

VARICHEM

PHARMACEUTICALS (PVT) LTD

QUALITY

RESEARCH AND DEVELOPMENT

VARICHEM
PHARMACEUTICALS (PVT) LTD

**COMMITTED TO
COST EFFECTIVE
HEALTHCARE**

PROVEN TRACK RECORD

EXPORTS

OUR PEOPLE

PROSPECTUS

PRESENTATION OUTLINE



1. Market/ Region Size and Opportunities
2. Why Varichem Pharmaceuticals is the Commercial Partner of Choice
3. Why Varichem Pharmaceuticals is a Technical Partner of Choice
 - Manufacturing Capabilities and Strengths.
4. Overall Company Strategy.
 - Type of Partnership Required





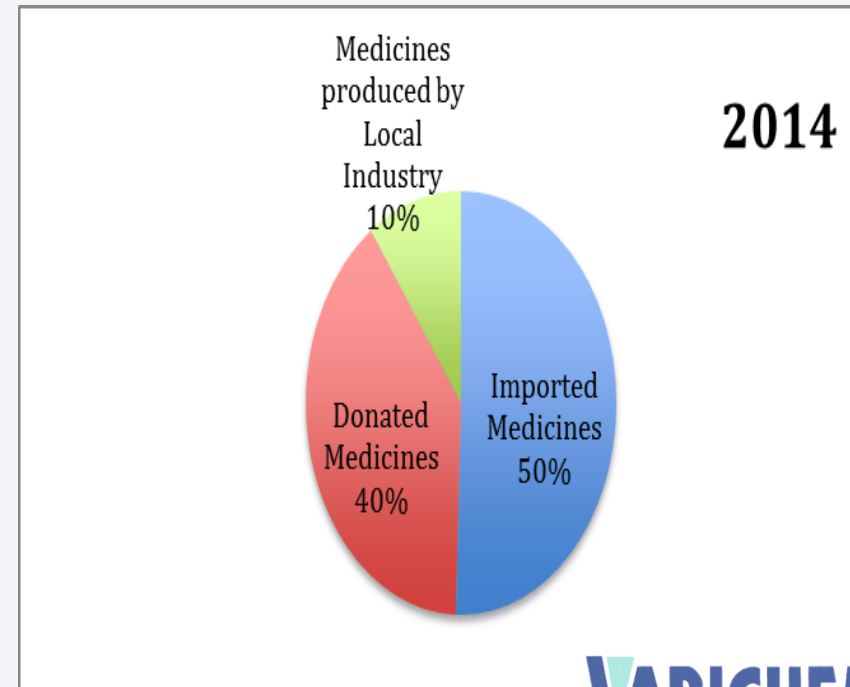
Market/ Region Size and Opportunities



Market Size of Zimbabwe



- At the turn of the millennium, market size was approximately \$500million, it now stands at \$244million, a 51% reduction.
- Market is set to increase with return of citizens from the diaspora in the wake of the new political dispensation which has created hope.
- There is an opportunity to grow local manufacturing as the market grows given that local manufacture was contributing only 10% of consumption as at 2014.
- Growth opportunities exist.



Market Opportunities In Zimbabwe



Supply contemporary molecules across therapeutic categories.

- Currently market is “stuck” with relatively old generation molecules e.g. Prazosin vs Doxazosin.

Opportunities in communicable diseases

- Despite gains made in reductions of new HIV infections, pharmaceuticals for OI infections are big sellers currently as this was a key growth segment for the past years.
- Funding is in place via the AIDS levy : 3% of every employee’s PAYE (Pay as You Earn Individual Income tax) is taken into a fund and used to purchase pharmaceuticals and medical sundries especially for management of HIV and opportunistic infections.

Opportunities in Non – Communicable diseases

- It’s a growing area globally. Africa is a key growth market with WHO estimating that NCDs will grow by 27% in Africa by 2020 compared to 17% growth in developed countries.
- Funding is via the Health Levy : 5% of all cellphone airtime is taken into a health levy which is used for purchasing pharmaceuticals and medical sundries for the public sector.

The health levy is a new fund that was introduced in 2017 and is part of the basis for the growth in the public sector market.



**Why Varichem
Pharmaceuticals is the
Commercial Partner of Choice**



Why Varichem is the Partner of Choice



Varichem is a dominant local company

- Varichem has 40% of locally manufactured pharmaceuticals market.

Local companies enjoy certain advantages over imports

- Local manufacturers are given preferences when the health and AIDS levies are used to purchase given the government's drive to support local production of medicines.
- Partnering with Varichem will give advantage to technology transfer partners as their products will have increased chances to benefit from local manufacturer preference during tender adjudication.
- Local Manufacturers have a 10% price preference and there is a general drive to award tenders to local manufacturers where possible.



Why Varichem is the Partner of Choice



Being an integrated company has its advantages

- Part of a group with operations in plastic packaging manufacturing, pharmaceutical manufacturing, wholesaling, distribution and pharmaceutical retailing.
- Plastic packaging manufacturing ensures availability of HDPE and Polypropylene containers for bulk tablets (popular for most public sector tenders), securitainer tablet containers (for private sector) , syrups and other liquids.
- The wholesaling and distribution give ready access to the retail and hospital markets given that Varichem's sister company is one of the top 3 wholesalers by revenue and volume.
- The retail pharmacies give brand exposure and easy access to patients.
- In a market with hardly any market metrics, the wholesale and retail arms provide a reliable source of market metrics that others don't have access to.



Why Varichem is the Partner of Choice



Has proven marketing capabilities both locally and in the region

- Potential partner's product to be marketed together with Varichem's portfolio.
- Dedicated exports team with experience in key regional markets in SADC.

Production Capacity

- We have extra production capacity which can be utilized to produce products from our partners.
- Given the factory's regulatory approvals by multiple countries in SSA, the plant can be used as a manufacturing hub to serve Southern Africa.



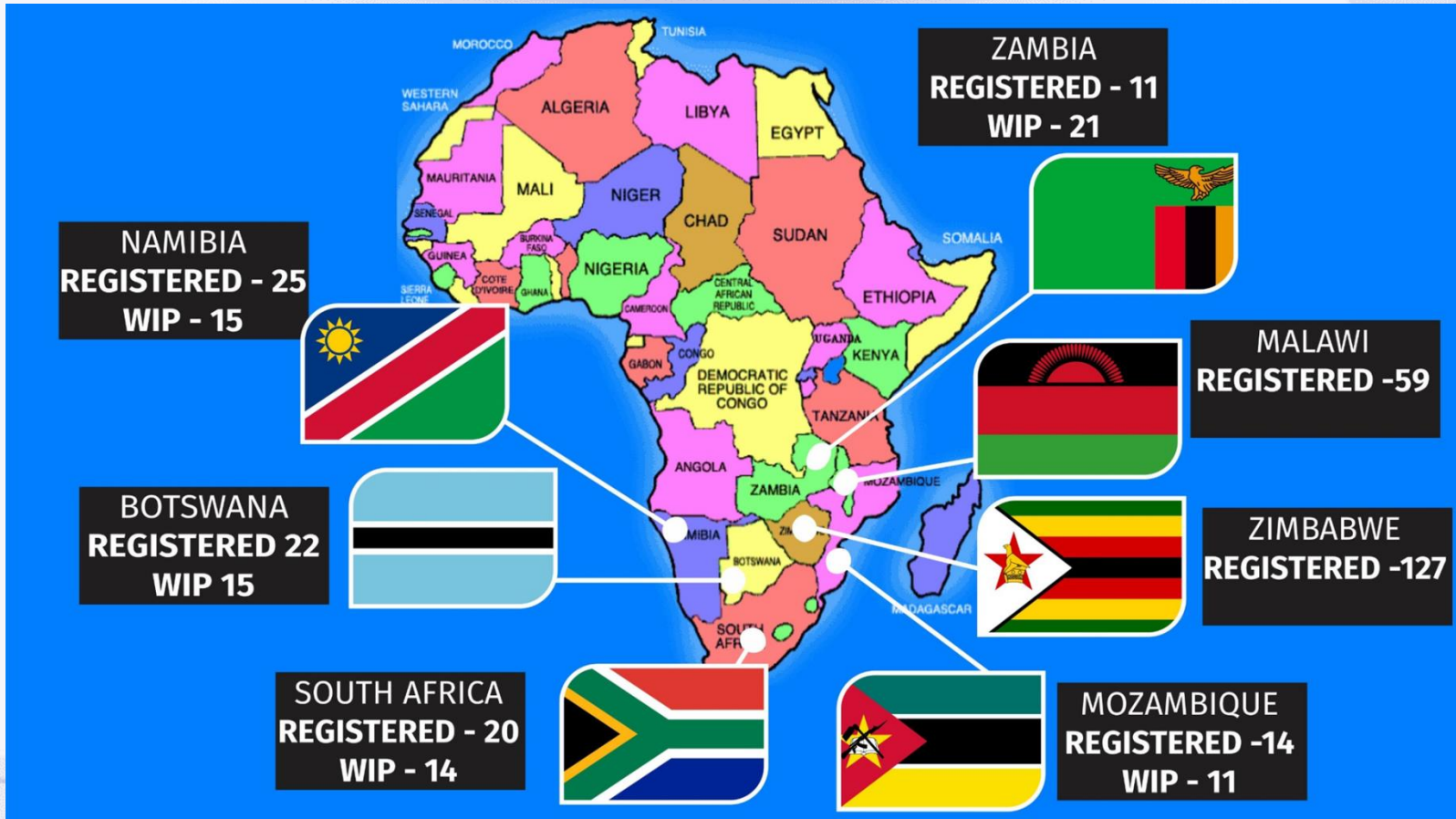
Why Varichem is the Partner of Choice



Track record of success

- Have successfully developed, registered and launched 22 new products in the past 5 years which are now contributing close to 30% of the company's revenues.
- The first wholly African country to develop and market its own ARV formulations.
- Against the odds in the economy, company managed to achieve WHO PQ and went on to supply ARVs in export markets like DRC, Angola, Laos and South Sudan.
- This made Varichem one of only 3 companies out of the 500 manufacturers in Sub Saharan Africa to achieve WHO PQ.

Our Regional Registration Footprint





Manufacturing Capabilities and Strengths



Capabilities and Strengths



- Modern plant with the following capabilities; blister packing, film coating, automatic cartoning, integrated liquids packing line and integrated tablets packing line.
- We have an OSD plant for the manufacture of creams, ointments, tablets, capsules, syrups and dry syrups.
- We also have a separate Beta Lactam plant for the manufacture of capsules and dry syrups.
- To circumvent electricity and water supply shortages the company has a 800KVA stand-by generator and a 100 metres deep borehole. This ensures independence and availability of key utilities.
- Well equipped QC lab.
- Capability to carry out stability studies (chambers and HPLCs).
- Experience with European dossiers – successfully registered and marketed products from European dossiers.

Standing with Regulatory Authorities



- MCAZ (Zimbabwean regulator) approved plant and products
 - Former MCAZ personnel currently working for WHO PQ
 - MCAZ Lab WHO pre-qualified - only one in SSA after South Africa
- Our facility has been WHO pre-qualified
- MCC (South African Regulator) plant approval (MCC is PICs accredited).
- ZAZIBONA approved plant.
- UNIDO classified us as B according to cGMP matrix, with minimum investment plant can be WHO-PQ compliant again.
- All the above reduce regulatory risk.





Overall Company Strategy and Desired Partnerships



OVERALL COMPANY GROWTH STRATEGIES



- To engage in strategic alliances in Africa and beyond for purposes of creating competitive advantage.
- To create growth through new and old products through sustainable low cost competitive advantage in the domestic, regional markets and beyond.
- To grow our export market product portfolio, in the region, through registration of products with regional Regulatory Authorities.
- To maintain regulatory compliance for all the markets we serve.



Our Growth Plan



Phase 1 - Involved ensuring survival during the turbulent economic times. Revenues built through development and marketing of OTC medicines and those not requiring BE. This phase has been successfully completed. Company now well poised for growth and partnerships.

Phase 2 – Seeking to register (via technology transfer with partners, in-house development or dossier purchase) contemporary molecules including those requiring BE studies as resources are now available. Molecules of interest include but not limited to: Combinations of Valsartan with Amlodipine & HCT; Amoxicillin + Clavulanic acid; Gabapentin; Metformin and Linezolid. These are for Zimbabwe and other regional markets.

- Import finished pharmaceutical products under our brand name from international partners for dosage forms we do not manufacture.

Phase 3 (long term) – build a new facility for Large and Small Volume Parenterals . There is currently no local manufacturer for these.



THANK YOU

THE END

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