

## Investment Teaser

**“Opportunity to form a partnership with one of the high-profile pharmaceutical companies in Vietnam”**



### Transaction Offer

- **Ownership offer:** Flexible
- **Type of shares:** Primary shares and secondary shares
- **Target investors:** Financial or strategic investors with track records in the pharmaceutical industry who are capable of adding value to the Company.
- **Fund usage:** Upgrading production facilities and developing new products according to the Company’s business plan.

### Investment Highlights

- **Potential market growth:** Vietnam has been known as a promising market for the pharmaceutical industry thanks to its large population of 97.58 million people in 2020, which is forecast to grow at a CAGR of 0.93% over 2018-2023. Moreover, the population is ageing at a fast growth rate with the number of people aged 60 and over projected to increase rapidly with a CAGR of 3.4% during 2018-2050. According to BMI, the Vietnamese pharmaceutical industry was valued at US\$ 6.3 billion in 2019 with nearly 75% of the revenue coming from the ETC channel and 25% from the OTC channel. It is projected to continue to grow and reach US\$ 9.8 billion by 2024. Thanks to the favorable industry outlook, the Company’s revenue is expected to expand extensively and excellently perform with an outstanding CAGR of 45.17% during 2019-2024.
- **Rapid growth prospect:** Over recent years, the Company has been under corporate restructuring with the purpose of strengthening its business operation and positioning itself for future growth. As a result of the successful business remodeling, the Company could now concentrate on its core business development and drive its profitability performance in the upcoming period.
- **Advanced facilities:** The Company operates an over 1-ha manufacturing plant in Cu Chi District, Ho Chi Minh City. The plant is well-equipped with state-of-the-art technology and in compliance with Good Manufacturing Practice-WHO standards.
- **Solid R&D capability:** The in-house R&D team has constantly been striving to develop new products that meet market demand. To date, the Company has approximately 90 registered visa numbers for pharmaceutical products.
- **Simple shareholder structure:** The Company is a subsidiary of an international pharmaceutical group that holds 99.99% of the total equity stake. Being part of the group, the Company is firmly backed up in terms of finance and technology while ensuring its continuous production and operation that always follow international standards.
- **Highly competent management:** The Company is led by passionate management team with strong expertise and experience in the pharmaceutical industry. Key personnel are appointed by the parent company with careful consideration.
- **Exports opportunity:** This is going to contribute 17% of the total sales in 2020. The Company has already started exporting its products to Cambodia and Yemen is in the process.
- **Advantages of affiliation with high profile - a multinational pharmaceutical corporation:**
  - Strong R&D offers first mover advantage, fast entry with innovative molecules;
  - Being a market leadership in chronic care segments ( diabetes and cardiovascular) in variety of operational countries globally;
  - Tech transfers from its parent company to facilitate manufacturing of novel molecules in Vietnam.

## The Company

- Established in Ho Chi Minh City 10 years ago and now is part of an international pharmaceutical group;
- Develops and owns an extensive portfolio of approximately over 100 registered products including injection powder, oral suspension powder, solution, film coated tablets, and hard capsules.
- Achieves the National Tender awards for 2 consecutive years and Gold brand for the Vietnamese health;
- Granted the certificate of Good Manufacturing Practice Compliance (GMP) from local WHO, certifying that the Company complies with the requirements of Good Manufacturing Practice (GMP), Good Laboratory Practice (GLP), and Good Storage Practice (GSP);
- Has 80 employees as of 31 December 2020 including around 50 are workers.

**Manufacturing plant:**

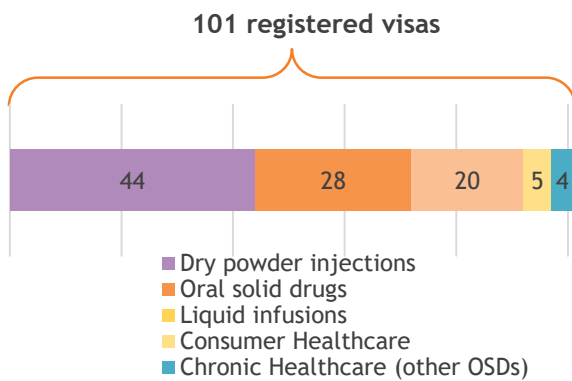
- Location: Cu Chi, Ho Chi Minh City
- Land area: Over 10,000 Sq.m
- Leasing term: Until 2058
- Facilities:

Workshop	Capacity
Oral solid drugs (Cephalosporin)	- Capsules: 200,000 per day - Sachets: 25,000 per day - Tablets: 200,000 per day
Dry powder injections	- 30,000 vials per day
Liquid infusions	- 1,200 liters per day

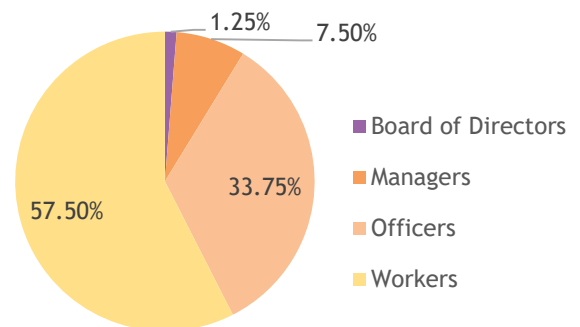
**Business plan:**

- The Company plans to develop new pharmaceutical products and open trading services on consumer health products including supplemental nutrition milk, herbal supplements and medical devices to capture the potential of the Vietnamese dietary supplement industry. These products will be distributed mainly via the OTC channel.
- The Company has a plan to upgrade its current pharmaceutical manufacturing plant in order to improve product quality and develop its business.

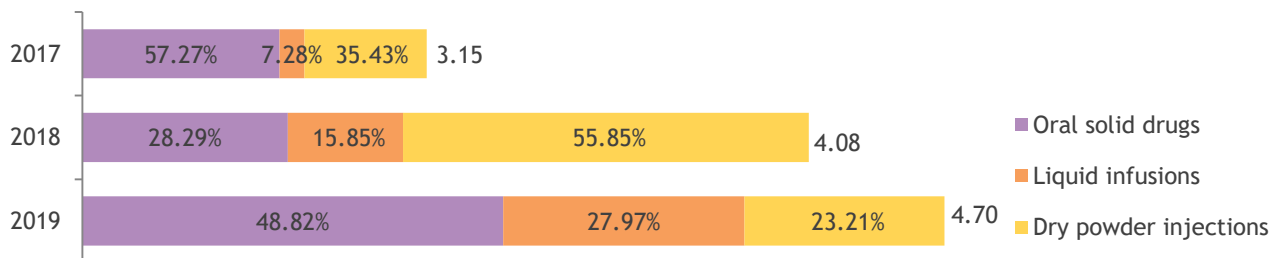
### Registered Visa Number Breakdown by Product Line



### Employment Breakdown, 2020



### Revenue Breakdown by Product Line, 2017-2019 (% , US\$ million)



## The Company (cont'd)

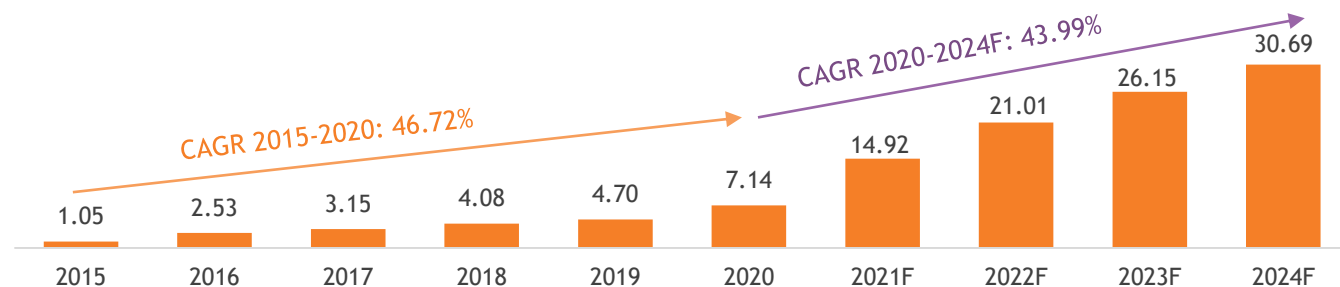
### Financial Performance, 2017-2020 (US\$ million)

Items	2017A	2018A	2019A	2020
Revenue	3.15	4.08	4.76	7.14
Gross Profit	(0.78)	(0.06)	0.92	2.20
EBITDA	(1.57)	(0.88)	(0.48)	0.66
Total Assets	5.19	5.49	6.06	6.26
Total Debts	5.63	7.16	8.58	8.49

- As of December 31<sup>st</sup>, 2020, approximately 75% of the Company's debts has been taken over by its parent company and related parties.

- Over the period of 2015 to 2020, the Company has performed an impressive revenue growth with a CAGR of 46.72%. This robust rate is forecast to grow continuously to 2024 driven by an expansion on the existing product lines and new trading services on consumer and OSD chronic healthcare products.
- The Company's total revenue in 2020 was US\$ 7.14 million, achieving higher than US\$ 0.41 million of the projected revenue. Thanks to the higher gross profit, the Company's EBITDA well recovered and increased significantly to US\$ 0.66 million in 2020.

### Revenue, 2015-2024F (US\$ million)



### Next Steps

Auxesia Holdings is delegated as the exclusive financial advisor and the main contact of the Company.

After receiving this teaser, if the receiving party would like to proceed it further, please kindly execute an NDA signing with Auxesia and the receiving party for exchange of further confidential information of the Company and additional Q&A.

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