

Sequent Scientific forays into pet segment in Brazil

Signs Definitive Agreement to acquire 100% stake in Nourrie Saúde e Nutrição Animal Ltda

Mumbai, December 16, 2021: SeQuent Scientific Limited (SeQuent), having businesses in animal health sector through its principal operating company “Alivira Animal Health Ltd.”, signs definitive agreement to acquire 100% stake in Nourrie Saúde e Nutrição Animal Ltda (Nourrie) in Brazil.

In line with its stated strategy for Sequent 2.0, this acquisition marks Alivira’s foray into Brazil’s pet market, fastest growing segment in Brazil, and 4th largest pet market in the world. The acquisition will be made through Evance Saude Animal Health Ltda (Evance), subsidiary of Alivira Brazil, for a cash consideration of BRL 27 Million, and is expected to close in Q4 FY22.

Nourrie specializes in development and commercialization of nutraceuticals and therapeutic products, with a portfolio of 23 commercialized products for pet and swine, and a near-term pipeline of 17 products. The business is well established with integrated R&D and manufacturing setup, complementary to Alivira’s existing local capabilities. The Company also manufactures Transuin, a Ractopamine based product for swine, a key product in Alivira Brazil’s portfolio. This transaction also strengthens the global Alivira team with the induction of Dr. Geraldo José Arantes, the erstwhile R&D head of Elanco for Latam region and shall participate in the global R&D program of Alivira.

Since its acquisition in 2016, Alivira Brazil (Evance) has emerged to be amongst Top 10 ranked animal health players in Brazil, having grown significantly at a CAGR of 57% over the last 5 years, achieving revenues of ~BRL 114 Mn TTM Sep 2021. It has established strong presence in livestock segment with a portfolio of 40+ commercialized products.

This transaction further builds on Alivira’s strong track record of global acquisitions, having successfully acquired and integrated 9 companies across Europe, Latam and India in the last 7 years.

For further details on the transaction, please refer to the presentation annexed with this press release document.

About SeQuent Scientific Limited

SeQuent Scientific Limited (BSE-512529, NSE-SEQUENT) is India’s largest and amongst the ‘Top 20’ global animal health companies, backed by global investment firm ‘The Carlyle Group’ as promoter. The company generated annual revenues of ~\$200 Mn in FY21 with ~2/3rd revenues from regulated markets. The company has 8 manufacturing facilities across Europe, Turkey, Brazil & India with the Vizag site being India’s only USFDA approved dedicated veterinary API facility.

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Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like 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. SeQuent Scientific Ltd. will not be in any way 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.

AHEAD

with purpose
and
confidence

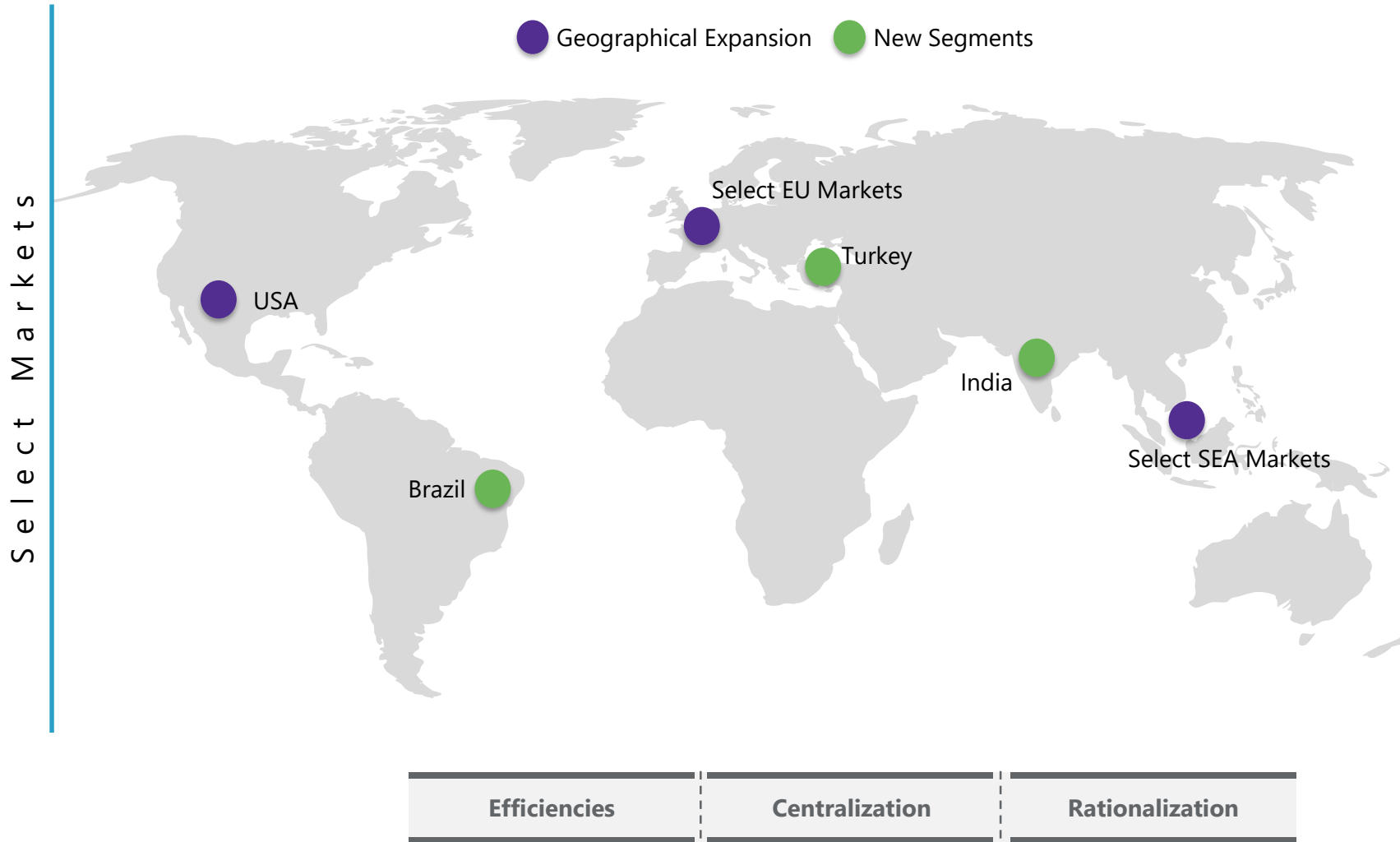
Acquisition of Nourrie

Entry into pet segment in Brazil

16th December 2021

Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

SeQuent 2.0: Building a global value leader in animal health



Sequent 2.0 Progress

Nourrie Acquisition
Foray into pet segment in Brazil

India - Pet Division launched

- Expansion Projects**
- Sterile capability in Germany for US
 - Turkey Manufacturing
 - Vizag: Capacity enhanced

Turkey - EUGMP Approval
Tablets line (New)
Other lines (Renewal)

Key Appointment
Alexis Goux: VP Formulations

COMPANY OVERVIEW

- Nourrie Saúde e Nutrição Animal Ltda (Nourrie) is an **Animal Health** company with portfolio of pet and swine products
- Specializes in the development and commercialization of **nutraceuticals and therapeutic products**
- **2021** annualized revenues of ~BRL 13 Mn
- Promoted by **Dr. Geraldo José Arantes** – erstwhile **R&D Director of Elanco for Latin America**

BUSINESS & PORTFOLIO

- **Portfolio of 23 commercialized products** – 21 for Pets & 2 for Swine
- **License owner, manufacturer of Transuin** – a Ractopamine based product for swine, key product in Nourrie’s portfolio
- **Alivira Brazil distributor of Transuin** – 3rd largest product in portfolio
- **Strong pipeline of 17 products** – 8 for Pet and 9 for Swine & Poultry

KEY CAPABILITIES

- **MAPA approved manufacturing facility for nutritionals** with premix, tablet, paste, suspension, solution capabilities
- **R&D function** led by Dr. Geraldo for development of nutritional and therapeutic products
- **Lean structure** – 17 employees for business, operations

Nourrie Financials & Key Transaction Terms

Reported Financials (BRL Mn)	Nov-Dec 2020 (Act.)	Jan-Jul 2021 (Act.)	2021 (E)
Net Sales	1.7	7.4	13.4
Adjusted EBITDA	0.3	1.3	2.6
Adjusted <i>EBITDA</i> (%)	16.5%	17.6%	19.4%

- © Alivira Brazil, through Evance Saude Animal Health Ltda (Evance) Brazil, to buy-out 100% stake of current promoters in Nourrie Saúde e Nutrição Animal Ltda, Brazil (Nourrie) for an Enterprise Value of BRL 27 Mn
- © Transaction expected to close in Q4 FY22

Strategic foray into Pet business in Brazil



Well Established

- Brazil animal health market ~BRL 8 Bn, 3rd largest after US & Europe
- Established, profitable and scalable business
- Strong portfolio of 23 products, backed by a near-term commercial pipeline of 17 products
- Access to nutritional and therapeutic portfolio, with integrated in-house development and manufacturing capabilities
- Leverage diversified portfolio to boost export opportunities



New Growth Levers

- Brazil Pet market size ~BRL 1.8 Bn, fastest growing segment – 4th largest in the world
- Foray into pet segment via commercialized portfolio of 21 products and 8 in pipeline
- Fast-track growth with dedicated sales and marketing operations in combined entity
- Potential to further augment pet nutritional business through launch of pet prescription products

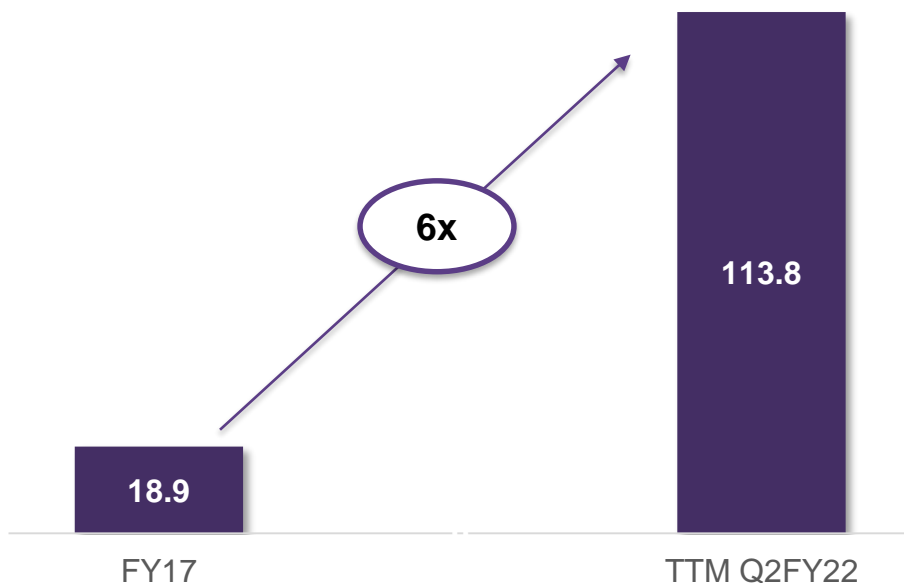


Unlocking Transuin Potential

- Transuin – key product in Brazil portfolio – achieved ~20% market share within 3 years of launch
- Significant scope to expand market share and margins
 - Leverage in-house API
 - End-to-end control over value chain
- Extension of swine franchise through range expansion

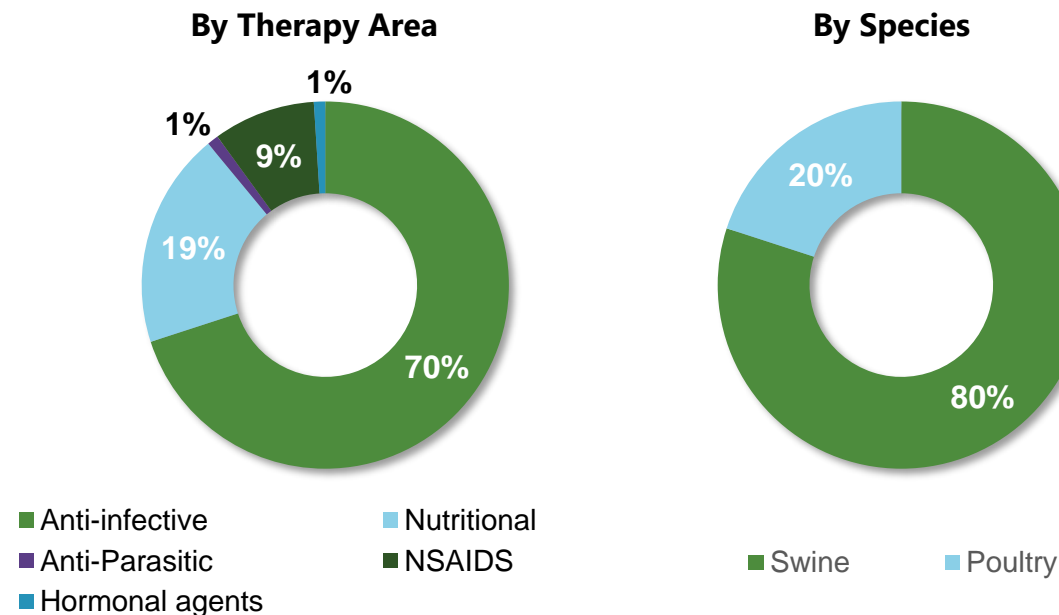
Alivira – Strong performance in Brazil

Strong financial performance



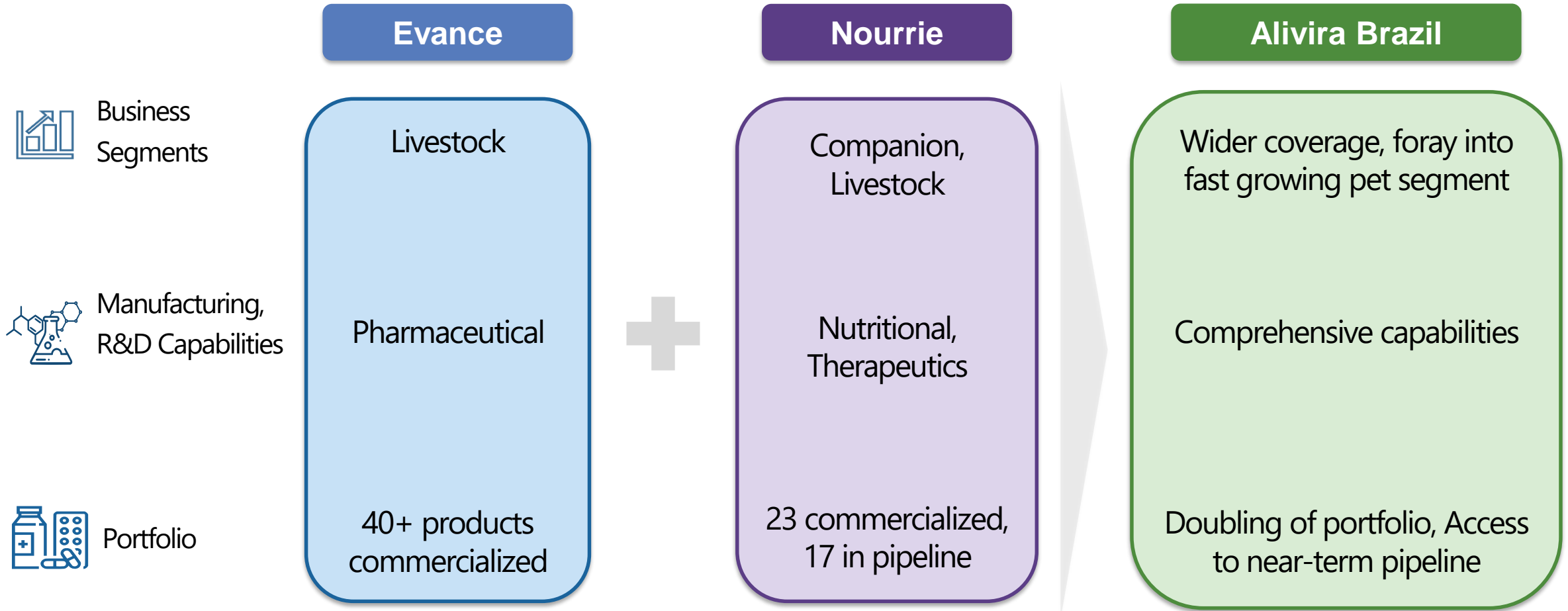
Successful track record of driving growth with a CAGR of 57% in revenues over last 5 years since acquisition

Comprehensive species & therapeutic coverage



- ❑ Amongst the Top 10 ranked animal health companies in Brazil
- ❑ MAPA approved manufacturing facility for prescription pharmaceutical products
- ❑ Deep customer access with coverage across ~80% vets (~500+) in Brazil through a commercial team of 10 people
- ❑ Portfolio of 40+ commercialized products in livestock segment (swine, poultry)

Alivira Brazil – Way Ahead



Alivira's Global Acquisition Strategy



Enter into complementary business segments



Retain existing management for business growth



Execution focus for smooth integration



Expansion in strategic animal health markets













Significant value creation through integration



Strong track record of multiple selective acquisitions

Alivira's global acquisition track record

	Country		Rationale	Key Highlights	# Registrations
	Turkey		<ul style="list-style-type: none"> Access to Turkey - strategic animal health market Multi-dosage, injectable Specialised manufacturing facility 	<ul style="list-style-type: none"> Provet is amongst the top 5 and the largest local company in veterinary medicines market in Turkey Topkim has over 50 years of business presence in Turkey 	120+
	Brazil		<ul style="list-style-type: none"> Access to Brazil - #3 global veterinary market Strategic MAPA approved Manufacturing facility 	<ul style="list-style-type: none"> Amongst the 'Top 10' Brazilian companies operating in the veterinary health space 	25+
	Spain		<ul style="list-style-type: none"> Provides access to EU 15 countries EU approved oral – powders, liquids and nutritional facilities 	<ul style="list-style-type: none"> Strong presence in 14 countries, 117 marketing authorizations across Spain, rest of EU, Mexico and MENA region 	115+
	Rest of EU		<ul style="list-style-type: none"> Leading independent marketing companies providing access to Benelux and Nordic markets – amongst the Top 10 in EU 	<ul style="list-style-type: none"> Strong front end distribution presence across Sweden, Benelux and Netherlands 	150+
	Germany		<ul style="list-style-type: none"> EU approved injectable facility Ability to scale & access global markets 	<ul style="list-style-type: none"> Amongst the leading German companies operating in the veterinary health space Portfolio of 400+ products registered 	400+

~\$ 50 Mn invested to gain market access, product portfolio and strong manufacturing capabilities

Note: # at time of respective acquisition

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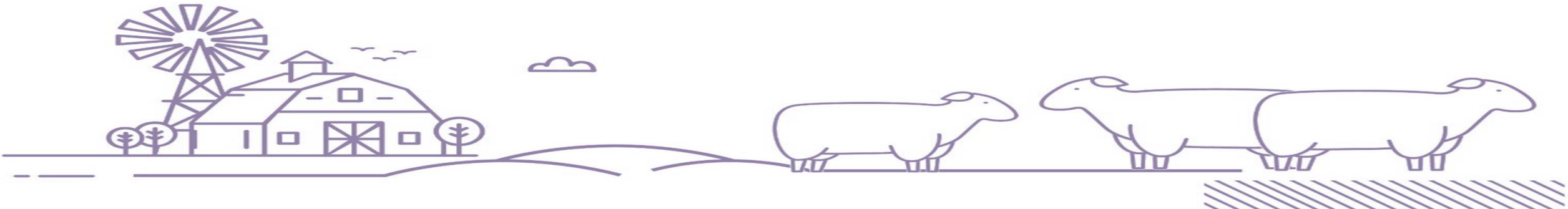
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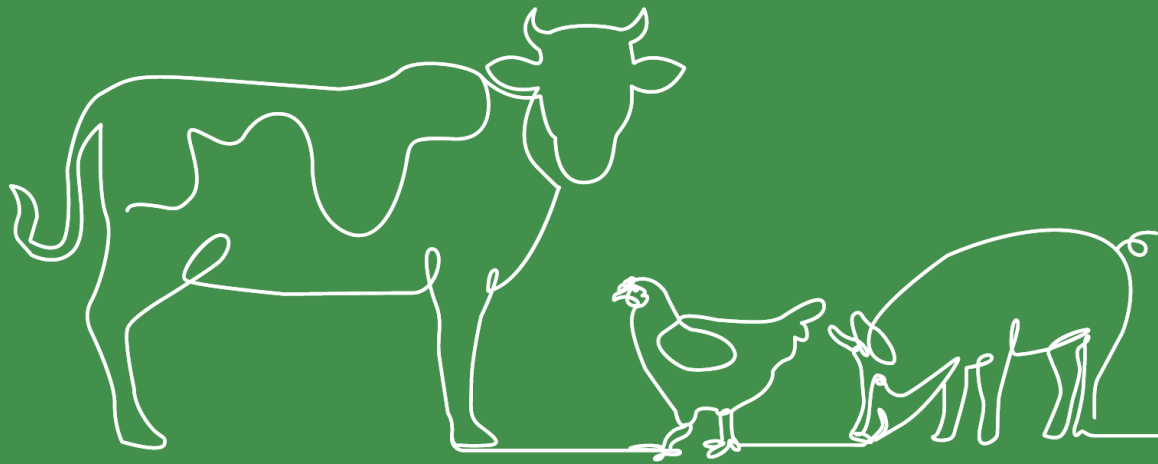
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Thank You