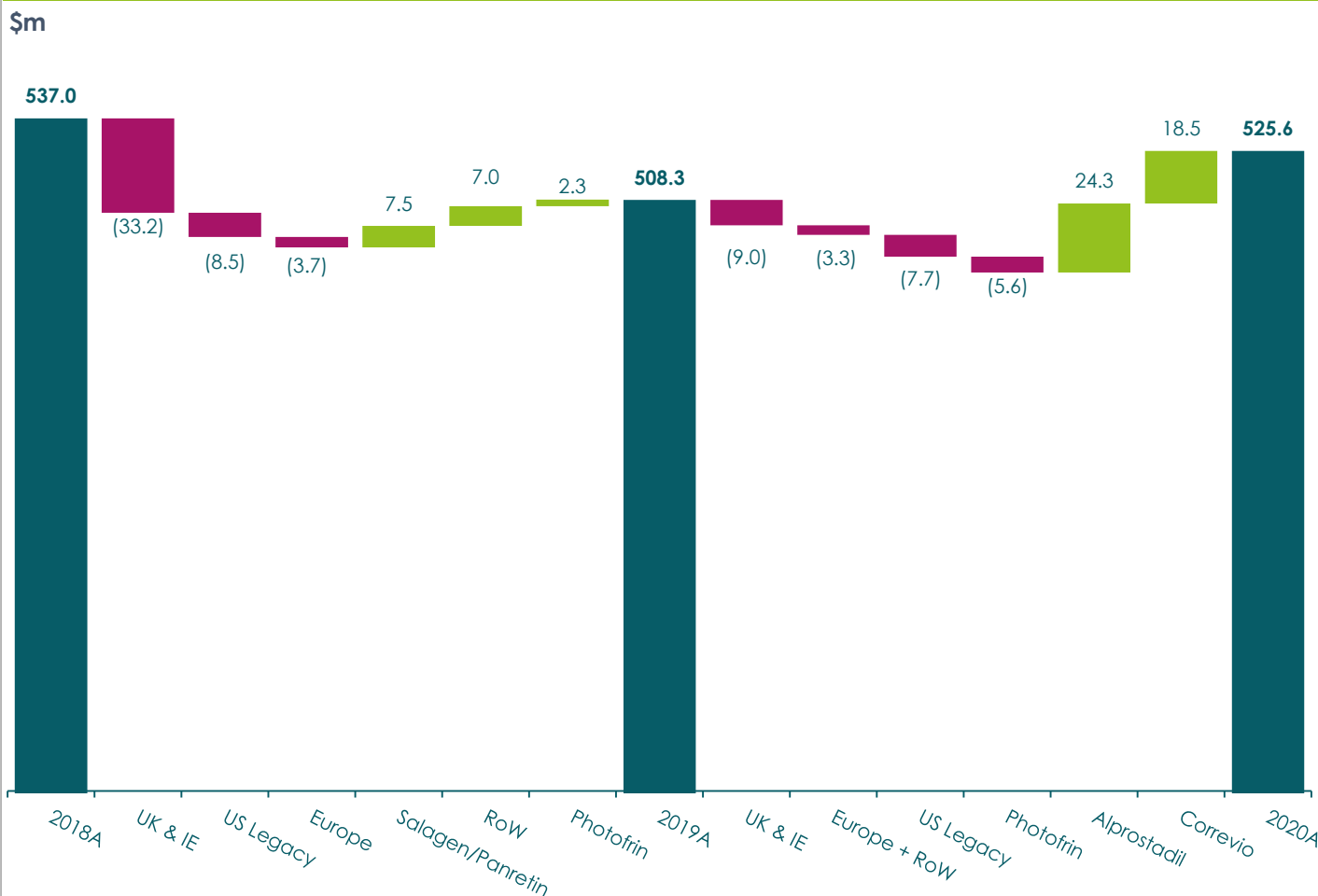
# Historical Financials and Current Trading

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**ADVANZ**  
PHARMA

# Historical Revenue Performance

## Net Sales Bridge 2018A – 2020A



## Commentary

### 2019A:

- Sales reduction across the Generic portfolio in the UK in vs FY18 due to increased competition
- Lower sales in the Solus portfolio in the UK (-\$13m) <sup>(1)</sup>
- Sales decline in US branded portfolio (-\$10m) mainly driven by Donnatal (-\$15m)
- UK and US decline partly offset by increase sales in RoW, driven by Middle East, ZA and AUS

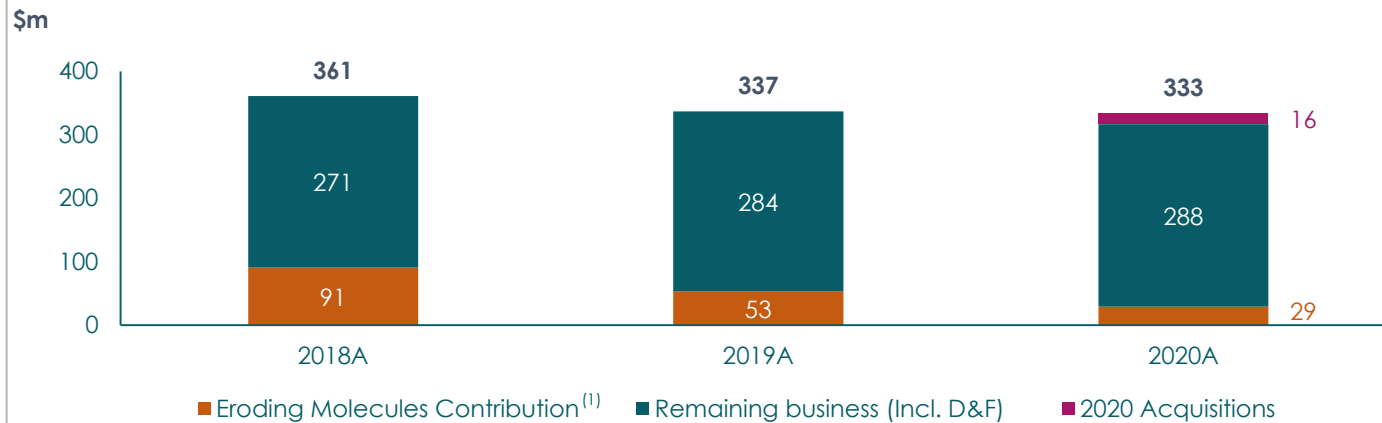
### 2020A:

- Higher sales of Argipressin in US due to use in ICU for Covid Patients and tender win
- Lower sales of Fusidic Acid in the UK due to COVID
- Partly offset by increased sales of MacroBID
- Europe & RoW sales excluding Fusidic Acid remain stable
- The US business excluding Plaquenil and Orapred showed a growing trend driven by launch of Dyrenium AG and higher sales of Zonegran
- Lower sales of Photofrin in US due to impact of Covid-19 (lack of OR availability and patient footfall)

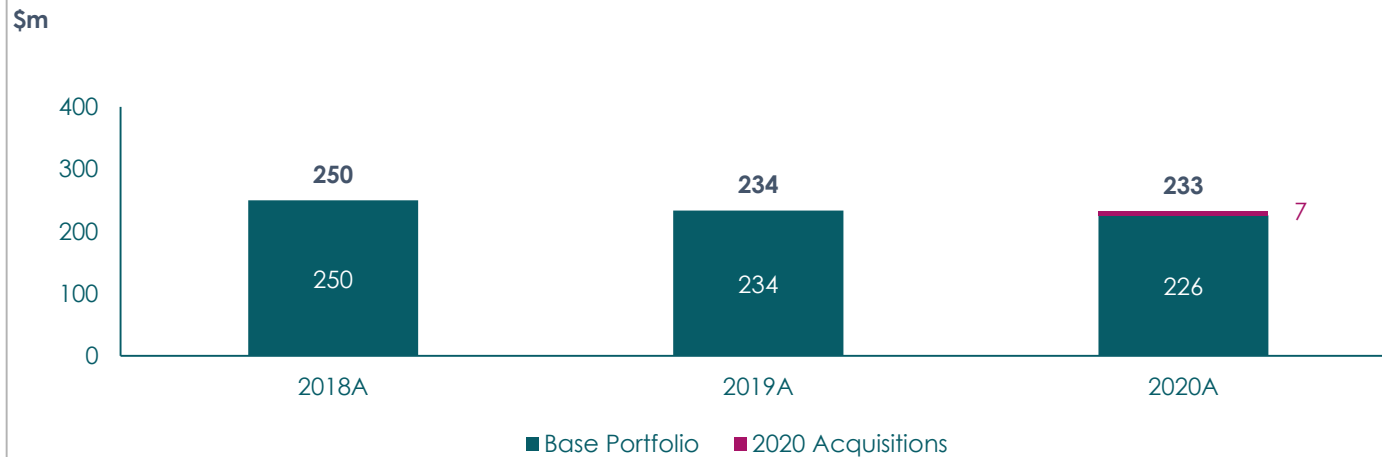
1. Historical financials converted from reporting currency of GBP per average monthly fx rate of GBP/USD for the respective year.

# Historical Gross Profit and EBITDA Performance

## Gross Profit Contribution 2018A – 2020A



## Adjusted EBITDA 2018A – 2020A



## Commentary

### 2019A:

- EBITDA: Base business impacted significantly by declines in eroding molecules resulted from increased competition such as Levothyroxine Sodium and Carbimazole in the Generics and Liothyronine Sodium and Nitrofurantoin in Solus, which subsequently stabilised in 2020 – a trend which can be found in revenue
- The negative gross profit impact was partially offset by the decrease in group overheads

### 2020A:

- Stabilisation of base business decline of eroding molecules compared to 2019
- Despite challenging COVID environment, the rest of the base portfolio remained neutral in terms of gross profit contribution
- 2020A EBITDA benefitted from the positive contribution of the Correvio and Alprostadil acquisitions

Note: Minor difference may persist due to rounding.

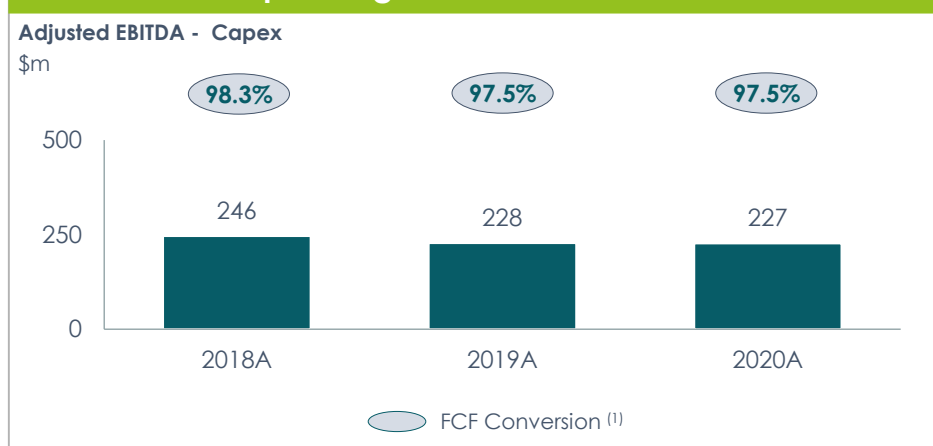
1. Declining molecules includes include Nitrofurantoin (suspension and caps in the UK), Levothyroxine (UK Generics), Prednisolone, Liothyronine (UK Solus), Carbimazole (UK Generics) in UK&I, and Donnatal and Dyrenium in US; Does not include D&F expenses.

# Highly Cash Generative Business

## Historical Reported Cash Flow

\$m	2018	2019	2020
Adj. EBITDA	250.3	233.6	232.6
Capex	(4.1)	(5.8)	(5.9)
Adj. EBITDA - Capex	246.2	227.8	226.7
FCF Conversion % <sup>(1)</sup>	98.3%	97.5%	97.5%

## Operating FCF and Conversion



1. Conversion = (Adjusted EBITDA Less Capex) / Adjusted EBITDA.

## Commentary

✓ Advanz has either met or exceeded its budgeted Revenue and EBITDA target for the past 3 years

### High Cash Conversion Rate

✓ High cash flow conversion maintained over the period consistently over 97% driven by low capex requirements

### Capex

✓ Asset light nature of business leads to low capex requirement

### Net Working Capital

✓ Working Capital is subject to little seasonality

✓ The group's NWC profile is largely driven by trade receivables and inventory

# Limited Adjustments to EBITDA

\$m	Dec-20 EBITDA	Commentary
<b>Management EBITDA</b>	<b>232.6</b>	
Alprostadil portfolio	2.9	Pre-acquisition performance of the Alprostadil portfolio
Correvio	(2.1)	Pre-acquisition performance of Correvio
Correvio Synergies	8.1	Pro forma synergies impact related to the acquisition of Correvio, mainly from <ul style="list-style-type: none"> <li>Board and listings synergies from the de-listing of the business and the departure of the Correvio Executive team (now run by Advanz)</li> <li>Further cost savings from actioned FTE reductions of functions that can be replaced by the Mumbai centre of excellence</li> </ul>
Other diligence/ Management Adjustments	(2.8)	Provision release removal, constant FX currency adjustment, cost savings from going private post-transaction and other due diligence adjustments
<b>Due Diligence Adjustments</b>	<b>6.0</b>	
<b>Due Diligence Adjusted EBITDA</b>	<b>238.6</b>	
Project Cassowary	1.0	Acquisition of Cyclonex (closed on 29th January)
<b>Pro Forma Due Diligence Adjusted EBITDA</b>	<b>239.6</b>	

Note: Minor difference may persist due to rounding.



# Appendix

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**ADVANZ**  
PHARMA

# Glossary of Terms

Abbreviation	Term
BD	Business Development
CAP	Community-acquired pneumonia
CoE	Centre of Excellence
CMA	Competition and Markets Authority
CMO	Contract Manufacturing Organisation
CMS	Concerned Member States
CNS	Central Nervous System
CRO	Contract Research Organisation
DCP	Decentralised Procedure
EMS	European Medicines Agency
EP	Established Products
FDA	Food and Drug Administration
FTE	Full Time Employee
Gx	Generics

Abbreviation	Term
GEP-NETs	Gastroenteropancreatic neuroendocrine tumors
HAP	Hospital-Acquired Pneumonia
HCPs	Healthcare Professionals
KAMs	Key Account Managers
KOLs	Key Opinion Leaders
MA	Market Authorisation
MSL	Medical Science Liaison
PDO	Project Delivery Organisation
RMS	Reference Member State
RoW	Rest of World
SKU	Stock Keeping Unit
SGP	Strategic Growth Products
TA	Therapeutic Area
VAP	Ventilator-Associated Pneumonia