

Balaxi Pharmaceuticals Limited

To
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot No C/1, G Block, BKC,
Bandra (E), Mumbai-400051

7th October, 2020

Stock Code: BALAXI

Sub: Corporate Presentation

Dear Sir/Madam,

We hereby attach the **Corporate Presentation** issued by the Company. This is for your information and dissemination on your website.

The said information is also being made available on the website of the Company at www.balaxiventures.in.

Yours Faithfully,

For, **Balaxi Pharmaceuticals Limited**



Ashish Maheshwari
Managing Director

Registered Office:

Plot No.409, Maps Towers, 2nd Floor, Phase-III, Road No. 81, Jubilee Hills, Hyderabad, Telangana, India - 500096.

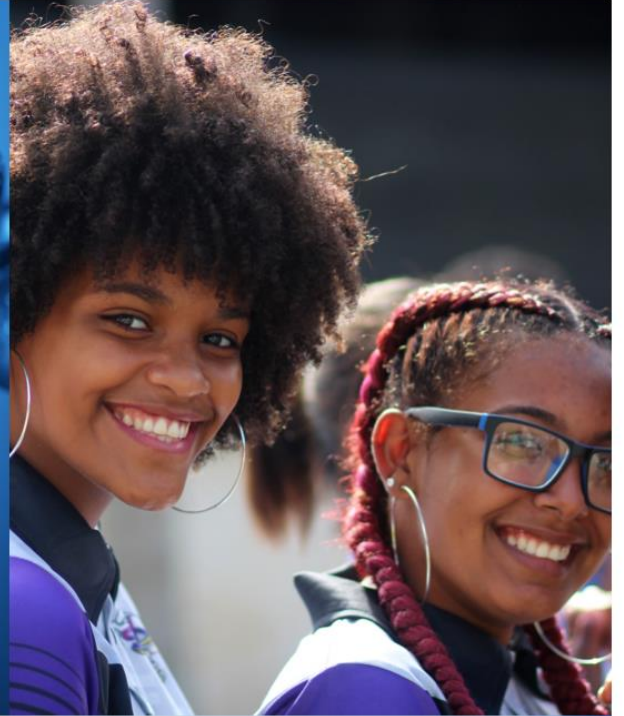
CIN: L25191TG1942PLC121598

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(Formerly known as Balaxi Ventures Limited)



BALAXI



“Bridging the supply chain gap in frontier markets”



BALAXI

Company Overview

Business Strategy

Industry & Outlook

Business Overview



This presentation and the following discussion may contain “forward-looking statements” by “Balaxi Pharmaceuticals Limited” that are not historical in nature.

Such forward-looking statements are subject to certain risks and uncertainties such as 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.

“Balaxi Pharmaceuticals Limited” will not be in any way be 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.

We are a branded IPR-based pharmaceutical Company focusing on frontier markets, with a vast and growing portfolio of drugs across multiple therapeutic segments.

VISION

To be amongst top two generic pharmaceutical players in multiple global frontier markets, giving us scale, market homogeneity, healthy margins and quality growth where value and volume are both established in a balanced way.

VALUES

- Customer Centricity
- Quality Products
- Professional Approach
- Best-in-Class Business Practices



MISSION

To establish strong portfolios of pharmaceutical formulations registrations and strong channel networks in each market we target, we are also building a branded consumer products business which complements our pharmaceutical business and provides us operating leverage on the back of our well-established on-ground infrastructure and commercial relationships.

PURPOSE

To bring high-quality every-day medicines within the reach of populations in promising frontier markets, thus creating sustainable value for our stakeholders.



A growing pharmaceutical company with on-ground presence in markets within Africa, Caribbean Islands & Latin America

Headquartered in Hyderabad, India, we are an IPR-driven asset-light pharma company with a distinct produce, stock & sell model, supplying branded and generic medicines in chosen markets.

Tapping strong yet fragmented markets, which are difficult to enter

Leveraging the strengths of on-ground presence & distribution network

Starting with establishing operations in Angola with strong and robust on-ground infrastructure with warehouses, fleet and personnel, we have replicated this model successfully in Guatemala and Dominican Republic and working on replicating this model in other target geographies.

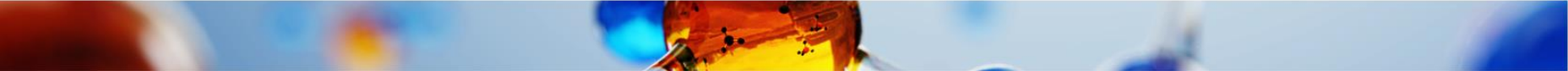
**BALAXI
Pharmaceuticals
Limited**

Amongst the top two generic pharma players in our chosen markets, successfully leveraging our infrastructure and relationships to exploit opportunities in branded consumer products also.

Domain Knowledge

Foresight & Vision

Led by an experienced management team, we have a proven and enduring business model which can be implemented across multiple geographies.



Pre 2017

- The Company was listed on NSE in 2015 as 'The Anandam Rubber Company Ltd'

2017-2019

- In March, 2017, the Company was taken over by Balaxi Group, a prominent pharmaceuticals player in Angola.
- Subsequently, the name of the Company was changed to 'Balaxi Ventures Limited'.
- By 2019, Balaxi Group had extended its pharmaceutical business presence to, Guatemala, and Dominican Republic as well.

2020

- The Company received an In-principle approval for change of name from 'Balaxi Ventures Ltd.' to 'Balaxi Pharmaceuticals Ltd', in line with the predominant focus on the Pharma vertical.
- The Company began progressively consolidating various well-established businesses of the Balaxi Group.
- Balaxi now has in its fold a rich portfolio of **548** pharmaceutical product registrations, strong distribution strength of **38** warehouses and a fleet of owned vehicles across 3 countries.

Balaxi Group Journey

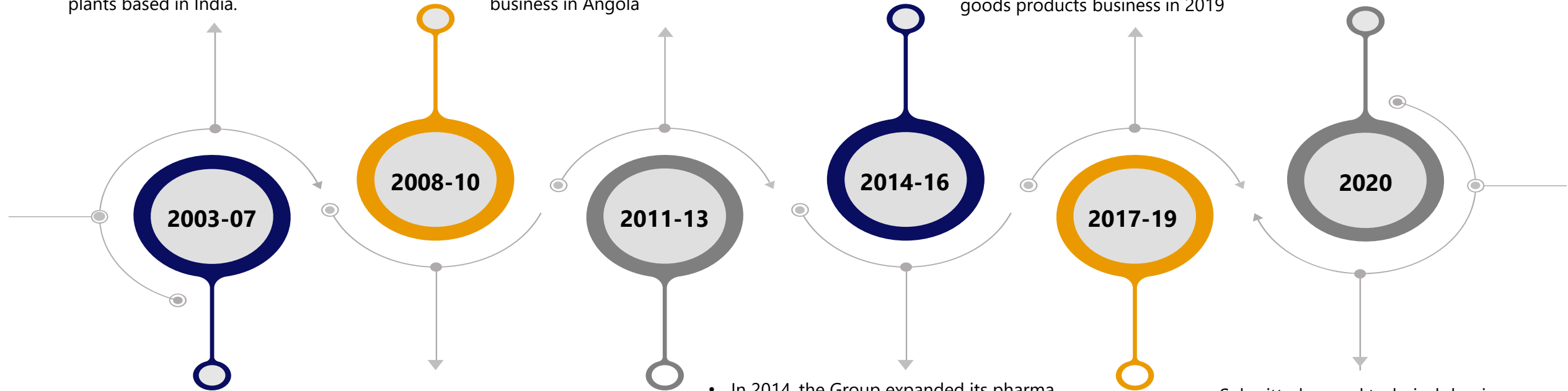


BALAXI

- Commenced Pharmaceutical business by supplying white labelled products to customers in Africa.
- Sourcing was from WHO GMP certified plants based in India.

- Started sourcing pharmaceuticals from WHO GMP certified manufacturers in China by setting up an office in China in 2011.
- Opened first wholesale depot for its ancillary business in Angola

- Setup central distribution warehouse in Guatemala marking the entry of BALAXI into its third geography.
- Leveraged the vast on-ground infrastructure in Angola by entering branded consumer goods products business in 2019



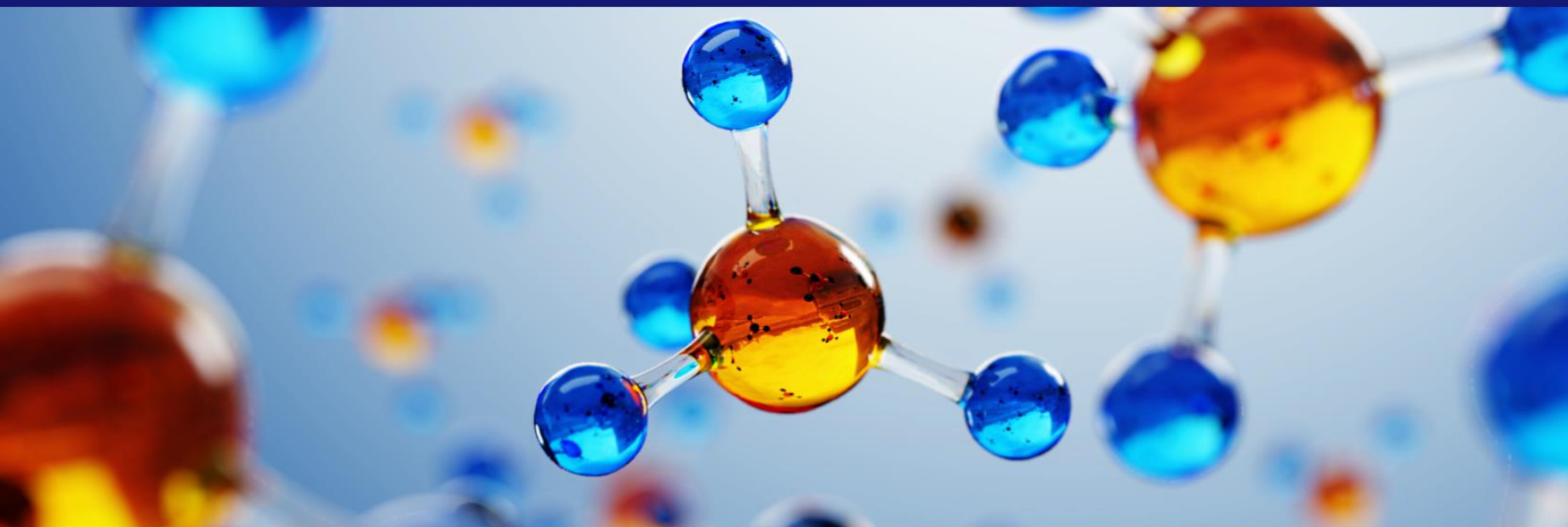
- Created front-end presence for its Pharmaceutical business by setting up 1st wholesale depot in Angola in 2008.

- In 2014, the Group expanded its pharma business in Angola by setting up its 12th wholesale depot and a central distribution warehouse.
- Made in-roads in the Dominican Republic pharmaceutical market, submitted technical dossiers for securing product registrations and opened a central distribution warehouse.

Submitted several technical dossiers of Pharmaceutical products in EL Salvador and Honduras for product registrations.



BALAXI



Company Overview

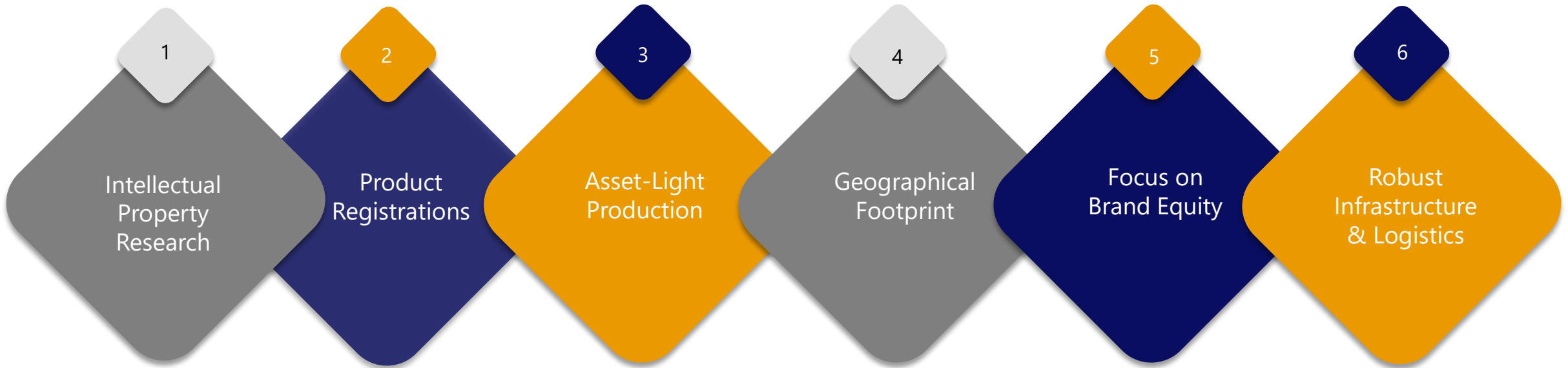
Business Strategy

Industry & Outlook

Business Overview



Our Approach For Creating Value



- Balaxi undertakes proprietary market research and assesses the demand for various products.
- The Company files technical dossier for product registrations in target markets.
- A well-established expert regulatory team, which carefully monitors the registration process at every stage.

- 548 valid pharmaceutical product registrations.
- The Company aims to double its portfolio of product registrations over the next two years.

- Manufacturing is outsourced to WHO GMP certified contract manufacturers based in India, China and Portugal.

- Well-established in the existing markets of Angola, Guatemala, and Dominican Republic.
- Poised to expand footprint in Honduras, El Salvador, Nicaragua and Central African Republic (CAP).

- Increased share of branded products in Guatemala and the Dominican Republic will lead to premiumization.
- With a growing brand penetration in Venezuela, among the top 3 markets by size in Latin America, we now aim to create in-roads in this region as well

- Establish and expand robust local infrastructure by setting up on-ground warehouses, management teams and a delivery fleet across geographies.

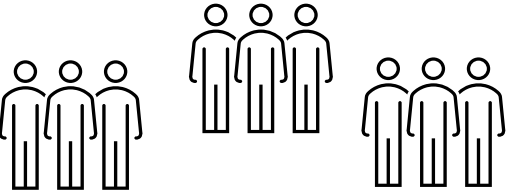
Modus Operandi: Straddling The Value Chain



We focus on bringing essential medicines within the reach of populations within frontier markets, which are challenging to penetrate. In particular, we concentrate on non-English-speaking countries which are emerging and hold the promise of improving GDP per capita.

We rigorously study each market and establish the best portfolio to seek registrations in that market. This is an evolving cycle, where our on-ground customer feedback mechanisms continuously sharpen our ability to expand "What's in-demand" and gives us the direction to pursue the correct product development that can allow us to gain better market share at a portfolio level.

Once identified, we develop our products by working with reliable outsourcing partners for high quality and reliability and registering these products within our respective multiple target markets. We thus refrain from creating our own manufacturing activities to maintain an asset-light production model, wherein we own the brand and the respective country registrations of each for each of our products.

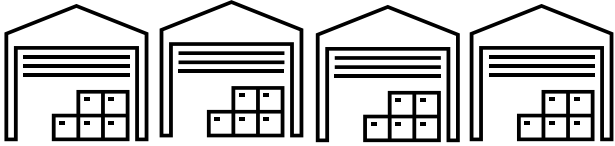


Wide Company-owned distribution network across all regions of our operations is a key strength of BALAXI



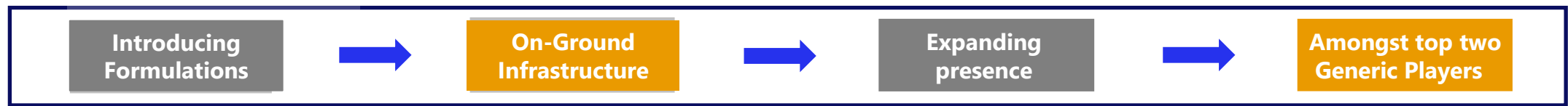
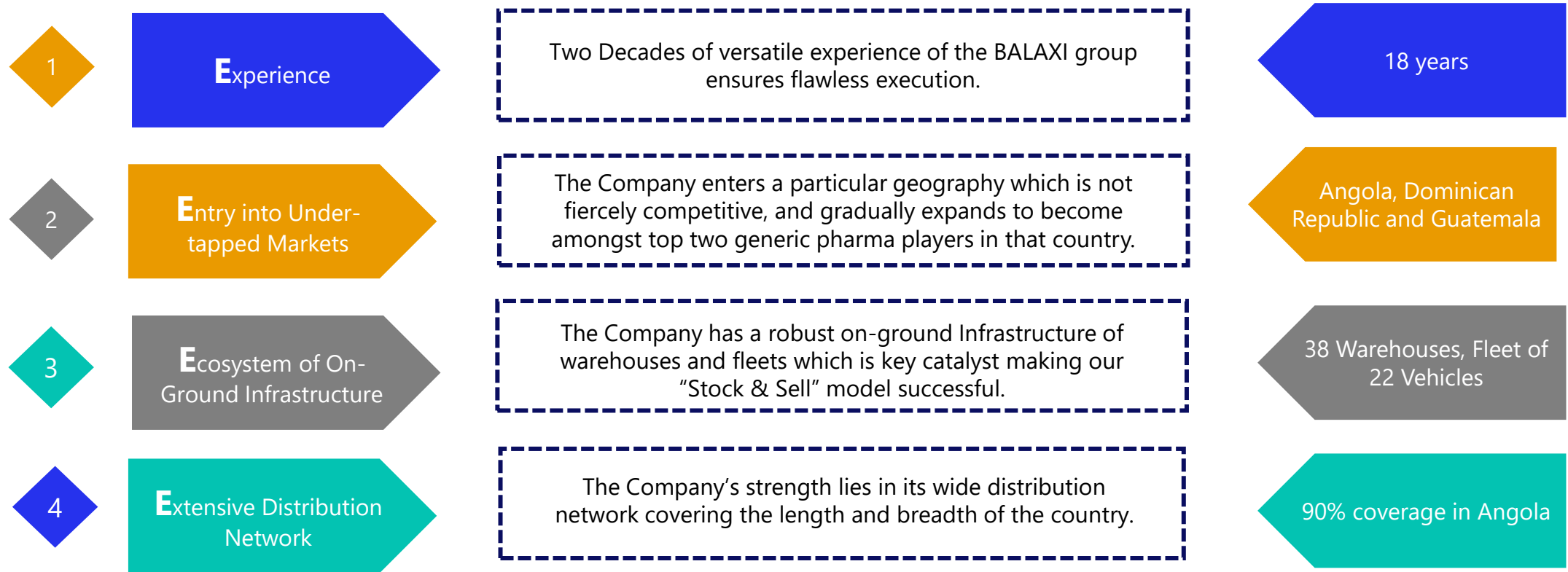
Our Fleet on-the-ground gives us the advantage of supporting the market demand with just-in-time-delivery and helps us maintain strong margins driven by our high service-levels.

We maintain a rigorous supply chain flow to build our stocks in our own warehouses within our respective markets and cater to the marketplace strictly on an inventory-based (stock and sell) model.



Reach to End Consumers that have growing brand affinity to Balaxi.


Four 'E's differentiates BALAXI



Balaxi Pharmaceuticals: An Asset-Light Business Model Focussed on IPR's



Pharmaceutical Industry Value Chain

 Balaxi's Operating Areas



- The asset-light business model truncates time-to-market and liberates the Company from having to make large capex for establishing manufacturing facilities.
- The Company's resources are more prudently channelized towards product registrations, which typically take as little time as 12-15 months, while it can parallelly set-up on-ground infrastructure in a new market.
- Balaxi leverages its established core competency and expertise within this business model, by pursuing a stock & sell strategy through a well-built distribution network.
- The Company's asset light model reduces capex intensity which allows quick scalability of the business.

How are we **Asset-Light** ?

IPR Based
(BALAXI)

Manufacturing and
R&D based

Registrations,
Marketing &
Distributions

Land

Plant &
Machinery

Maintenance



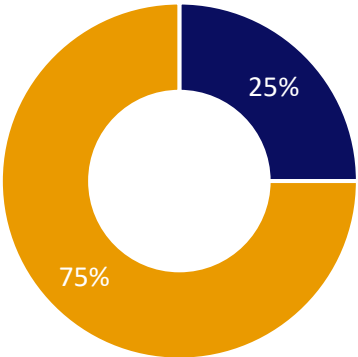
- The Company has a healthy ratio of branded and generic medicines in its portfolio of 25:75 (Branded: Generics).
- The Company is in the business of supplying everyday medicines addressing multiple therapeutic areas, with Antibiotics being the leading category at 38%.
- The share of Branded Generics is at 32% in Angola; whereas it is at 14% in Guatemala and 9% in Dominican Republic.
- Branded medicines are priced at premium relative to Generics. Consumers in Guatemala and Dominican Republic are brand conscious and hence, there is a significant headroom for growth of branded pharmaceuticals.
- Injectables at 17% form a significant portion of the various finished dosage forms under Balaxi's portfolio



Pharma Product Portfolio: Inherent Strategy Built Over Time Leading To Strong Brand Presence

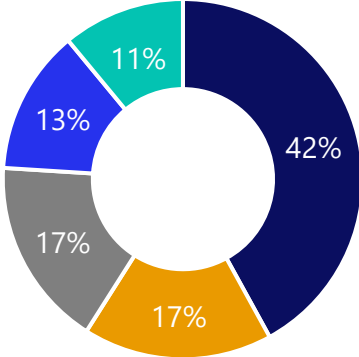


Product Mix % (Overall)



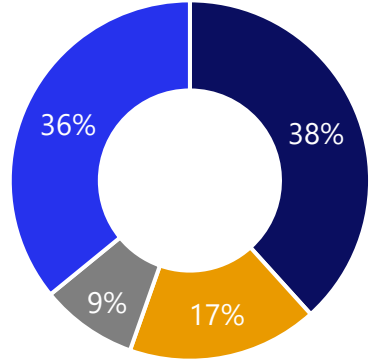
■ Branded ■ Generics

Product Category Mix % (Overall)



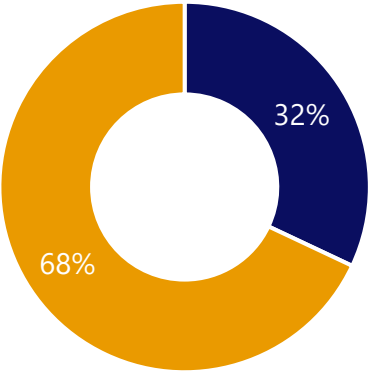
■ Tablets ■ Injection ■ Liquid ■ Capsules ■ Others

Therapeutic Area Mix % (Overall)



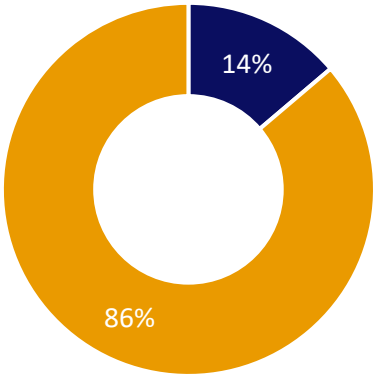
■ Antibiotics ■ Analgesic ■ Anti Malaria ■ Others

Product Mix % (Angola)



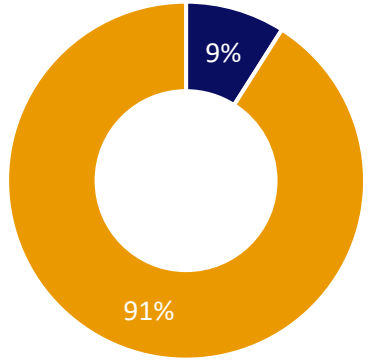
■ Branded ■ Generics

Product Mix % (Guatemala)



■ Branded ■ Generics

Product Mix % (Dominican Republic)



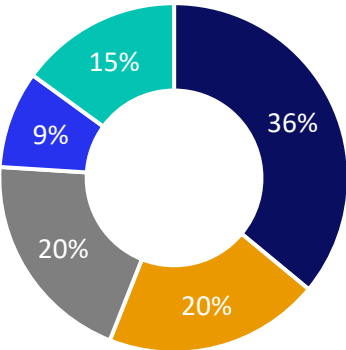
■ Branded ■ Generics

As on Q1FY21

Pharma Product Portfolio: Product Mix & Categories

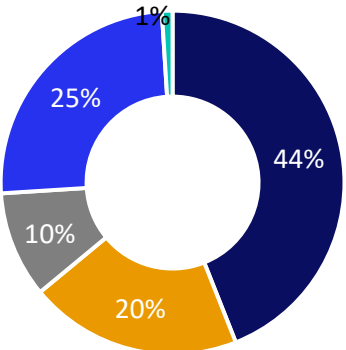


Product Category Mix % (Angola)



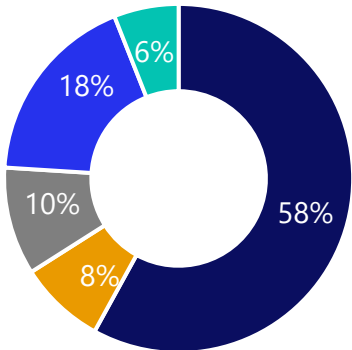
■ Tablet ■ Injection ■ Liquid ■ Capsules ■ Others

Product Category Mix % (Guatemala)



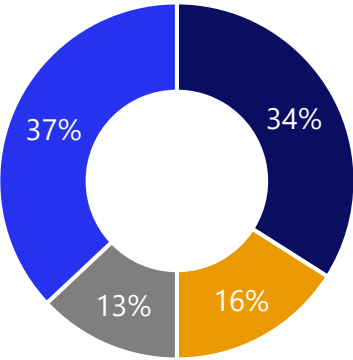
■ Tablet ■ Injection ■ Liquid ■ Capsules ■ Others

Product Category Mix % (Dominican Republic)



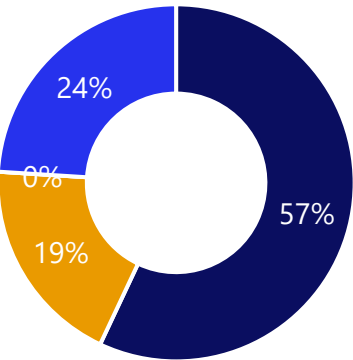
■ Tablet ■ Injection ■ Liquid ■ Capsules ■ Others

Therapeutic Area % (Angola)



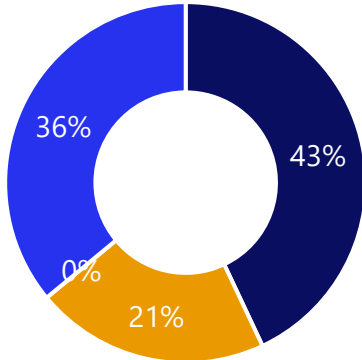
■ Antibiotics ■ Analgesic ■ Anti Malaria ■ Others

Therapeutic Area % (Guatemala)



■ Antibiotics ■ Analgesic ■ Anti Malaria ■ Others

Therapeutic Area % (Dominican Republic)



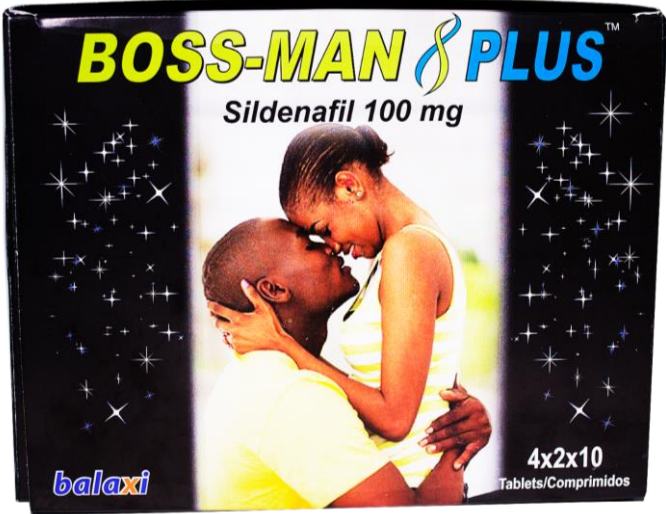
■ Antibiotics ■ Analgesic ■ Anti Malaria ■ Others

As on Q1FY21

Glimpse of Our Products



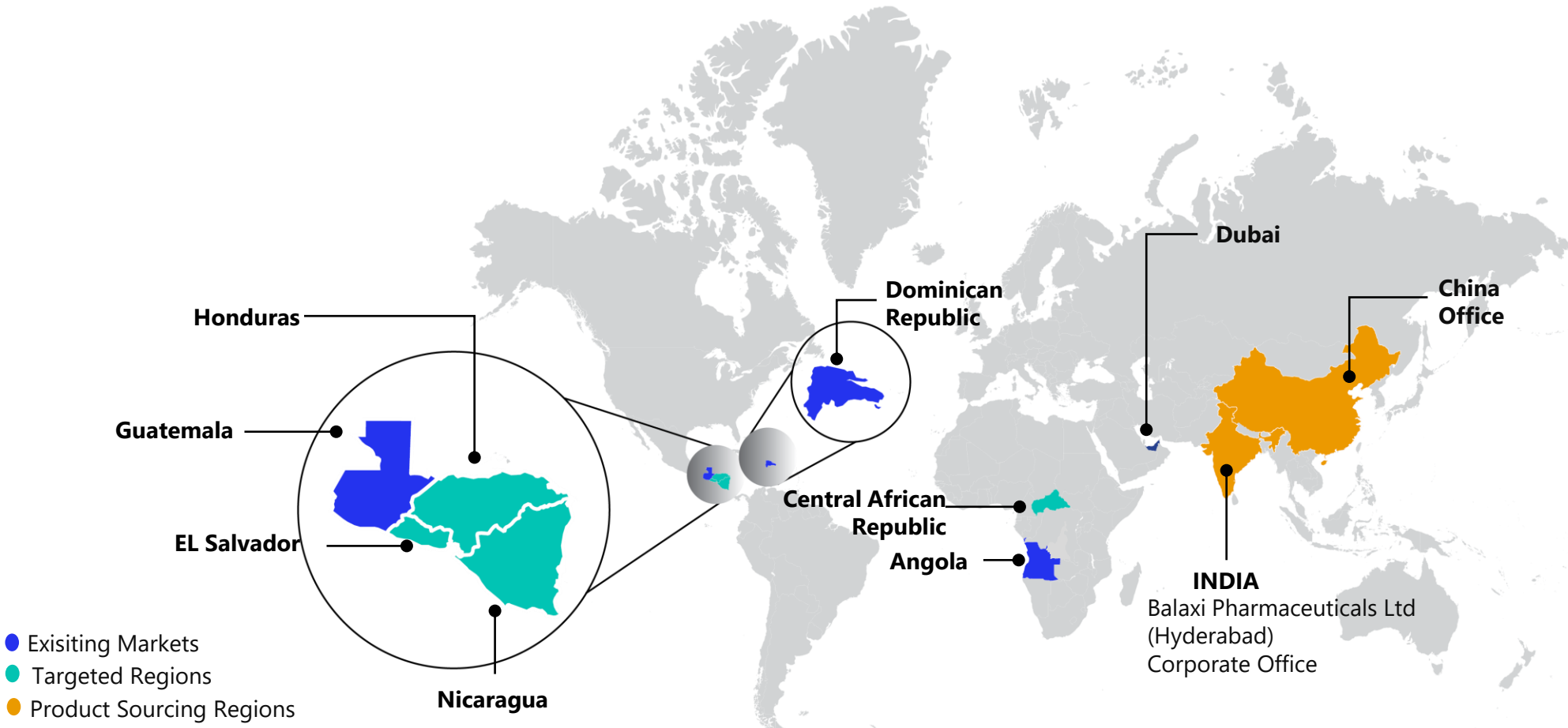
BALAXI



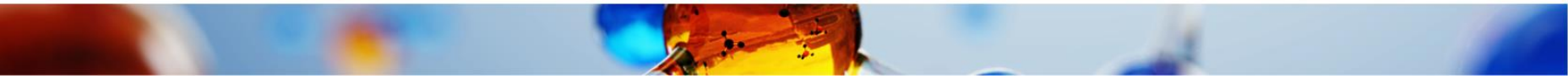
“Land & Expand”: Adding New Geographies and Extensive Presence Through Robust On-Ground Infrastructure

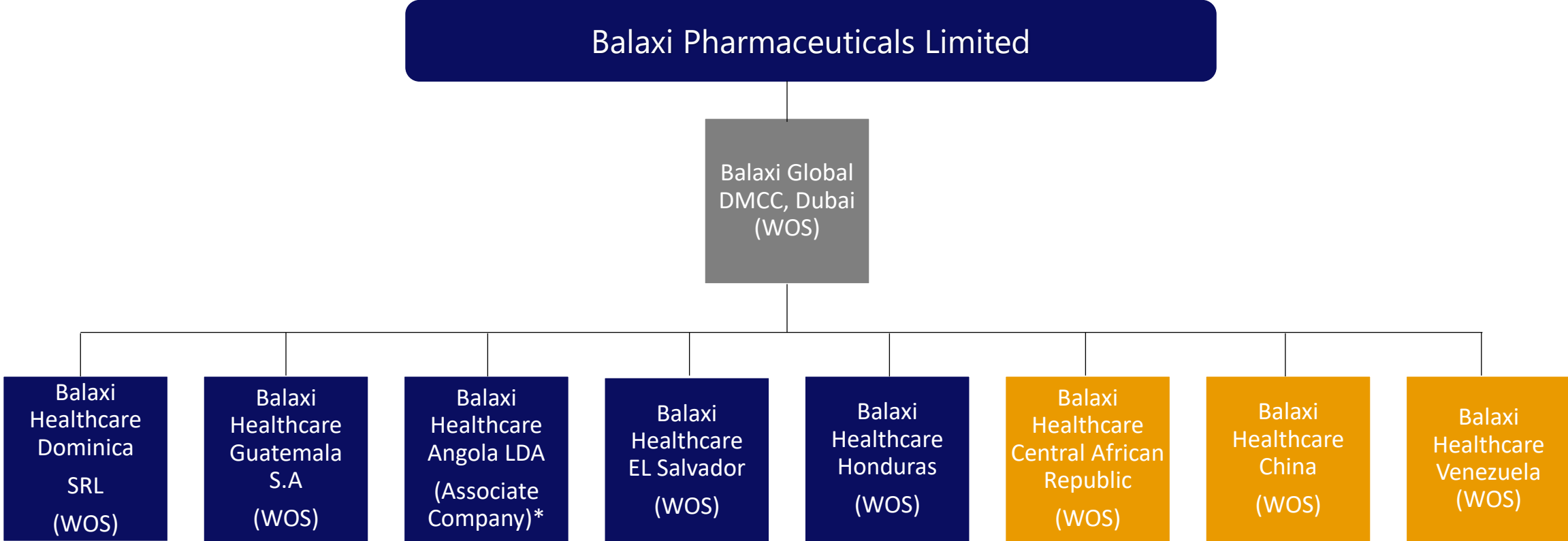


Our current established markets are Angola, Guatemala and Dominican Republic, where we have a strong presence in terms of competitive positioning, product registrations, on-ground stock-and-sell infrastructure and brand recognition. We are in the process of entering newer geographies in Africa and Latin America, specifically Honduras, EL Salvador, Nicaragua and Central African Republic. Beyond this, for the next orbit of growth, the Company has plans to expand in additional Latin American and CIS markets



- Key Criteria for Market Selection:**
- A. Growing Economy with improving GDP per capita and consumption
 - B. Focus on countries “difficult to enter” that have language or cultural barriers.
 - C. Focus on countries where big pharma presence is limited and has homogenous or fragmented market structures, giving us an opportunity to consolidate our market share and grow.





■ Existing subsidiary companies
■ Proposed subsidiary companies
* In process



BALAXI



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Business Overview



New Geographies: Macro Economy & Industry Data



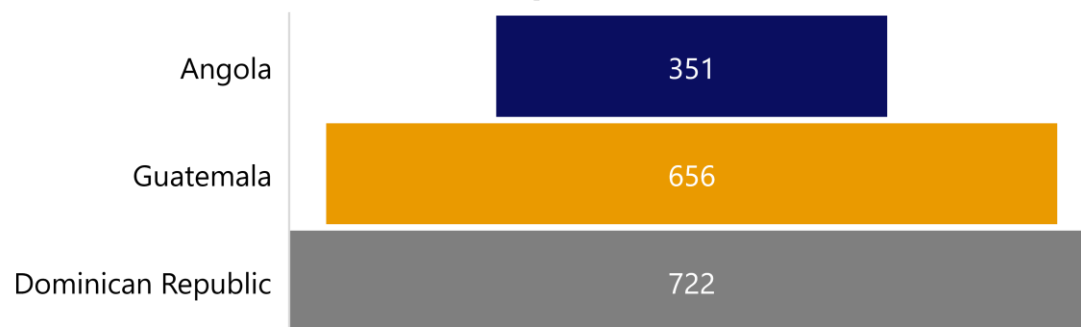
BALAXI

- Central American countries reported US\$ 825 million of pharmaceutical imports between January to March 2020.
- Guatemala is the biggest pharmaceutical market in Central America and expected to grow at 8.1% CAGR to reach US\$1.5 billion by 2021.
- Guatemala, El Salvador and Honduras will remain dependent on generic drug imports which benefits Indian pharma companies to tap the potential in pharmaceutical market of the respective countries.

Macro Economic Data as on 2019						
Country	S&P Credit Rating (Industry)	GDP (US\$ bn)	GDP Growth %	Population (mn)	GDP Per Capita (US \$)	Inflation Rate %
Angola	CCC+	95	-0.9%	31.7	3104	17.08%
Guatemala	BB- (Fitch)	85	3.8%	17.7	3413	3.70%
Dominican Republic	BB-	89	5.1%	10.4	8005	1.81%
Honduras	BB-	25	2.7%	9.0	2241	4.37%
Nicaragua	B-	12	-3.9%	6.5	1763	5.38%
El Salvador	B-	27	2.4%	6.5	3572	0.07%
Central African Republic	-	2	4.5%	4.7	384	2.69%

Source: Trading Economics, World Bank

Pharmaceutical Imports 2018 (US\$ mn)



Source: Centralamericadata.com, Trading Economics

Country	Pharmaceutical Imports (Jan-Sep, 2019) (US\$ mn)
Guatemala	489
Honduras	381
Nicaragua	269
El Salvador	346

Source: Centralamericadata.com



The Company aims to establish its presence and expand in 20 frontier markets over the next 5 years.

Balaxi In 2020 – Business Consolidation Under Balaxi Pharmaceuticals.

- Total number of product registrations at 548.
- Presence across Angola, Guatemala and Dominican Republic.
- Effective and efficient supply chain model consisting 38 warehouses and a fleet of owned vehicles.

Balaxi In 2021-22 - Expansion In New Geographies.

- To capture incremental market share in the existing geographies and expand in Honduras, EL Salvador, Nicaragua and Central African Republic.
- Balaxi will keep on pursuing various opportunities in the existing region by leveraging its physical presence
- Focus on offering a comprehensive product portfolio to fulfil consumer demand

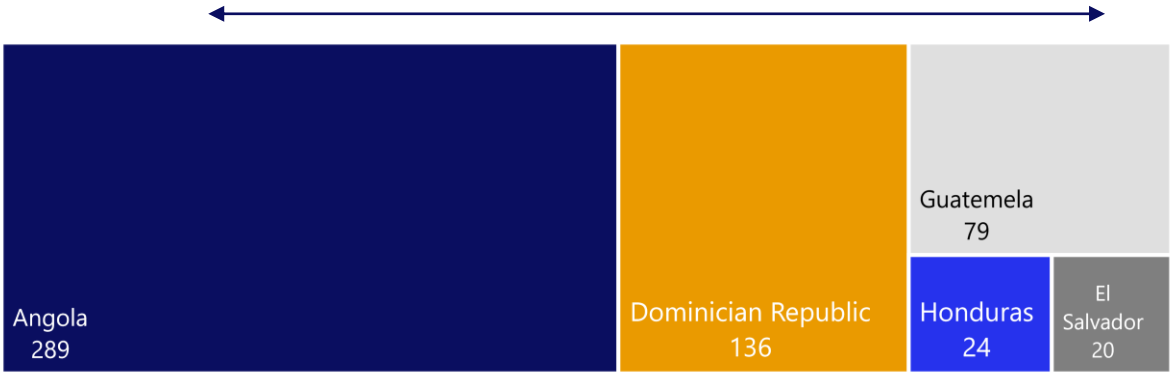
Balaxi In 2023 & Beyond.

- The management aims to foray in other Latin American countries & the Commonwealth of Independent States (CIS) markets and successfully replicate the differentiated business model
- Focus on having an ideal mix of Branded and Generic medicines that maximises the returns

Pharma Products Registrations: Robust Pipeline Ahead



Existing Registrations*



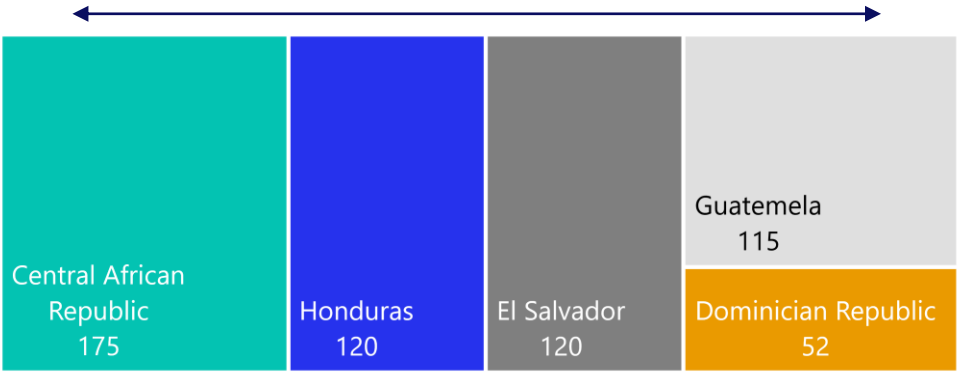
548 Registrations as on date

Angola comprises of 57% of Existing Registrations

25%+ Branded Generics

30+ Therapeutic segments

Pipeline



580+ Registrations in Pipeline

Guatemala and Dominican Republic to lead next phase of growth

12 to 15 months timeline for product registration after submitting technical dossiers

*As on Q1FY21



BALAXI



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An IPR-driven pharma company with an asset-light, stock & sell model supplying branded & generic medicines in frontier markets.



**Angola,
Africa**

Operational since
2008

- Angola 's economy is a high GDP per capita economy, dependent on natural resources
- Limited domestic pharmaceutical production paves way for imports
- The company has a widespread presence across 16 districts
- Total number of registrations is at 289 as on Q1FY21



**Guatemala,
Latin America**

Operational since
2016

- Guatemala is the largest pharmaceutical market in the Latin America
- Guatemala is a semi regulated market for pharmaceuticals
- Limited domestic pharmaceutical production provides opportunity for imports
- Total number of registrations is at 79 as on Q1FY21 and 115 in pipeline



**Dominican Republic,
Latin America**

Operational since
2016

- Dominican Republic is the biggest pharmaceutical market in the Caribbean Islands
- Dominican Republic is a semi regulated market for pharmaceuticals
- Total number of registrations is at 136 as on Q1FY21 and 52 in pipeline

Pharmaceutical Business: Leading Pharmaceutical Player in Angola



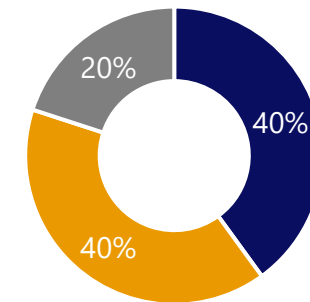
Industry Snapshot

- Angola is the second largest oil producer in Africa with a population of ~32 million in 2019.
- The GDP per capita on PPP basis is at US\$ 6,644 in 2019
- Angola witnessed pharmaceutical imports worth US\$ 351 million in CY2018
- All the medicinal products must be registered with National Directorate for Pharmaceuticals and Equipment (DNME)
- The government's National Health Development plan is focused to promote increased use of generics and generics substitution in pharmacies

Business Overview

- A well entrenched player in the Angolan pharmaceutical market
- The business has a front-end logistics network of 19 facilities totalling 1,10,000 sq.ft. and a fleet of 20 vehicles.
- The warehouses are located strategically ensuring swift and hassle-free transition of the goods across the country
- Advertisement of pharmaceutical drugs is not allowed in Angola.
- The products are typically procured from India, China, and Portugal in a ratio of 40:40:20 and vary from time to time

Product Sourcing Mix %



■ India ■ China ■ Portugal

Pharmaceutical Business: Leading Pharmaceutical Player in Guatemala



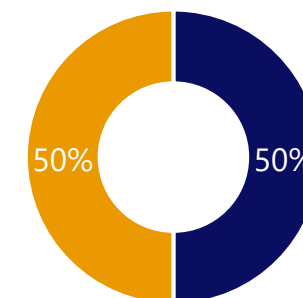
Industry Snapshot

- Guatemala is part of the Latin American-Dominican Republic Free Trade Agreement (CAFTA-DR) which includes the United States and 6 Latin American countries
- Guatemala witnessed pharmaceutical imports worth US\$ 656 million in CY2018

Business Overview

- Guatemala is a niche market for pharmaceuticals.
- It takes 12-15 months from the date of submission of technical dossiers to secure pharmaceutical product registrations from the Ministry of Health
- The Company has a front-end distribution model with one warehouse aggregating 10,000 sq.ft and one heavy vehicle
- The products are typically procured from India and China in a ratio of 50:50

Product Sourcing Mix %



■ India ■ China

Pharmaceutical Business: Leading Pharmaceutical Player in Dominican Republic



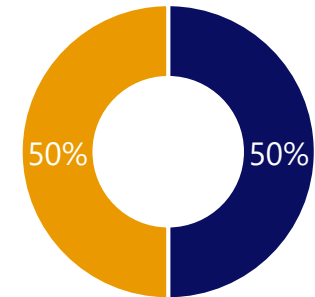
Industry Snapshot

- Dominican Republic is part of the Central American-Dominican Republic Free Trade Agreement (CAFTA-DR) which includes the United States and 6 Central American countries
- Dominican Republic witnessed pharmaceutical imports worth US\$ 722 million in CY2018
- The Dominican Republic government has shown deep interest in developing the National Health System in both private and public sectors

Business Overview

- Dominican Republic is an established market for pharmaceuticals.
- It takes 12-15 months from the date of submission of technical dossiers to secure pharmaceutical product registrations from the Ministry of Health
- The Company has a front-end distribution model with one warehouses aggregating 10,000 sq.ft and two vehicles
- Balaxi sells its products in Haiti and Venezuela from its depot in Dominican Republic. This has created a strong recall for the Balaxi brand name in these two countries.
- The products are typically procured from India and China in a ratio of 50:50

Product Sourcing Mix %



■ India ■ China

Ancillary Business: Encashing Our On-Ground Infrastructure



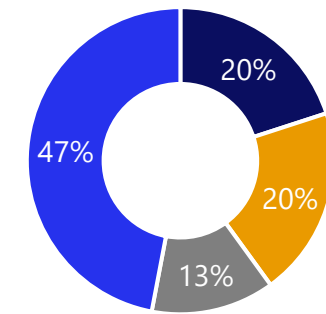
Industry Snapshot

- Angolan real estate market is largely dependent on state investments
- Property market continues to be seen as a safe-haven investment in the face of currency devaluation
- Builder's Hardware is import dependent although domestic manufacturers do exist for some of the items
- Wholesalers offer a wide range of products under single roof
- Retailers purchase goods from the wholesalers on a cash and carry model
- As China led investments boost the country's infrastructure spending, demand for builders' hardware is expected to grow at a fine clip

Business Overview

- The company commenced its operations in 2012
- The company offers a basket of products under its portfolio comprising of over 300 SKUs
- The company is well entrenched and operates across 16 districts in the country
- The company has 15 warehouses aggregating 1,00,000 Sq.ft and a fleet of vehicles to augment last-mile delivery
- We cater to an extensive network of retailers through our supply chain and logistics capabilities
- The products are sourced from India and China and sold under our brand name
- There are multiple product categories ranging from Construction Tools, Electrical Equipment, Agricultural Tools etc

Product Mix %



- Generator/Welding
- Construction Tools
- Agricultural Tools
- Others

Branded Consumer Products: An Emerging Business



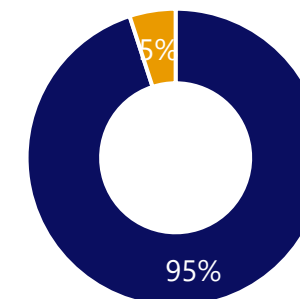
Industry Snapshot

- Angola is one of the most promising consumer-goods market in Africa
- Angola imports most of its consumer goods and utilities from countries such as Portugal, Brazil, China and South Africa
- The biscuits segment witnessed an import of US\$ 37.9 million
- According to Research & Markets, wholesale and retail of food in Angola contributes over 18% to GDP
- The food trade in Angola remains dominated by informal channels, with open-air markets, small traditional stores, and street vendors accounting for 70-80% of the market. Heavy investment in supermarkets and shopping malls saw the formal market share of food sales increase from less than 5% in 2000 to 20% - 30% in 2019

Business Overview

- Balaxi ventured into the branded consumer products business segment in 2019
- The company has established its presence by selling a wide range of Biscuits, Cookies and Pasta in 16 districts across Angola
- The Company has couple of warehouses and a fleet of delivery vans to augment last mile delivery
- The business follows a strategy of supplying goods to its distributors, supermarkets and general shops
- Balaxi's sells biscuits under '**YAP**' brand which is affordable and has a low to medium income customer demand
- The company has scaled up the branded consumer products business by adding new items such as wafers, toothpaste, ketchup, hand sanitizer, disinfectants etc.

Product Mix %



■ Biscuits ■ Pasta

Leadership Team



Ashish Maheshwari
CMD & CFO

Founder of the company

First generation entrepreneur and a qualified Chartered Accountant

Commenced business by supplying white labelled pharmaceutical formulations to various importers

Established Balaxi Group into a conglomerate that spans 4 continents

A person who recognises and appreciates knowledge, discipline, transparency & accountability



Amol Mantri
Finance Controller

Qualified Chartered Accountant and Certified Public Accountant from USA

Associated with the Balaxi Group since 2012

Inherent talent in designing and implementing systemic processes and checks & balances in all operations of the company

Clear understanding of the company's businesses spread across four continents and seven countries



Ram Chawla
Country Head - Angola

Associated with the Balaxi Group since 2009

Inherently talented in person to person marketing

Natural leader and motivator

Speaks multiple languages



Pranav Maheshwari
Head - Latin America

BBA and Economics Graduate from Emory University, Atlanta

Keen observer, quick learner and leads from the front

Oversees the company's vision for Latin America



Paridhi Maheshwari
Head - Branded Consumer Products

BBA Graduate from University of Southern California, Los Angeles

Is a stickler for well-defined systems and process

Initiated and Leads the consumer products business for the Company

Board of Directors



BALAXI



Ashish Maheshwari
CMD & CFO

Founder of the company
First generation entrepreneur and a qualified Chartered Accountant
Commenced business by supplying white labelled pharmaceutical formulations to various importer
Established Balaxi Group into a conglomerate that spans 4 continents
A person who recognises and appreciates knowledge, discipline, transparency & accountability



Minoshi Maheshwari
Non-Executive Director

Co-Founder of the company
A commerce graduate with 20 years of rich experience in the organization
Instrumental in creating Balaxi Group
A tenacious and persistent approach
A thought leader for the Group
Also heads CSR activities for the group



Kunal Bhakta
Independent Director

A Chartered Accountant with 14 years of experience in the field of Capital Markets
Currently, serves as an investment manager for First Water Capital Fund; A SEBI registered listed markets AIF
Successfully executed multiple M&A, Capital Raise and Investor Relations Strategy Engagements in his earlier roles at Lastaki Advisors
Previously associated with Motilal Oswal as a lead Analyst post which he was by Co-founder at Foster Capital Ventures



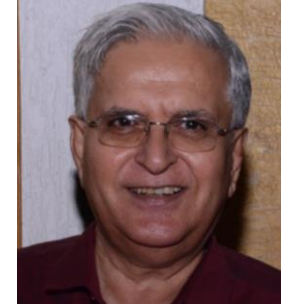
Gandhi Gamji
Independent Director

MBA and BE in Engineering with more than 20 years of experience
Heads a successful business of niche speciality paints and ink chemicals in Africa and GCC
Has been an independent advisor for the Balaxi Group over the past 20 years



M.S Rao
Independent Director

MBA from Asian Institute of Management, Philippines coupled with PG Diploma courses from IIM Ahmedabad, Cornell University and Kansas State University
Joined CGIAR institutions in 2009 as CEO of Cereals System Initiative for South Asia promoted by Bill & Melinda Gates Foundation
Good understanding of global markets and Involved in leading strategy formulation, project leadership, fund raising etc.
Previously associated with ITC as Head – New Initiatives, Agri Business Division where he oversaw business of USD 800 mn



Rakesh Khanna
Independent Director

A Chartered Accountant with over four decades of experience in taxation, corporate governance, general and financial management in the industry,
Previously worked in various capacities with multinational Companies such as Castrol India, Philips India and was the MD of a listed Company of the Geneva and London based Hinduja Group. He retired as the Founding Partner of Ambit-RSM group
Currently, he is a Director-Olympic Gold Quest and in Companies such as Geecee Ventures, ITI AMC Ltd., Geltec Ltd., etc."



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Thank You



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**Aakash Mehta / Chintan Mehta
IR Consultants - Dickenson World**

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Balaxi Pharmaceuticals Limited

