



Building the National Champion in the Saudi Pharma Industry

Capital Markets Event

7 February, 2023



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Agenda for Today

1. Overview and Strategic Perspectives	Khaled Al-Khattaf, Chief Executive Officer
2. Market Opportunity and Strategic Levers	Ana Ruibal, Chief Corp. Development Officer
3. Science and Product Pipeline	Jan-Olav Henck, Chief Science Officer
4. Upgraded Portfolio and Refocused Commercial Efforts	Maged Taha, Chief Commercial Officer
5. Operational Capability Upgrades	Jerome Cabannes, Chief Operations Officer
6. People & Culture	Mohammed Alassmari, Chief People & Culture Officer
7. Financial Performance	Michael Baum, Chief Financial Officer
8. Closing Remarks	Khaled Al-Khattaf, Chief Executive Officer
9. Q&A Session	Management team



Overview and Strategic Perspectives

Khaled Al-Khattaf, CEO



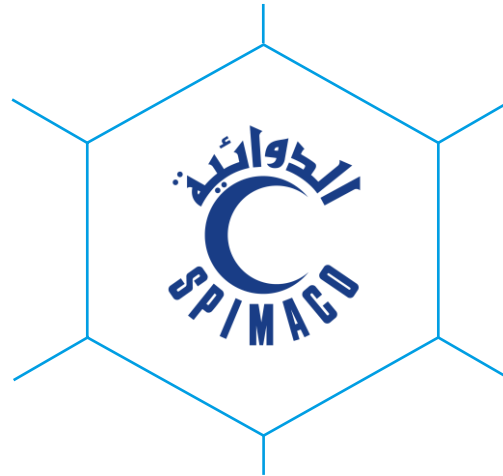
SPIMACO Today

The leading vertically integrated pharmaceutical manufacturer In Saudi Arabia with a regional footprint

The dominant player in the KSA private market with an 8% market share¹

Substantial product portfolio with 450+ SKUs across a large number of therapeutic areas

The only vertically integrated pharma manufacturer in KSA



Present in all major MENA markets with an unparalleled regional footprint

5 manufacturing sites across MENA

Annual production capacity of **2+ billion units**

Shaping a New SPIMACO – Saudi National Champion

Our vision is to be the leading pharmaceutical company in MENA and an effective global player with a high-quality product portfolio

Our Mission

We are committed to creating value for our stakeholders by contributing to our communities, ensuring patients' well-being, and developing innovative and sustainable solutions



Strategic Objectives

- ◆ Achieve sustainable, faster-than market growth
- ◆ Become a patient-centric organization
- ◆ Grow to a leading regional player in MENA big markets
- ◆ Establish a global presence
- ◆ Become an employer of choice
- ◆ Transform to an automated, digitally-driven organization

Strategic Objectives are Aligned with Vision 2030 Goals

SPIMACO contributes to the goals of Vision 2030 achievement

SPIMACO Strategic Objectives

Achieve sustainable, faster-than market growth

Become a patient-centric organization

Grow to a leading regional player in MENA big markets

Establish a global presence

Become an employer of choice

Transform to an automated, digitally-driven organization

KSA Vision 2030 Goals

Grow contribution of the private sector to the economy

Unlock potential of non-oil sectors

Improve value of healthcare services

Strengthen prevention against health threats

Develop economic ties with the region beyond GCC

Develop promising local companies into regional and global leaders

Develop economic ties with global partners

Support national companies to consolidate their leadership globally

Improve readiness of youth to enter the labour market

Increase women participation in the labour market

Develop the digital economy

Addressing Our Key Legacy Challenges by...

The new management team identified hurdles to overcome on the way to re-establishing SPIMACO as the National Champion

Key Legacy Challenges

Innovation	Mature product portfolio Top-3 products launched >10 years ago	Low-complexity products focus Low-value products >80% of the mix	Limited market focus Targeting declining sub-segments of the market ▼
Speed	Long development timelines Development to launch >4.5 years	Slow new products launches Launching as 5-6 th generics in the market impacts prices ▼	
Execution	Under-resourced launches Projected potential realized ~30%	Low focus on profitability Gross sales based incentives focus on volume, not result ▼	Limited internal alignment

...“Fixing the Core” of the Company to Realign it for the Future...

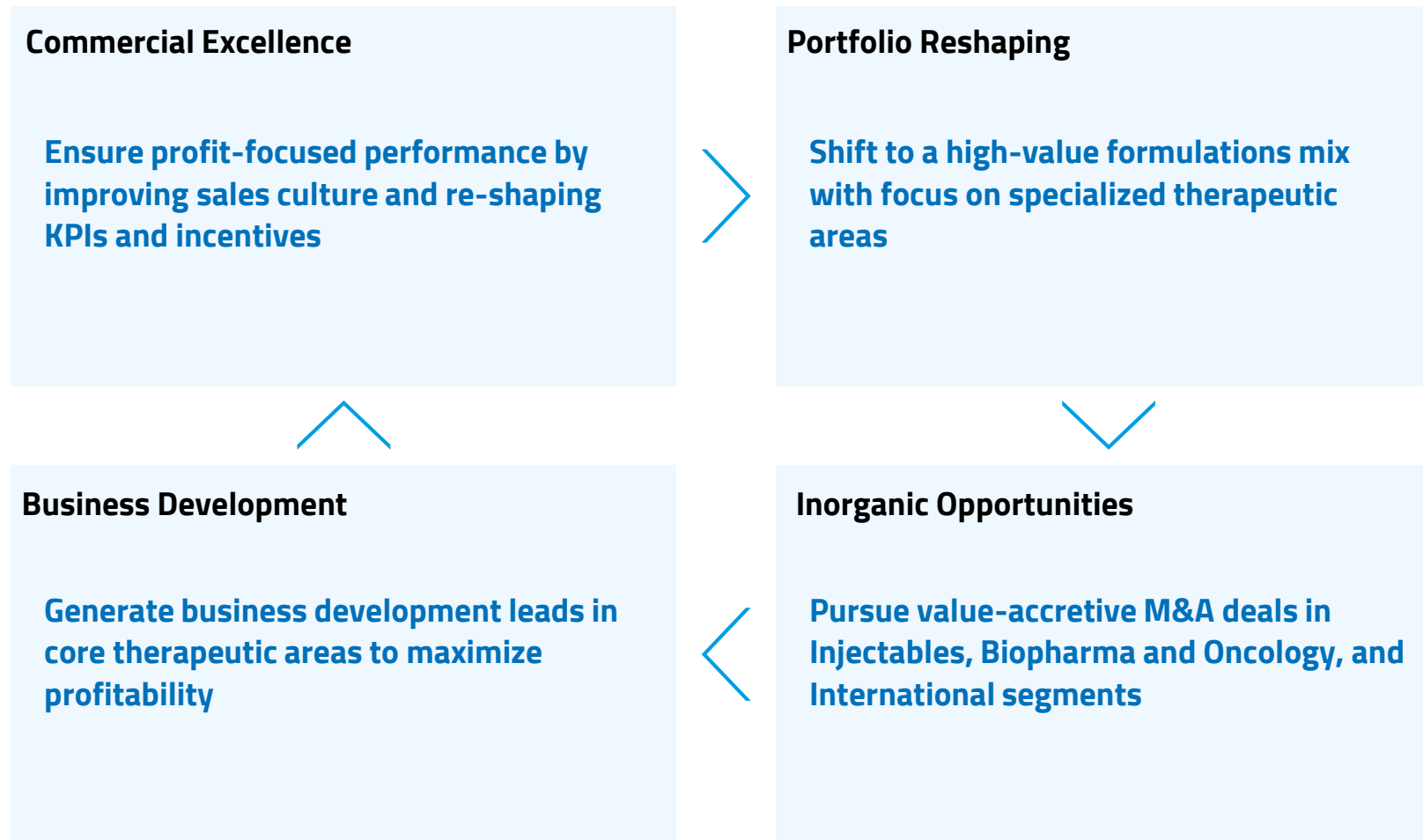
Decisive actions taken to address the key challenges

Initiative Area	Initiative	Action Points	2022	2023
Commercial	Alliances & commercial agreements	Improve alliances terms and optimize commercial spend	✓	✓
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	Employee training	Strengthen workforce competencies	✓	✓
	Culture	Nurture a high performance culture	✓	✓

...Working Out Clear Strategy Execution Steps, and...

To achieve strategic targets we will focus on the four areas

Execution Roadmap



...Achieving Our Long-term Strategic Targets by 2027

SPIMACO in 2027

Key Targets

Market Rank

Private market
rank in KSA

#1

Pipeline

High-value launches

30/year

Revenue

CAGR

13-15%

Revenue Mix

KSA vs. Int'l split

70/30

EBITDA Margin

15-17%

Experienced Management Team In Place to Execute Strategic Transformation

Team of executives capable of realigning SPIMACO for the future and achieving ambitious goals

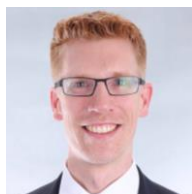


Khaled Al-Khattaf

Chief Executive Officer

30+ years of experience in senior management and Board positions in a variety of organizations including Lafana Investment Holding, Samba Capital, Al Ra'idah Investment Company, Nomura, Saudi Stock Exchange, SAMA, KSA; World Bank, USA.

Holds two Master's degrees from the University of Colorado Denver, USA, and a Bachelor's degree from King Saud University, KSA

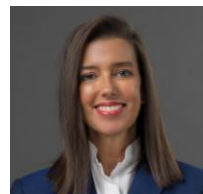


Dr. Michael Baum

Chief Financial Officer

25+ years of professional experience in Bayer, including country CFO positions in China and Brazil, senior headquarters roles in Germany including Global Head of Risk Management.

Holds a Master of Business Administration and a Doctorate degrees from University of Bradford, UK.



Ana Ruibal

Chief Corporate Development Officer

27+ years of professional experience at Andersen, Novartis, AstraZeneca and SPIMACO in different functional areas including Finance, Strategy, Risk and Internal Audit, and Commercial.

Holds an MBA from INSEAD, France, a BS in Business and Economics and a CPA degree from University of Belgrano, Argentina.



Dr. Jan-Olav Henck

Chief Science Officer

24+ years of professional experience across a variety of organizations, including Senior Vice President at Syngene International Limited.

Holds a Doctorate degree in Natural Sciences from Innsbruck University, Austria.



Dr. Maged Taha

Chief Commercial Officer

25+ years of extensive experience & leadership positions in multiple organizations in the Middle East, including EVP for Sales and Marketing at Tabuk pharmaceuticals, KSA.

Holds a post-graduate degree from the American University, Cairo, and a Bachelor's degree in Science, Medicine and General Surgery from Cairo University.

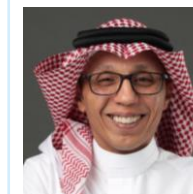


Jerome Cabannes

Chief Operations Officer

30+ years of professional experience in healthcare industry, including leadership positions in Servier Group, BIOGARAN, Stago Group, France, and AJ Group in various geographies.

Holds a Master's degree in Biomedical Engineering from Paul Sabatier University, France; Finance, Strategy, MA certifications from Oxford and Cambridge Universities, UK.



Mohammed Alassmari

Chief People & Culture Officer

20+ years of extensive experience in leadership positions in human resources across a variety of organizations, including Almarai, Tasnee, Acwa Power, KSA.

Holds a Master's degree from University of York, UK, and a Bachelor's degree from King AbdulAziz University, KSA.

Execution Roadmap Summary

Clear execution roadmap with inorganic opportunities at the core

Execution Timeline



Market Opportunity and Strategic Levers

Ana Ruibal, CCDO

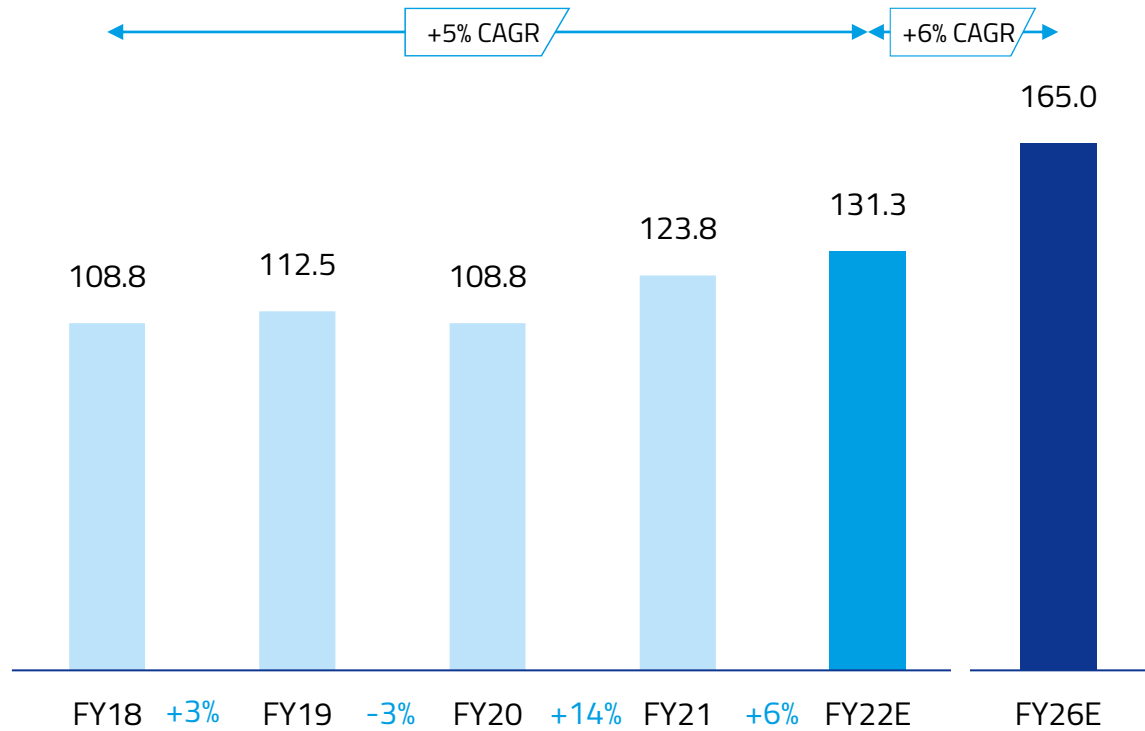


MENA Pharma Sector Landscape

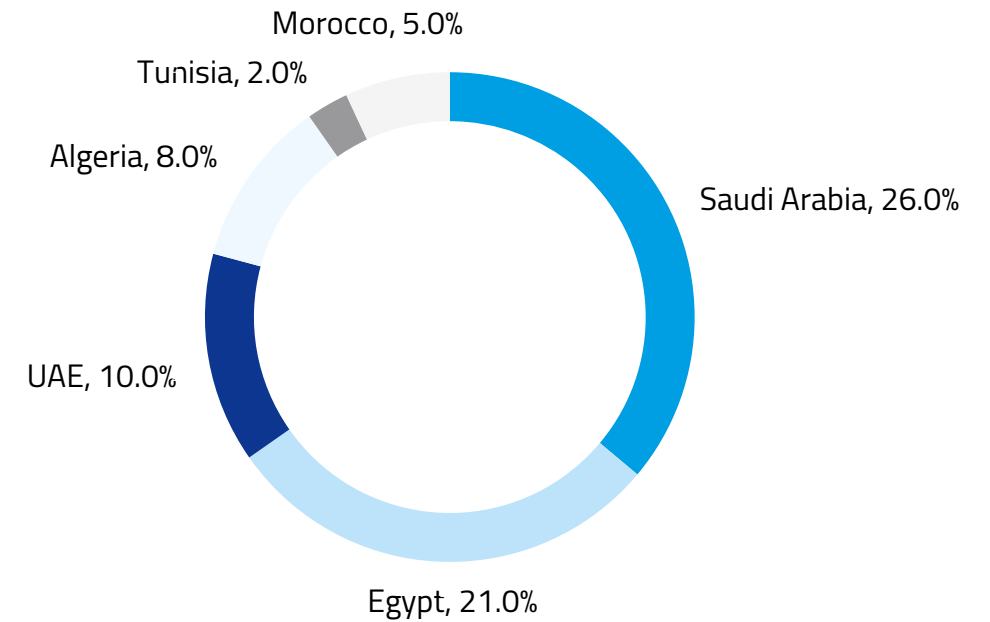
MENA is one of the fastest-growing pharma markets with accelerated adoption of generics

Gross Market Size

Value Sales (SAR bn)



Split by Geography, 2026E

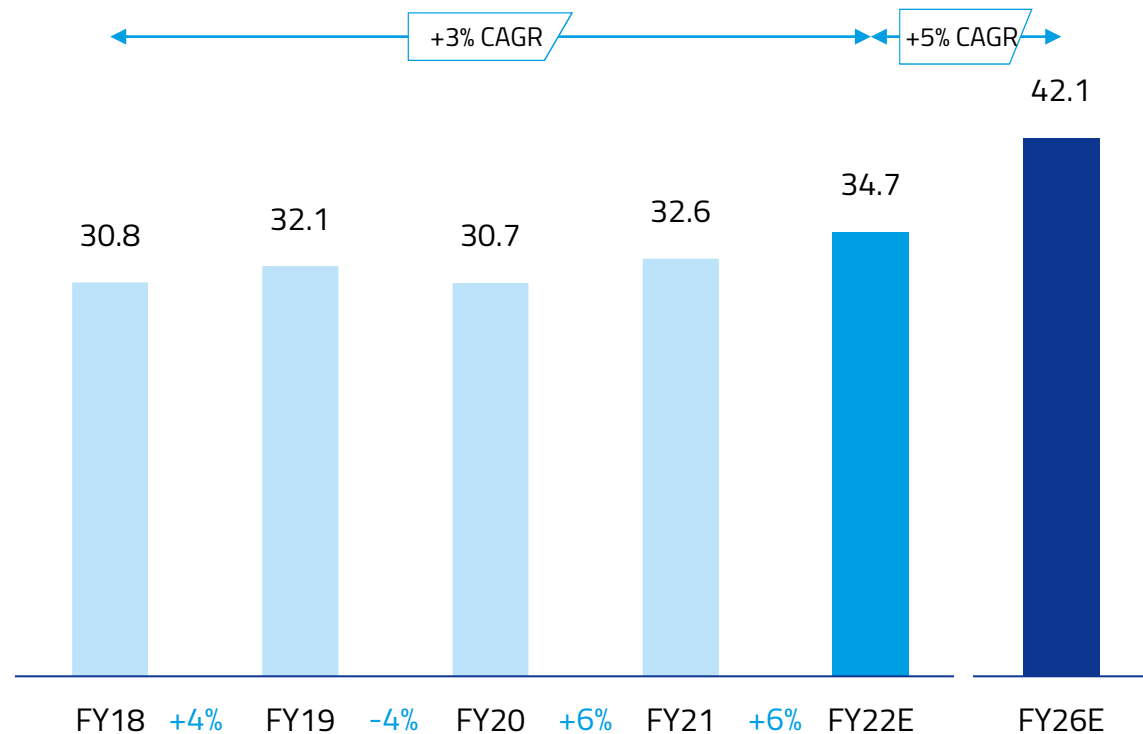


Saudi Arabia Market Opportunity

KSA market is supported by local demographics and therapeutic trends, government incentives and strong macro

Gross Market Size

Value Sales (SAR bn)

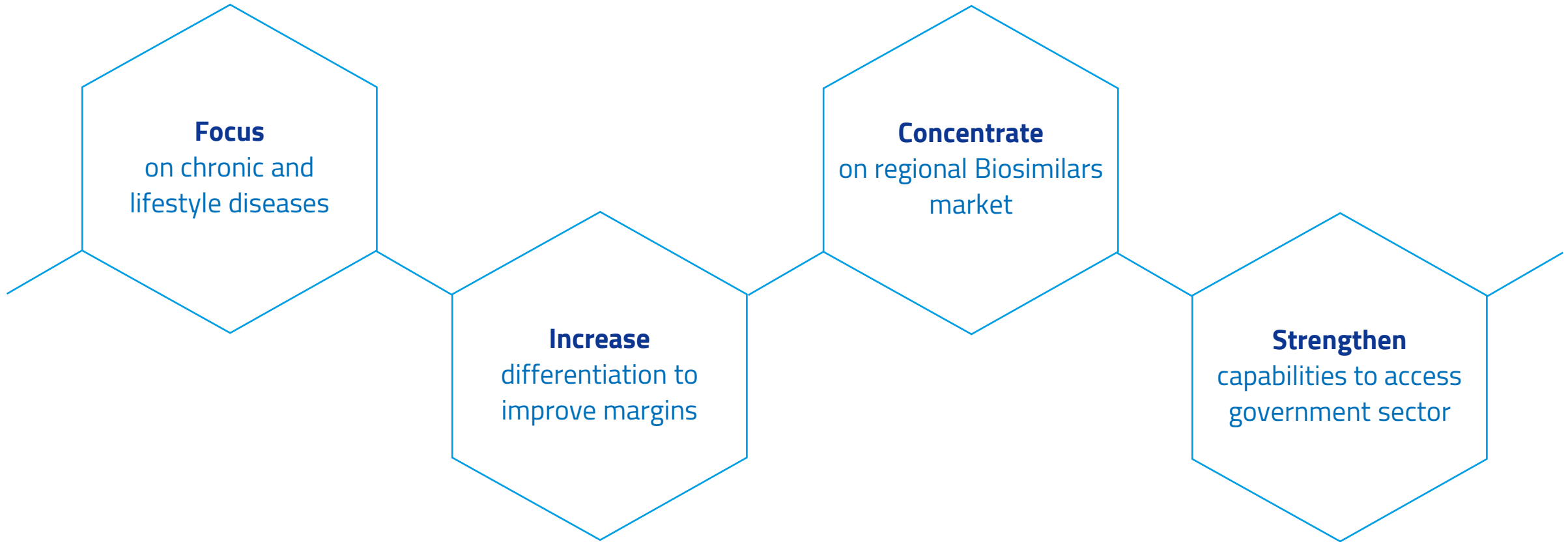


Key Market Trends

- Supportive demographic dynamics
- Heavy chronic disease burden
- Greater acceptability of Generics and growing adoption of Biosimilars
- Government incentives to localize production
- Insurance enforcement
- Lean supply from the private sector
- Strong macro backdrop
- Intense competition

How Do We Play the Trends in KSA?

SPIMACO has a clear vision on how to leverage trends in the Saudi pharma industry



Five Strategic Levers With M&A as a Major Enabler

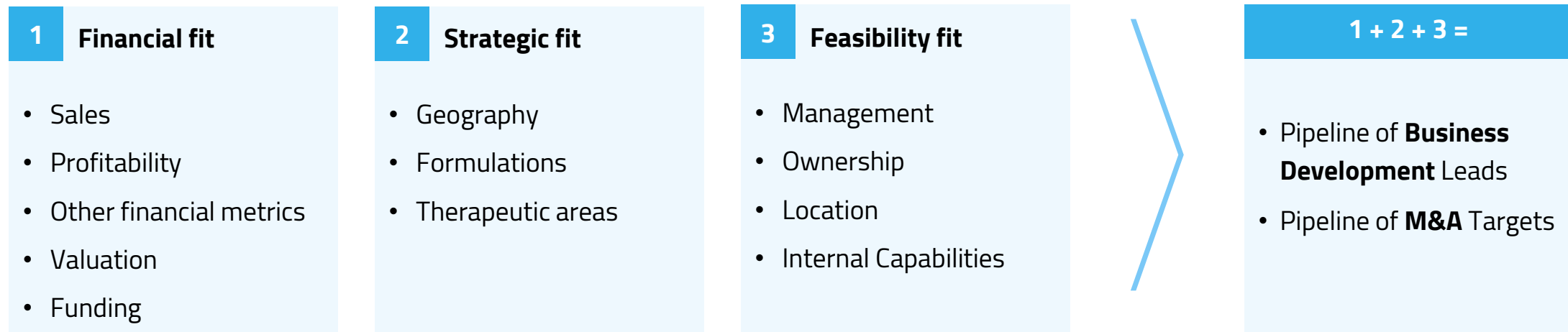
Strategic levers serve as a baseline for future growth with inorganic opportunities being the key drivers

Strategic Levers	Actions	Organic	BD	M&A
Branded SBU	Maintain and strengthen position across specific therapeutic areas	✓	✓	
	Drive regulatory, launch, and commercial excellence across sectors	✓		
Injectables SBU	Grow in the antibacterials, antianaemics	✓	✓	
	Drive regulatory, launch, commercial excellence	✓		
	Pursue inorganic opportunities (First Priority)			✓
Biopharma and Oncology SBU	Differentiate through local fill and finish capabilities	✓		
	Focus on select small molecules in the pipeline	✓	✓	
	Drive regulatory, launch, commercial excellence	✓		
	Pursue business development opportunities (biosimilars, vaccines)		✓	
	Act on inorganic opportunities			✓
International	Leverage KSA portfolio and local products across UAE, Morocco, Egypt	✓		
	Pursue other international markets opportunistically	✓		
	Explore inorganic opportunities			✓
Distribution and Logistics	Attract new agency partners and customers	✓		
	Increase logistics capacity and efficiency	✓		

Inorganic Opportunities Allow to Achieve Above-market Growth

SPIMACO follows a comprehensive M&A and BD framework to ensure quality and feasibility of the deals

M&A and Business Development Framework



Science and Product Pipeline

Jan-Olav Henck, CSO



The Science Organization is the Foundation of SPIMACO's Success

The company's efforts in Development reflect commitment to continuous innovation and superior quality

Science Organization

Very motivated, highly experienced and patient-centric Science organization with excellent Formulation Development capabilities, a dedicated Regulatory & Medical Affairs and Portfolio Development team as well as IP experts.



Current State of the Science Organization

- ◆ Capabilities primarily in Oral Solid dosage forms (e.g. tablets, capsules), semi-solid forms (e.g. ointments) and Injectables
- ◆ Dedicated High-Potent Drug Product facility
- ◆ Strong and well-versed Regulatory and Medical Affairs Team, as well as intellectual property experts
- ◆ Current pipeline with good assets, requiring rationalization to improve focus on high-value assets

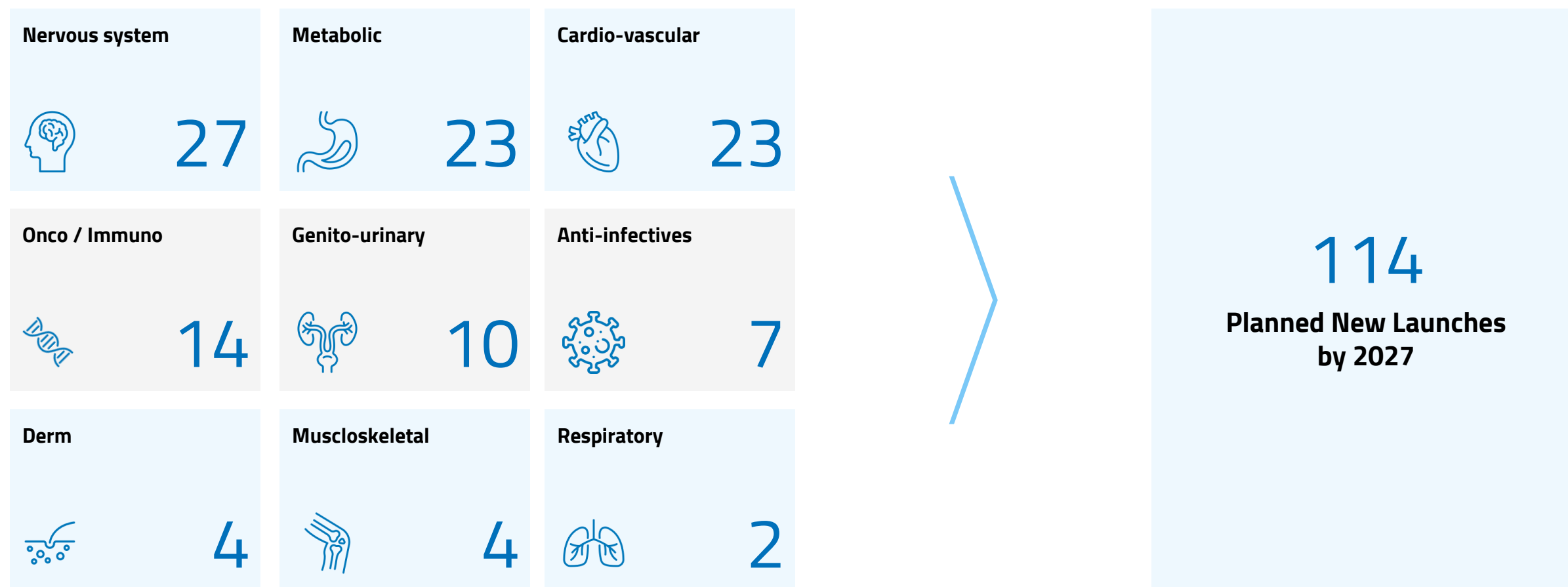
Why Do Development @SPIMACO?

- ◆ Products: Puts SPIMACO in control of the Quality of Portfolio, matching our key Therapeutic Areas
- ◆ Processes: Enables control of the timeline for introducing new products
- ◆ Innovation: Establishing new technologies related to e.g. Biosimilars & Vaccines
- ◆ Supports achieving the Local Content target (40% locally manufactured pharmaceutical products by 2030)

Working on 114 New Molecule Launches Across a Wide Range of Therapeutic Areas

Products - SPIMACO future pipeline

New Launches in 2023-2027

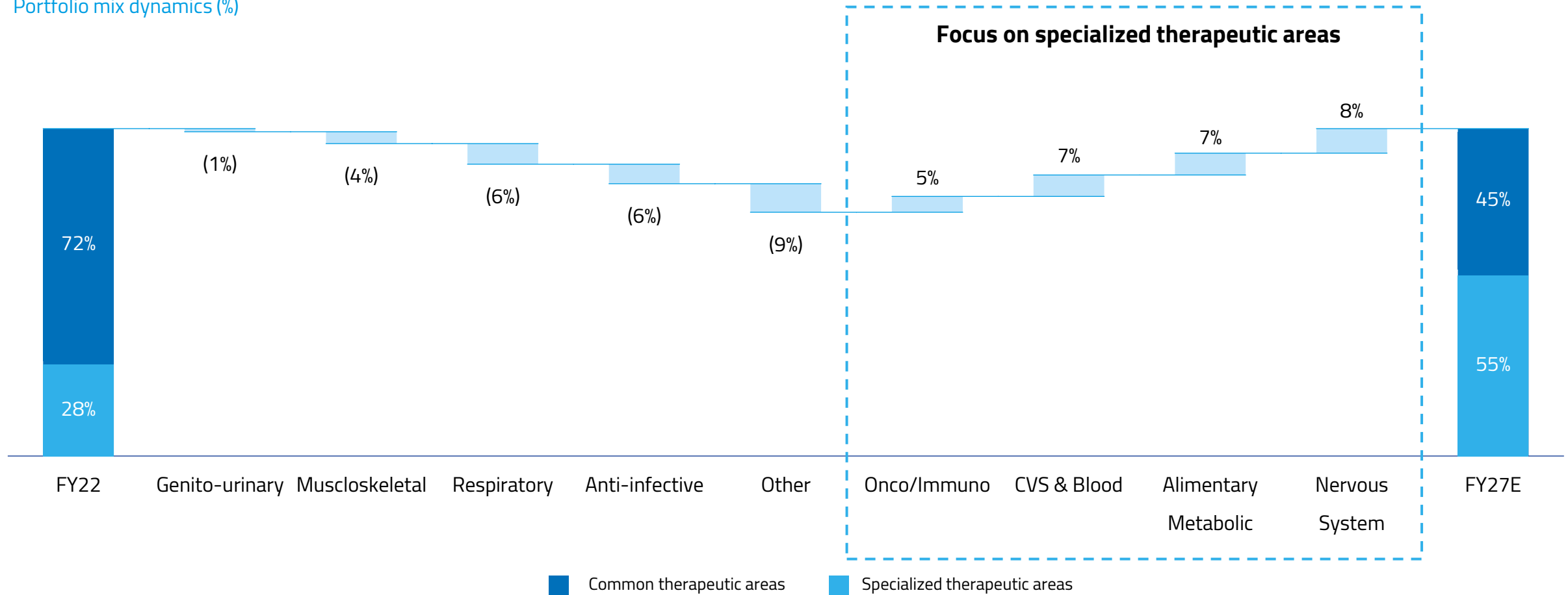


Processes - Focus on Speed and Value Creation

Future portfolio to be transformed and diversified towards specialized therapeutic areas

SPIMACO Formulation Mix Transformation

Portfolio mix dynamics (%)



Source: Company estimates

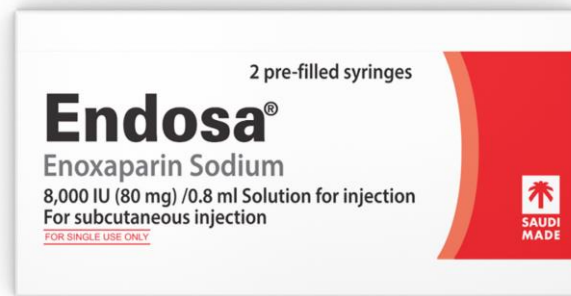


Innovation: Endosa (Enoxaparin Sodium)

First Biosimilar manufactured in Saudi-Arabia: Launch expected in Q2 2023

About Endosa

Enoxaparin Sodium is **a life saving**, low molecular weight heparin to replace heparin in emergency and critical clinical settings.

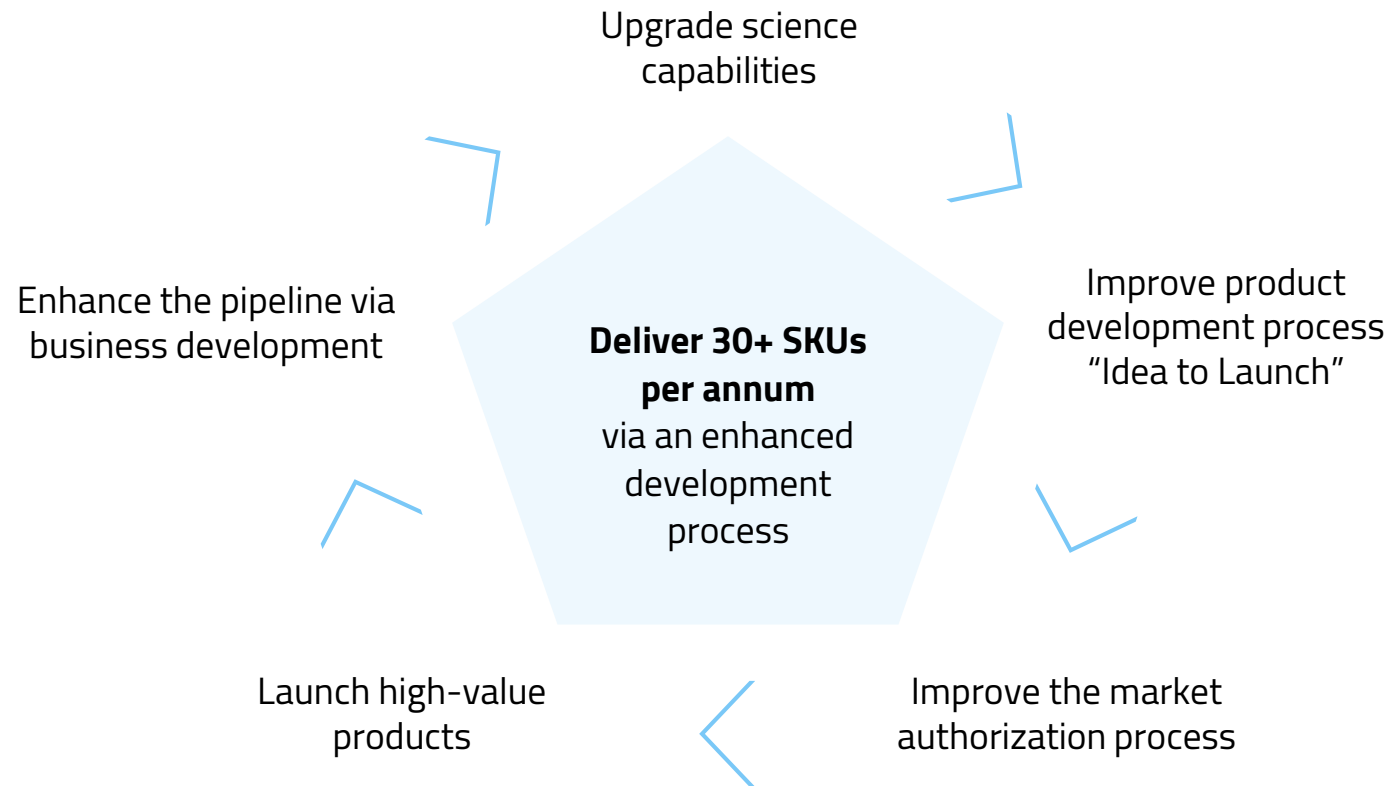


Key Facts

- ◆ First Biosimilar (European Medical Agency, SFDA) for SPIMACO and Kingdom of Saudi Arabia
- ◆ Full Tech transfer (Formulation, fill-finish, secondary packaging)
- ◆ Formulation technology: prefilled syringe
- ◆ Highlights the innovation, technical, and Regulatory Affairs capabilities of SPIMACO.
- ◆ Currently we are working towards registration of the product for export markets
- ◆ Advances our efforts to increase localization

Delivering a Strong Pipeline of about 30 SKUs per Annum

Long-term development efforts are centred around generating a sustainable pipeline of innovative products



Upgraded Portfolio and Refocused Commercial Efforts

Maged Taha, CCO



"Fixing the Core" of the Company to Realign It for the Future: Commercial

Decisive actions taken to address the key challenges

Initiative Area	Initiative	Action Points	2022	2023
Commercial	Alliances & commercial agreements	Improve alliances terms and optimize commercial spend	✓	✓
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	Employee training	Strengthen workforce competencies	✓	✓
	Culture	Nurture a high performance culture	✓	✓

Forward-Looking Commercial Pillars Through 2027 Journey

Commercial initiatives to achieve growth and profitability targets

Key Initiatives

Portfolio Management

Continue to enhance profitability effective product launching through better portfolio mix strategies and offerings

- **Strengthen** presence in high value chronic therapy areas (Cardiovascular, Nervous system, and Diabetes)
- **Expand** consumer health portfolio
- **Penetrate** specialized high value therapeutic areas



Continued Commercial Excellence

- **Augment** our demand creation by maximizing prescriptions generation
- **Enhance** marketing initiatives and spend to capture better ROI
- **Emphasize** on speed of execution as a critical success factor
- **Optimize** cost of sales



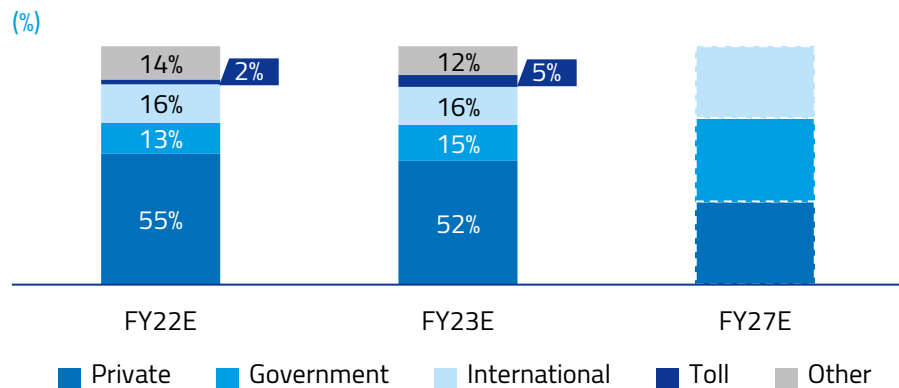
Human Capital

- **Inject** well-trained, Top Talent and highly capable field force
- **Enhance** on-job training and coaching
- **Strengthen** capabilities, improve government sector market access

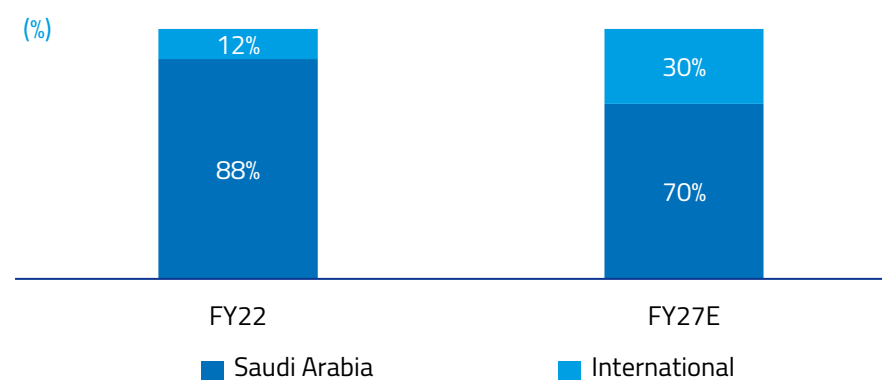
Upgraded Portfolio Requires Focused Approach to Customers

Targeted channel mix leverages the key portfolio strengths and focus on geographic diversification

SPIMACO Sales by Channel¹



SPIMACO Sales by Geography



Key Sales Channel Features

- Focus of Government sector shifted from low margin, high-volume oral solids to higher-value oral solids, injectables and biosimilars

Key Sales Geography Features

- Saudi Arabia will continue to be the key market while we continue to expand our geographical extent
- Will continue to strengthen our position in the international market where we already have a footprint
- Inorganic opportunities explored in the EU market for wider expansion in the long-term

Operational Capability Upgrades

Jerome Cabannes, COO



"Fixing the Core" of the Company to Realign it for the Future: Operations

Decisive actions taken to address the key challenges

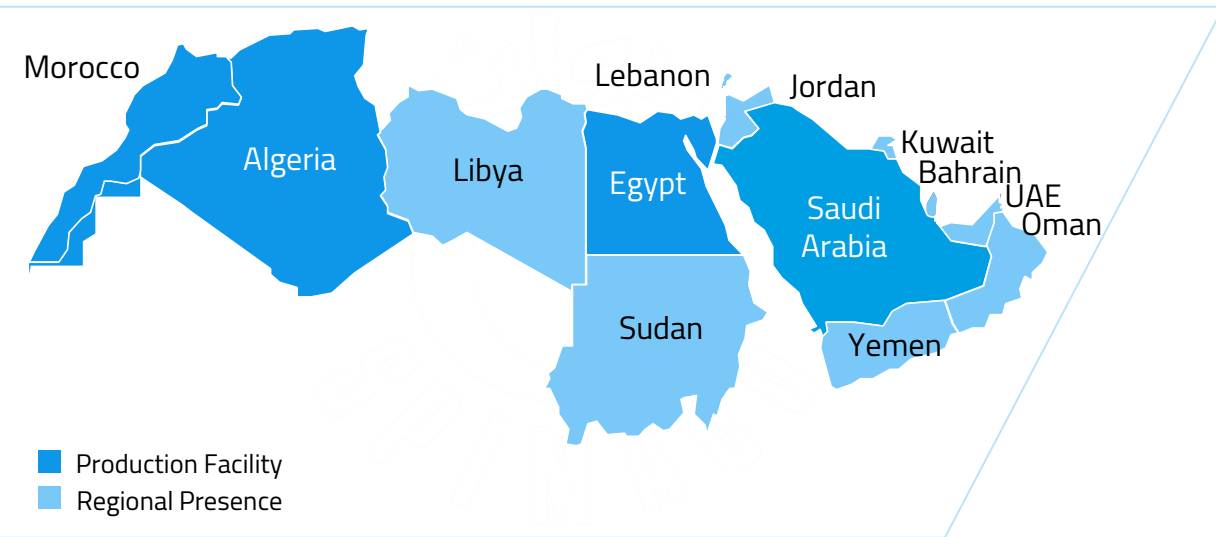
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Operations Overview

Fully integrated operations across the value chain

Regional Presence

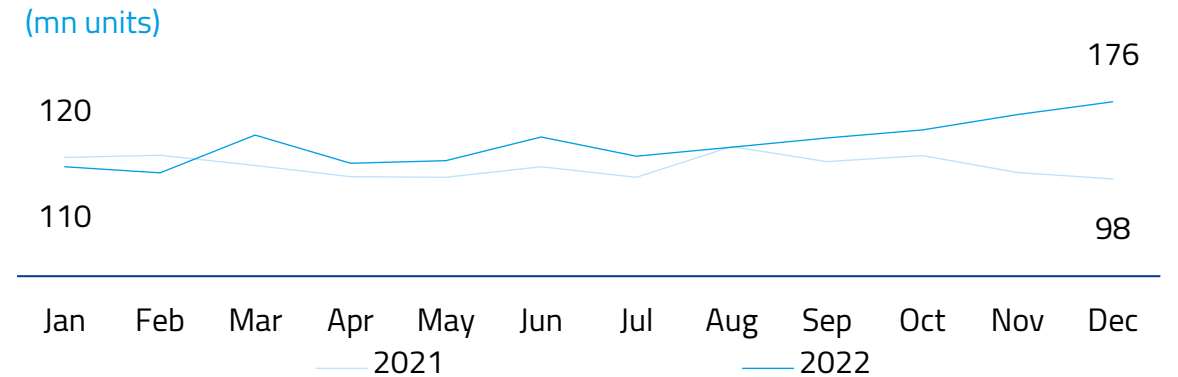
Unparalleled footprint in major MENA markets with key production facilities located in Kingdom of Saudi Arabia



Key Highlights

- ◆ 5 manufacturing sites in 4 MENA countries
- ◆ Logistics and distribution capabilities in 13 countries
- ◆ API manufacturing facility in Saudi Arabia
- ◆ 7 types of production lines across the manufacturing sites
- ◆ Newly SFDA approved high-potent site
- ◆ Full-cycle process from formulation to labelling the packaged products

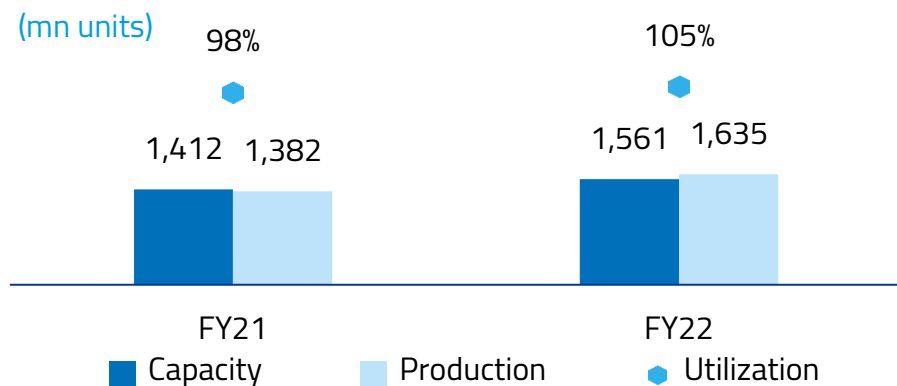
Total Capacity Dynamics



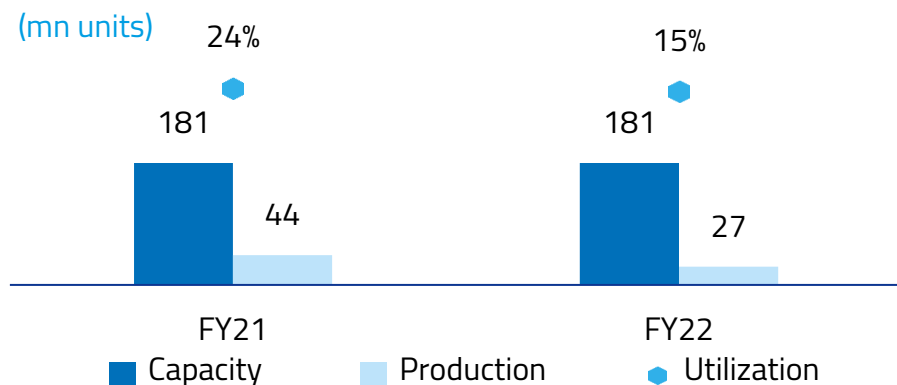
Asset optimization to unlock value

Drive productivity and utilization through

Qassim Capacity and Utilization



Dammam Capacity and Utilization



Key Highlights

- SPIMACO to continue extracting efficiencies from existing facilities in Kingdom of Saudi Arabia
- CMO to be strategically utilized to optimize capacity in KSA facilities to meet market demand
- International assets reassessed with a focused plan to increase EBITDA
- Manpower upskilling

High-Potent and Oncology Facility

Growth driver in a niche segment

Key Highlights

Innovation

Unique facility in KSA

#1

Capacity

Units

275_{mn}

Pipeline

High-value launches

14

API Pipeline

High-potency APIs

10

Regulation

Approved by

SFDA

Technical Capability Requirements to Refocus Company for the Future

A defined set of additional capabilities is required to align the company's production facilities with the future portfolio

Technology	Application Area	Options for Technology Acquisition
Digital transformation: Application of Pharma 4.0 across value chain	<ul style="list-style-type: none"> All Manufacturing Operations (incl. Engg. QC, Supply chain) R&D Regulatory 	<p>Make Pharma 4.0 is a Gamechanger. To be mandated in corporate strategy as a key initiative jointly led by Operations & IT.</p> <p>New greenfield facility supported by business case.</p>
Sterile manufacturing: Aseptic fill & finish, multipurpose lines	<ul style="list-style-type: none"> Aseptic business area — establishing a new greenfield multipurpose, filling suite in compliance with updated regulatory guidance. <p>(Upgrading present suite is <u>not</u> viable)</p>	<p>Buy Licenses to Oncology products with business case in KSA</p> <p>JV/M&A for mRNA/ CGT products.</p>
Oncology: Product portfolio	<ul style="list-style-type: none"> High-potent area. 	
Platform technologies for modern Vaccines or Cell & Gene Therapy (CGT)	<ul style="list-style-type: none"> New Greenfield Pilot + Integrated manufacturing suite for mRNA/ RNAi or CGT-based products. 	

People & Culture

Mohammed Alassmari, CPCO



"Fixing the Core" of the Company to Realign it for the Future: People & Culture

Decisive actions taken to address the key challenges

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SPIMACO – on the way to becoming An Employer of Choice

People & Culture function was redesigned to support the company in executing the revamped strategy

Overview

Synergy Project completed in 2022 redesigning the People & Culture function to help SPIMACO achieve its strategic direction and raise the bar for HR strategic and operational performance.



Fixing the Core

- ◆ Revamped the Organization Design to foster specialization and collaboration to increase efficiency and drive quality output
- ◆ Launched a P&C Policies and procedure including an Employee Handbook

Incentive Scheme

- ◆ Introduced a Performance Management System with a balanced score card
- ◆ Introduced a STI plan linked to performance to incentive employees and align with market benchmarks
- ◆ Rolled out LTI Plan to attract and retain top performers in senior management

SPIMACO – on the way to becoming An Employer of Choice

People & Culture function was redesigned to support the company in executing the revamped strategy

Hiring the Right Talent

- Hired critical skillset in 2022 which was not available internally
- Focused on onboarding leadership skills to spearhead the transformation

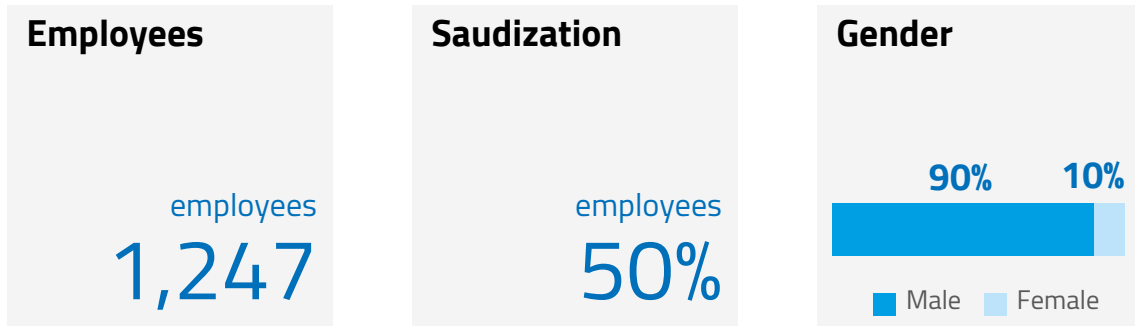


Upskilling and Training Our Human Capital

- Identified skill gaps
- Established individual development plan for mid-senior management
- Established training academy to tailor content and delivery



Employees' Demographics¹



HOPE Project



¹ SPIMACO standalone data

Financial Performance

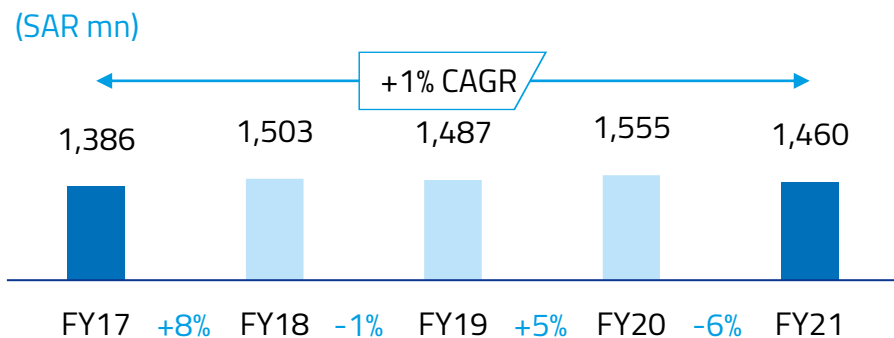
Michael Baum, CFO



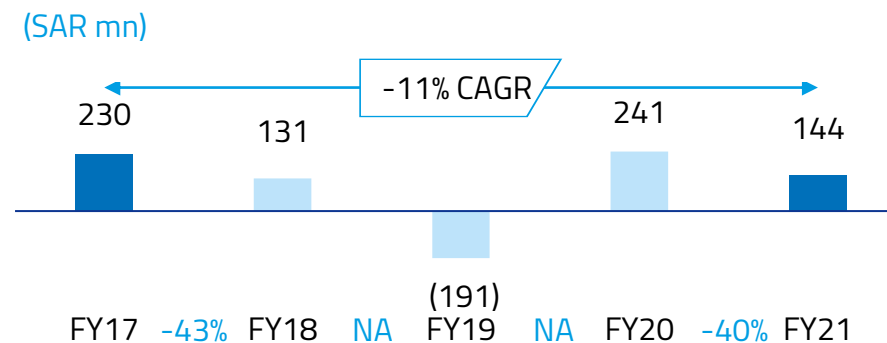
Financial Performance Overview

5-year overview

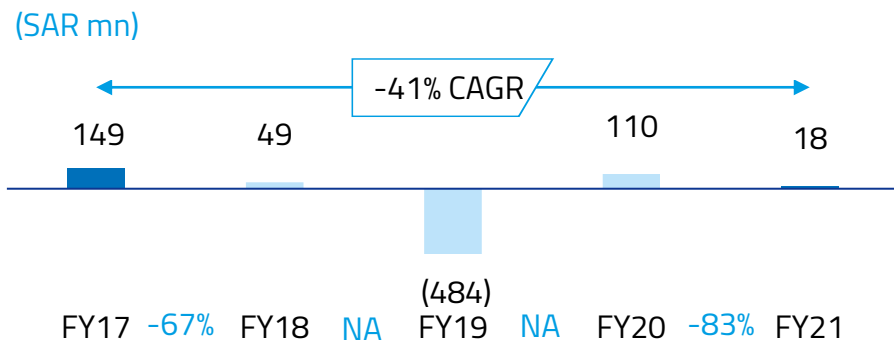
Revenue



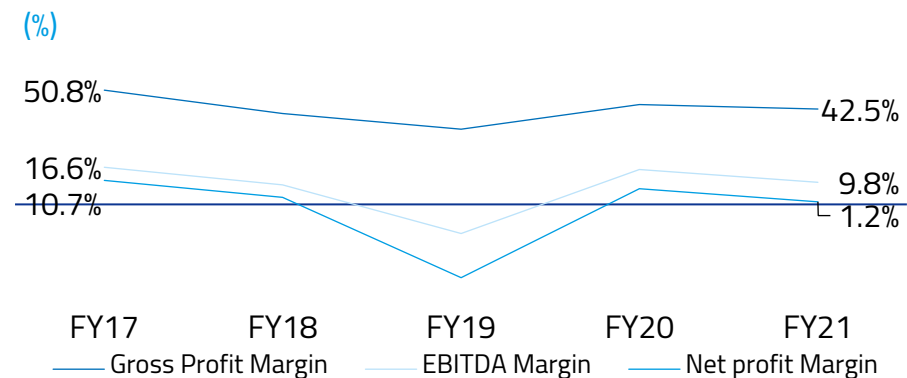
EBITDA



Net Income / (Loss)



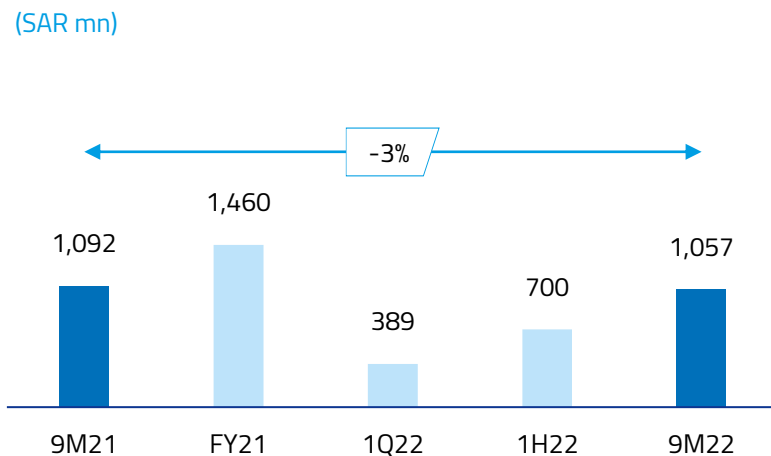
Profitability



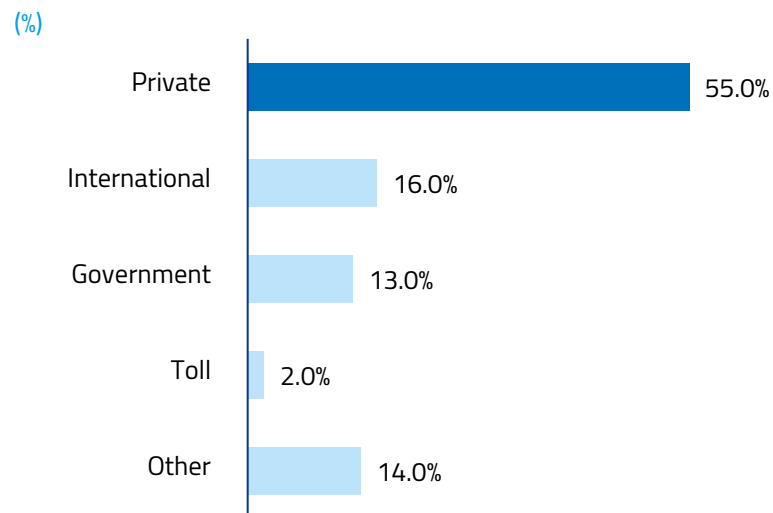
Revenue Trends and Mix

Revenue, 9M22

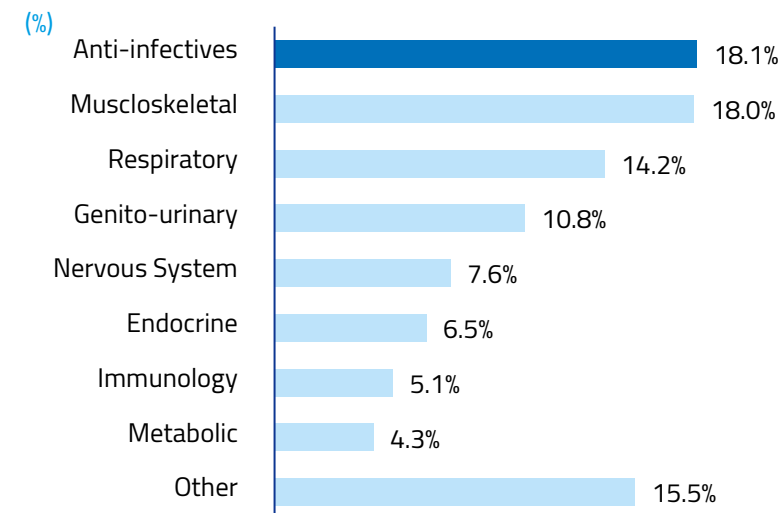
Revenue Trend (9M22)



Revenue by Customer Type¹ (9M22)



Revenue by Therapeutic Area¹ (9M22)

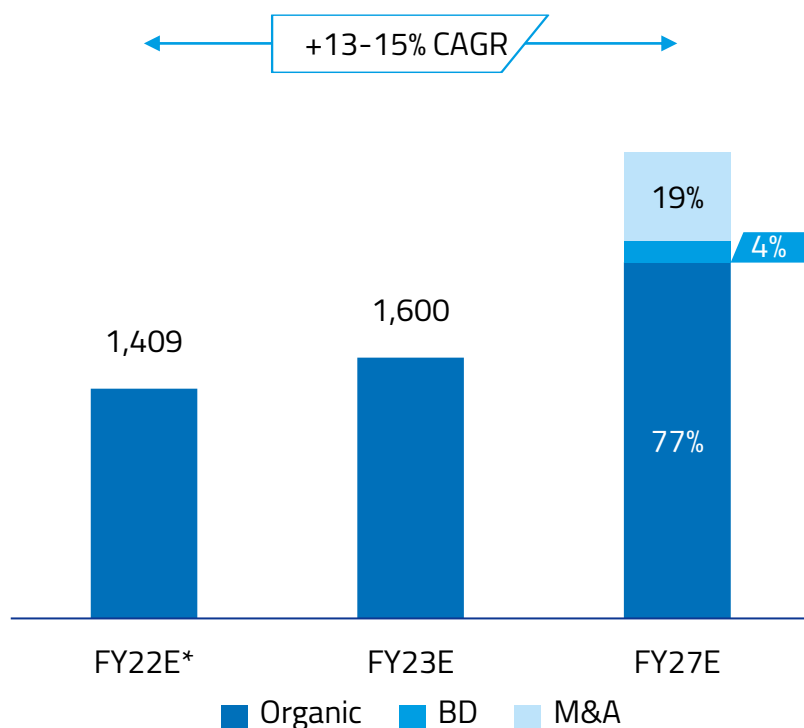


Expected Financial Developments Towards 2027

The revamped strategy execution has a direct impact on financial results improvement

SPIMACO Revenue Trajectory

(SAR mn)



Expected Developments Towards 2027

Gross Margin



Gradually increase enabled by portfolio shift and cost optimization

Selling & Marketing cost ratio



Moderately decline driven by optimization and offset by more active marketing efforts

General & Administrative cost ratio



Decline driven by top line growth and efficiency gains in backbone processes

Research & Development cost ratio



Gradually increase to expand and diversify the pipeline

EBITDA Margin



Gradually increase to reflect the positive portfolio adjustment, cost efficiencies, & accretive M&A effect targeting a range of 15-17%

EPS



Gradually increase

Net Debt / EBITDA



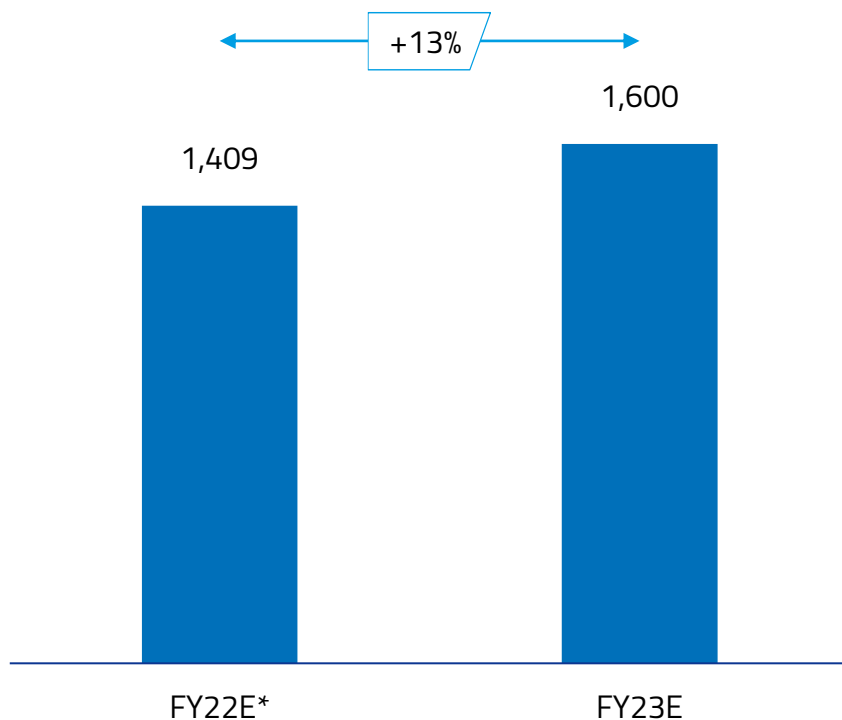
Increase in medium-term due to rising leverage with subsequent decline as EBITDA generation increases

2023 in Focus

The transformation to start paying off in 2023 with overall improved sales mix and financial indicators

SPIMACO 2023 Revenue Expectations

(SAR mn)



Expected Developments in 2023

Sales	↗	Increase by 12-14%
Gross Margin	↗	Gradually increase enabled by portfolio shift and cost optimization
Selling & Marketing cost ratio	→	Relatively stable as a % of revenue
General & Administrative cost ratio	↘	Decline as % of revenue driven by top line growth
Research & Development cost ratio	↗	Increase to 3.3% of revenue
EBITDA Margin	↗	Increase to 9-10%
EPS	↗	Gradually increase
Net Debt / EBITDA	↗	Increase due to additional leverage



Source: Company estimates

* FY22 Revenue annualized based on 9M22

Capital Allocation Strategy to Support Building the National Champion

Capital allocation prioritized towards growth and expansion to leverage existing and create new opportunities

Strategic Capital Allocation Priorities

1. Corporate Development

Accelerate business expansion to grow above the market level and to secure the National Champion position

2. Science Upgrade

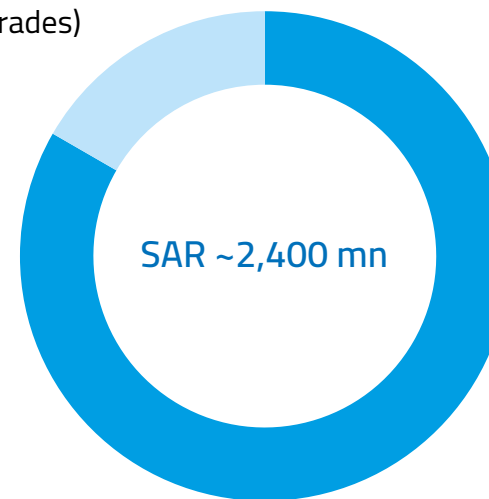
Build in-house R&D capabilities for new products with differentiated technologies

3. Value Chain Improvement

Improve SPIMACO's capabilities across the value chain to deliver the future high-value portfolio

Capabilities Build-up to Entail Sizable Capex Until 2027

Organic (Science and Value Chain Upgrades)



M&A
(Corporate Development)

Closing Remarks

Khaled Al-Khattaf, CEO



What is Different This Time?

The new management team has taken steps to ensure smooth execution of the revamped strategy



What is Different This Time?

1. Experience

The management team with extensive corporate & pharma experience capable of realigning SPIMACO for the future, achieving ambitious goals

2. Accountability

A set of detailed KPIs developed for the management team at various levels to ensure timely delivery on each of the targets

3. Risk Management

A mitigation plan developed to help the management team to proactively address the major risks related to the Strategy execution

4. Governance

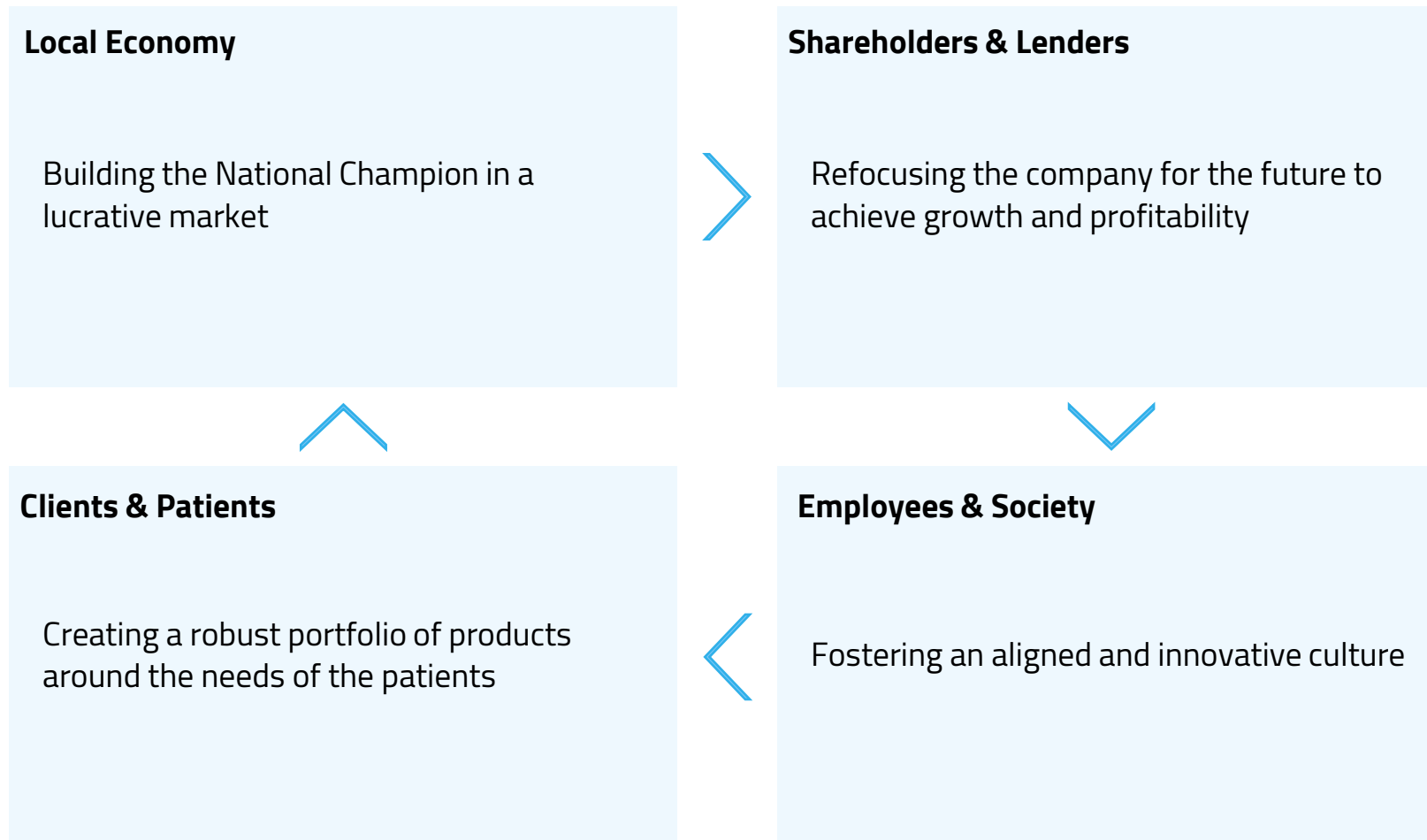
A dedicated governance established to accelerate delivery on M&A/BD efforts and "Fixing the Core"

5. Clear View

Clearly articulated financial expectations and capital allocation priorities

What the New SPIMACO Means for Our Stakeholders?

Creating the National Champion in the pharma industry will benefit all groups of stakeholders



Q&A Session



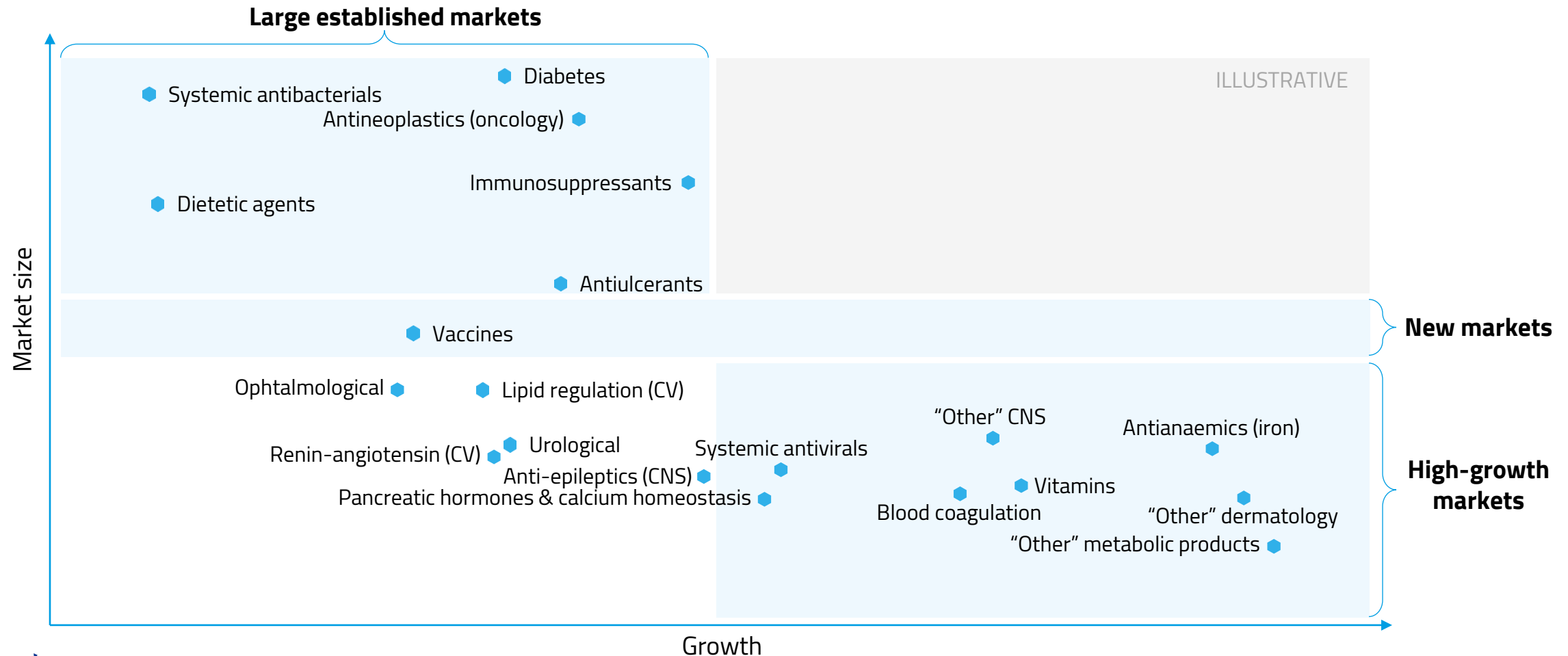
Appendix



Future Portfolio Needs to be Focused on Markets with High Potential

Three priority pools identified based on deep market analysis

Prioritized Portfolio Pools



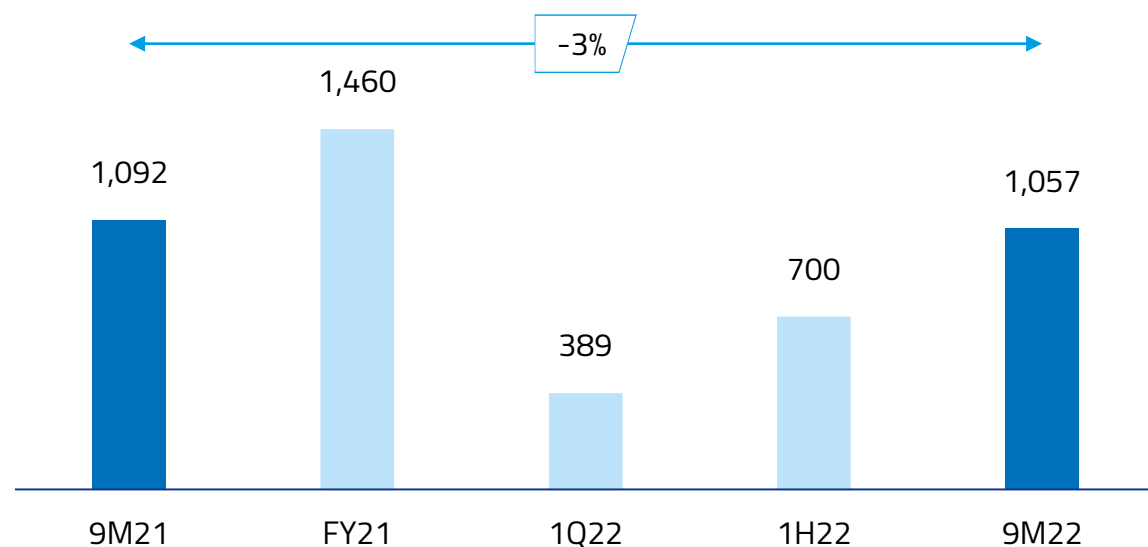
Source: IQVIA, Strategy-2027, internal estimates

Revenue and Key Products Sales Overview

Total revenue and top-10 products by gross sales

Revenue

(SAR mn)



Top-10 Products by Gross Sales

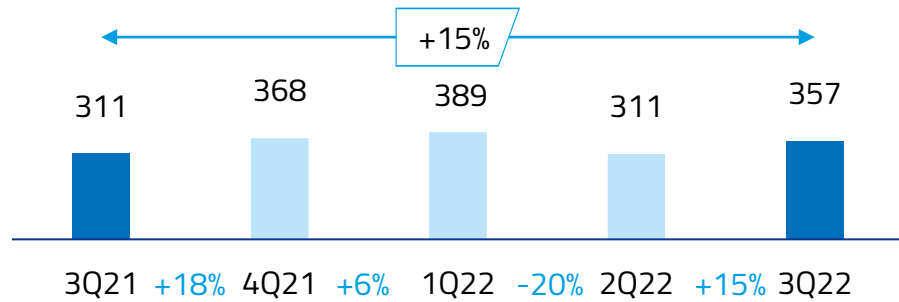
	Revenue, SAR th			Quantity, th packs		
	9M2022	9M2021	Δ%	9M2022	9M2021	Δ%
Snafi	86,281	73,811	+17%	1,044	846	+23%
Klavox	80,874	59,218	+37%	3,240	1,983	+63%
Rofenac	67,667	73,046	-7%	7,060	7,121	-1%
Fevadol	61,913	52,357	+18%	19,435	14,882	+31%
Herceptin	48,431	84,391	-43%	10	17	-41%
Mabthera	43,363	98,189	-56%	11	25	-56%
Gliptamet	36,669	41,265	-11%	281	324	-13%
Ferosac	24,940	12,597	+98%	521	186	+180%
Lorinase-D	22,127	3,437	+544%	1,105	170	+550%
Recormon	18,381	19,384	-5%	117	118	-1%
Top-10 Total	490,646	517,695	-5%	32,824	25,672	+28%

Financial Performance Overview

5-quarter overview

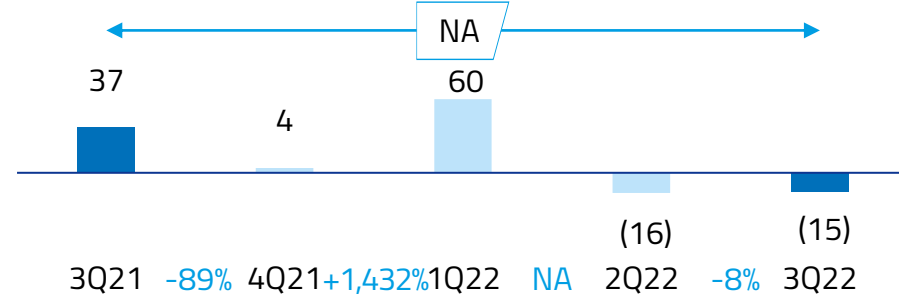
Revenue

(SAR mn)



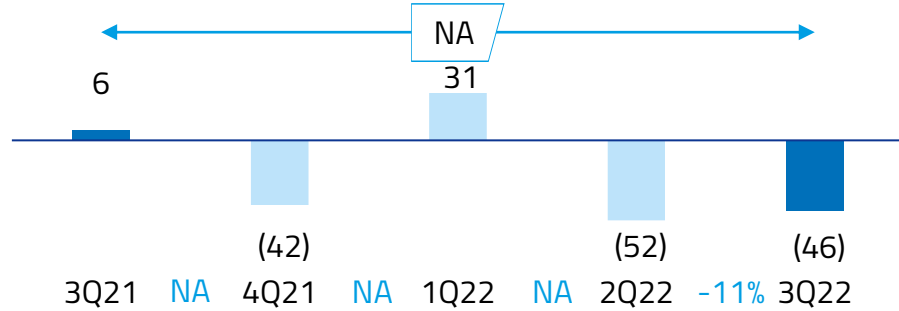
EBITDA

(SAR mn)



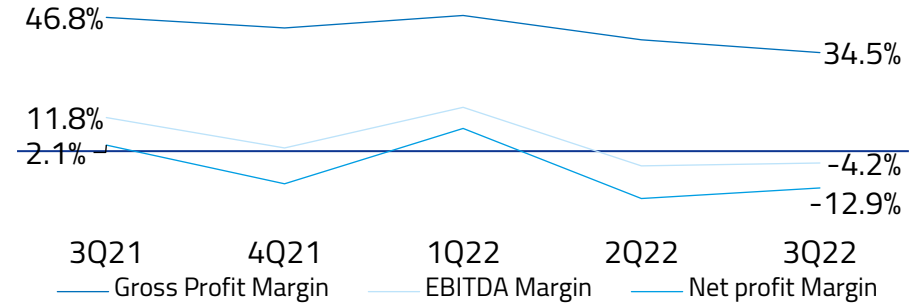
Net Income / (Loss)

(SAR mn)



Profitability

(%)



Source: Company financials