



DPI and CDC partner to create \$750 million biopharmaceutical platform to broaden access of vital specialty generic drugs across Africa

- *Development Partners International, CDC Group, and the European Bank for Reconstruction and Development to combine Egyptian pharmaceuticals manufacturer with Indian generic drugs company to create a new platform for delivering affordable treatments*
- *Platform has received an initial \$250 million in capital from its founding investors and plans to raise up to an additional \$500 million to execute on its industrial strategy and fund further acquisitions across Africa*
- *First of its kind Pan-African pharma platform will generate significant cost savings for healthcare providers across Africa and broaden range of therapeutics available in underserved markets*
- *Earmarked a strong pipeline within its existing product portfolio for the potential introduction of over 85 life-saving drugs across the continent at affordable prices*

London, 17 November 2020 – Development Partners International (“DPI”) through its ADP III fund, CDC Group, the UK’s publicly owned impact investor, and the European Bank for Reconstruction and Development (“EBRD”) have joined forces in a ground-breaking deal to create a major new player in the pan-African pharmaceuticals industry.

The three founding investors have committed an initial \$250 million of capital that have been used to fund the acquisition and combination of Adwia Pharmaceuticals, an Egyptian generic drugs manufacturer, and Celon Laboratories Pvt, an Indian oncology and critical care specialist. The platform will leverage its manufacturing and R&D centre of excellence in India to strengthen its local manufacturing operations in Africa, while capturing synergies from centralised supply chain management and business development.

This first of its kind Pan-African platform is designed to compete in large, fast-growing markets as well as high-demand, differentiated therapeutic areas such as oncology through innovation and cost leadership. The newly created platform will improve the delivery of essential and affordable specialty generic pharmaceuticals across the African continent. This will be supported by up to an additional \$500 million fund raise, to fund a strong pipeline of acquisitions, assist in new drug development, and establishment of new distribution channels.

The platform is co-founded by the executive management team comprising Hocine Sidi-Said, Chief Executive Officer and Alhadi Alwazir, Chief Strategy Officer and Head of Corporate

Development, who together bring decades of emerging market pharma experience, private equity transaction experience and a strong buy and build track record.

In addition to the significant value creation potential, the founding investors in the platform also expect significant health-related impacts (which will be measured) driven by drug affordability and availability. The positive impact of the investment on female empowerment, climate change mitigation, job quality and job growth will also be tracked.

Sofiane Lahmar, Partner at DPI commented, *“For a number of years DPI has explored the establishment of a new pan-African pharma platform that can transform this significantly underserved and underpenetrated industry. We are thrilled to have brought together the consortium of DPI, CDC and EBRD, with the leadership of Hocine, Alhadi and their team, to achieve that vision. By creating this unique platform, we will deliver substantial, tangible impact by increasing the availability and affordability of quality drugs and by developing local production and reducing reliance on imported drugs across Africa. The platform will also offer a defensive, differentiated, and attractive opportunity for investors driven by the continued strong growth of the African generic pharma industry and its defensive and resilient nature demonstrated during the global COVID-19 crisis.”*

Abhinav Sinha, Director & Head of Manufacturing at CDC, said: *“The African pharmaceutical industry remains chronically underdeveloped, with over 80 per cent of prescription and over-the-counter drugs imported from outside of Africa. This platform is being built from the ground up to specifically address the challenges facing African healthcare providers and improving health security. It will make a significant impact by providing affordable vital life-saving treatments and increasing the range and quality of products available, while aiming to reduce the incidences of counterfeit products in the market.”*

Hocine Sidi-Said, Chief Executive Officer of the platform, said: *“The creation of this new biopharmaceutical platform will fundamentally change the way specialty medicines are made available across Africa. It will also look to invest in broad-based and high-growth specialty generics assets across Africa, in high-demand areas such as oncology, autoimmune diseases, diabetes, respiratory issues, and critical care. I am pleased that our vision has attracted and will continue to attract strong investor interest. We look forward to working with our three founding investors and with future investors to successfully fulfil our promise of affordable specialty products in jurisdictions historically deprived from access to such medications.”*

Legal advisors on the transactions were Freshfields Bruckhaus Deringer (International Counsel), Matouk Bassiouny & Hennawy (Egypt), and Shardul Amarchand Mangaldas & Co (India)

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Notes to editor

About the platform

The biopharmaceutical platform is a newly incorporated buy and build platform for the acquisition of pan-African biopharmaceutical businesses as well as a manufacturing and innovation centre of excellence in India. It is designed to compete in large, fast growing markets and high-demand, differentiated therapeutic areas through innovation and cost leadership.

The platform's product portfolio selection is designed to include broad based existing branded generics secured through acquisitions of target companies operating in core markets, as well as high growth specialty generics that possess higher barriers to entry, to be developed across the platform geographical reach.

About DPI

Development Partners International LLP (DPI) is a Pan-African private equity firm with US\$1.7bn in AUM. Since the firm's founding in 2007, DPI has invested in 22 portfolio companies across 29 African countries and 17 industries.

DPI's strategy is to build a diversified pan-African portfolio of private equity investments in established and growing companies benefiting from Africa's fast-growing, middle class.

As a signatory to the UN PRI and to the IFC Operating Principles for Impact Management, DPI promotes high ESG and Impact standards and seeks to contribute to the UN Sustainable Development Goals.

ADP III, its third fund, became the first 2X Challenge Flagship Fund, committing to integrate a gender lens to its investment process.

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About CDC Group

1. CDC Group is the UK's first impact investor with over 70 years of experience of successfully supporting the sustainable, long-term growth of businesses in South Asia and Africa.
2. CDC is a leading player in the fight against climate change and a UK champion of the UN's Sustainable Development Goals – the global blueprint to achieve a better and more sustainable future for us all.
3. The company has investments in over 1,200 businesses in emerging economies and a total portfolio value of £5.8bn. This year CDC will invest over \$1.5bn in companies in Africa and Asia with a focus on fighting climate change, empowering women and creating new jobs and opportunities for millions of people.

4. CDC is funded by the UK government and all proceeds from its investments are reinvested to improve the lives of millions of people in Africa and South Asia.
5. CDC's expertise makes it the perfect partner for private investors looking to devote capital to making a measurable environmental and social impact in countries most in need of investment.

About EBRD

The EBRD is a multilateral bank that promotes the development of the private sector and entrepreneurial initiative in 38 countries across three continents. The Bank is owned by 69 countries as well as the EU and the EIB. EBRD investments are aimed at making the economies in its regions competitive, inclusive, well-governed, green, resilient and integrated.

To date, EBRD has invested over €7 billion in 125 projects in Egypt. The EBRD's areas of investment include the financial sector, agribusiness, manufacturing and services, as well as infrastructure projects such as power, municipal water and wastewater services, and support for transport services.

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