

CONFIDENTIAL

PGIL DMCC



Opportunity to finance equipment for Pharma Company

PROJECT SYNOPSIS

SOLE ARRANGER



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CONTACT DETAILS

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| Blend Financial Services Limited Pramukh Plaza, C-Wing, 4th Floor, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai – 400099, India Tel : +91 22-6777000 Fax: +91 22-6777019 | |
| Subhashish Saha Head – Export and Structured Finance Phone: +91 22 67770022 Mobile: +91 98197 11502 subhashish@blendfinance.com | Ankit Saraiya Associate – Export and Structured Finance Phone: +91 22 47088822 Mobile: +91-99876 14919 Ankit.s@blendfinance.com |

BRIEF ABOUT THE COMPANY :

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|--|---|--------------------------------|
| Name of the Company | PGIL DMCC | |
| Date of Establishment | August 25, 1999 | |
| Activities | Pharmaceutical company, diversified in Energy, Water & Sanitisation, Healthcare, Housing, Construction, Mining and Agriculture sectors. | |
| Registered Office | 3706, Tower JBC 1, Cluster G, Jumeirah Lake Tower, Dubai, UAE. | |
| Key Financials of the Company (USD in Mn) | | June 2021 (Audited) |
| | Sales | 186.03 |
| | EBIDTA | 16.31 |
| | PAT | 10.05 |

PGIL DMCC :**(1) Overview:**

- From the steadily expanding pharmaceutical company, PGIL DMCC has successfully grown and is specialized in the professional implementation of complex infrastructure projects in the fields of Energy, Water & Sanitation, Healthcare, Housing, Construction, Equipment Solutions, Mining, and Agriculture.
- PGIL DMCC has formed strategic partnerships with leading companies, with highly qualified employees who have extensive inter-disciplinary know-how. Along with the investments, company brings the competence, scale, and financial backing to successfully implement complex infrastructure projects. They operate along the project life cycle and across the capital structure, to help projects overcome financial, technical, or environmental challenges, creating investment-ready, bankable infrastructure opportunities.
- Their strategy is focused on delivering pioneering infrastructure projects that offer an innovative, agile, and sustainable way of delivering high development impact. They provide a vehicle for investment that not only delivers life-changing opportunities for the poorest and most fragile countries but also delivers a sustainable return. With their unique blended finance approach, they provide a value for money that ensures the long-term viability of its infrastructure projects.
- PGIL DMCC is committed to providing infrastructure services that create benefits for many people and businesses. Through large-scale infrastructure associated with economic zones, such as on-grid renewable and clean water projects, they create benefits not only for individual households but also for the economy.
- The company believes in delivering projects that truly offer fundamental changes in behaviour or market functions. They deliver genuinely transformative projects that strengthen the capacity of local developers, develop local capital markets, improve investor confidence, and empower women.
- Their aim is to be risk-aware, as opposed to risk-averse. Their strategic approach is to understand these risks, mitigate them as far as possible and make informed judgments about whether the residual risk in a particular project is justified by its expected impact, its sustainability, and its long-term nature.
- Their vision is enhanced provision of affordable and sustainable infrastructure services in low and middle-income countries and fragile states to combat poverty and help economies grow.
- They provide leadership, development capability, funding, and finance solutions across the project cycle to support infrastructure provision that results in high development impact and develops local capacity and capability.

(2) Healthcare Business Model :

- PGIL DMCC has a comprehensive product basket and includes Branded and Generic Formulations covering most therapeutic segments for all oral dosage forms. At present, PGIL DMCC is in the process of consolidating of product portfolio in selected segments and is looking to further strengthen its offerings.
- PGIL DMCC is also concentrating its efforts to build and enhance its portfolio in the chronic health, nutraceutical, and food segment, thus creating a healthy balance of both acute and chronic therapies.
- They provide comprehensive delivery of medical clinics, individual medical departments in hospitals. They are also equally acknowledged as suppliers of individual operational units, technologies, and interior fittings for healthcare like :

| | | |
|-----------------------|--------------------------------------|------------------------|
| Medical Buildings | Oncology Departments | Critical Care Units |
| Diagnostic Rooms | Pharmacology Facilities | Radiology Departments |
| Central Sterilization | Medical Laboratories | Medical Technology |
| Pathology Departments | Anaesthesiologic resuscitation units | In patient Departments |

- **PGIL DMCC owned Medylife has already acquired one operational diagnostic centre and a satellite clinic in Accra, Ghana during the year and they envision expanding the centres throughout the country.**

(3) Product Portfolio :

The Company is a leading supplier of Pharmaceutical Intermediates, APIs, and Formulations as under:

- More than 700 formulations such as Generics, Branded Generics, NDDS etc.
- Therapeutic Categories are as follows :

| | | | |
|-----------------|-----------------|-----------------------------|-------------------|
| Antibiotics | Anti-Cancer | Laxative | Psychotropic |
| Anti-Tubercular | Anti-Malarial | Anti-Migraine/ Anti Vertigo | Anti-Emetic |
| Anti-Diabetic | Anti-Histaminic | Cough Medicine | Anti-Nausea |
| Antacid | Cardiovascular | Analgesics/ Antipyretics | Steroids |
| Anti-Epileptic | Anti-Diarrhoea | Anti-Asthmatic | Minerals/ Calcium |

- **APIs business programs that the company has accomplished are as follows :**
 - Gemcitabine via patented route for Eli Lilly
 - Capecitabine for Novartis /Dolder AG
 - Irinotecan and Topotecan for DSM
 - Caspofungin for Pfizer
 - Docetaxel and Paclitaxel via patented route for Pfizer
 - Imatinib, Gefitinib, Erlotinib, and Dasatinib for DSM

CORPORATE GOVERNANCE :

(1) Director :

Varun Kamat (PhD), Managing Director

Varun holds a master's in business administration and Doctoral Degree in Humanities. An entrepreneur and community builder, Inspired by global trends in the healthcare and medical fields.

Through strategic foresight, drive, and determination, he built a strong foundation for his successful multi-million-dollar company. As a leader and self-sufficient innovator, Varun is comfortable in any role from the executive boardroom to the manufacturing floor. He is a savvy negotiator known for strong business development and relationship-building skills. Varun's innate ability to build high-performance teams, including his strategically selected executive management staff, has served as a growth catalyst, and infused productive energy into the workplace.

(2) Key Management :

| Name | Designation | Broad Details |
|-----------------------|-------------|---|
| Mr. Ajit Mishra | CEO | <p>Ajit Mishra a strategic advisor for the Africa Business of PGIL DMCC Group and has been spearheading the business development of the group to make its forays primarily into African Mining Sector and infrastructure projects.</p> <p>He has over 30 years of experience across industry and has hands-on approach towards developing Greenfield mining & energy projects from concept through to commissioning</p> |
| Mr. Abinash Chaudhary | CEO Ghana | <p>Abinash Chaudhary competent professional offering 12 years of rich & extensive experience in Sales, Marketing, Business Development, Business Expansion, Strategic planning, Merger & Acquisitions, Market Research, Brand ROI, Administration, Team Management, and other auxiliary function in Healthcare (Hospital & Diagnostic) Industry.</p> <p>Excellent track record of sourcing & acquiring the highest quality of business by leveraging expertise across the healthcare industry, streamlined processes, identified risk, increased sales with proven ability to multi-task.</p> |
| Mr. Madhur Bomb | CEO Zambia | <p>Madhur Bomb acknowledged as an ingenious Turn around Strategic, known for streamlining business operation, processes, and systems, while serving as a catalyst for growth and expansion and quickly restoring forward momentum and generating revenue. An innovative and result-driven business leader with Verifiable year-after-year success in achieving revenue, profit, and business growth objectives in healthcare domain.</p> |

| | | |
|---------------|----------------|--|
| Dr Nina Linde | Board Director | <p>Dr Nina Linde is a successful, and enterprising woman who, along with scientific work, is engaged in business, has a practical, orderly mind that is harmoniously manifested in everything – the ability to conduct a conversation, listen to the interlocutor, see perspective, and analyse trends in the development of society.</p> <p>She has been Former Advisor to the Minister for Education and Science of the Republic of Latvia. She has authored over 50 research articles and books on Economic and one of the most respected economists in Europe.</p> |
|---------------|----------------|--|

(3) Financial Snapshot of the Borrowing Company :

| FY Ending (In USD Mn) | Jun-21 | Mar-20 | Mar-19 |
|--------------------------|--------|--------|--------|
| Sales Turnover | 186.03 | 121.14 | 101.35 |
| Gross Profit | 18.39 | 12.08 | 10.18 |
| % | 9.89% | 9.97% | 10.04% |
| EBITDA | 16.31 | 10.53 | 8.63 |
| Total Debts | - | - | - |
| Net Fixed Assets | 167.64 | 0.00 | 0.00 |

About the transaction :

- PGIL DMCC will be borrower for the proposed facility & they would be creating separate SPV for each country. PGIL DMCC has revenue in USD at Dubai level, which will give the natural hedge for the proposed borrowing. The company proposes to use the brand name of “Medylife” for their diagnostic centre business.
- Medylife has already acquired one operational diagnostic centre and a satellite clinic in Accra, Ghana during the year and they envision expanding the centres throughout the country.
- The main driver for the development of these diagnostic centres is the desire of Medylife to expand its current services and reputation in Ghana and Pan Africa.
- Sierra Leone and Zambia are new project sites for Medylife, and they envision tapping into the growing private market in these countries while also meeting patients’ needs for quality diagnostic healthcare
- The diagnostic centres would come up in
 - Ghana,
 - Sierra Leone, and
 - Zambia
 & are planned as comprehensive diagnostic centres that will be located in urban areas with international businesses, expats, tourists, and middle to high-income populations.

Ghana :

The Medylife diagnostic centre expansion in Ghana will start with two new centres in Adenta and Kumasi. PGIL DMCC envision expanding with multiple collection centres along the Accra-Kumasi Road. It is projected to become operational in year 2 (2024) and is expected to reach full operational capacity in year 10.

- PGIL DMCC is coming up with one main diagnostic centre in Adenta, one other main centre in Kumasi and 2 mini-centres in Nsawam and Nkawaw respectively

- The diagnostic centre will become operational in 2024 and is expected to produce a net profit from the first operational year onwards.

| Country | Type Facility | Location | Project Cost USD |
|---------|--|---------------------------------|------------------|
| Ghana | Two main centres, two satellite centre | Adenta, Kumasi, Nsawam, Nkawkaw | 10,350,000 |

Ghana Business Concept :

- The new diagnostic centres in Ghana will be expansion of the current main centre in Kokomlemle, Accra and the branches in Amasaman and Nsawam. The main centre in Kokomlemle along with the proposed second main centre in Adenta (Accra) as well as the main centre in Kumasi (Eastern region) will serve as the main referral centres providing extensive labs services and imaging services.
- The main centres will provide comprehensive diagnostics as well as outpatient consultations and a retail pharmacy. The expansion with creation of an additional main centre as well as 2 mini centres will be along the route from Accra to Koforidua (Adenta) and along the Accra-Kumasi road. These two small cities will host mini centres with a basic lab as well as ultrasound and x-ray imaging options. They will also serve as collection centres and will have dispatch vehicles to transport the samples to the main centres.

Project Cost for Ghana Facility :

| | |
|------------------------------|-------------------|
| Total CAPEX | 9,724,000 |
| Working Capital | - |
| CAPEX fees | |
| Investment Planning | 620,000 |
| Total Required Budget | 10,344,000 |
| TOTAL (rounded off) | 10,350,000 |

Sierra Leone :

- PGIL DMCC is coming up with one main diagnostic centre in Freetown that will serve as a referral centre for clinics in surrounding areas.
- The diagnostic centre in Sierra Leone will become operational in 2023 and is expected to produce a net profit from the first operational year onwards.

| Country | Type Facility | Location | Project Cost USD |
|--------------|-----------------|----------|------------------|
| Sierra Leone | One main centre | Freetown | 4,485,000 |

Sierra Leone Business concept :

- The new diagnostic centre of Freetown will serve as main referral laboratory providing extensive lab services and imaging services. The Diagnostic centre is also proposed to have a consultation room where preventive medicine will be exercised for corporate clients and individuals wishing to be seen by a healthcare professional for preventive care or minor discomfort

- A phased approach is advised to ensure adequate capture of market before expansion into more costly activities such as acquisition of land and construction of a fit for purpose building, introduction of MRI, endoscopies and dialysis.

Project Cost for Sierra Leone Facility :

| | |
|------------------------------|------------------|
| Total CAPEX | 3,375,000 |
| Working Capital | - |
| Infrastructure | 700,000 |
| Contingencies | 407,500 |
| Total Required Budget | 4,482,500 |
| TOTAL (rounded off) | 4,485,000 |

Zambia :

| Country | Type Facility | Location | Project Cost USD |
|---------|--------------------------------------|--------------|------------------|
| Zambia | One main centre two satellite centre | Kitwe, Ndola | 4,196,500 |

Zambia Business concept :

- Due to the fierce competition in Lusaka, it is proposed to have one main diagnostic centre in Kitwe, Zambia with one mini-centres in Ndola. Both cities are situated in the Copperbelt. The main centre will serve as main referral laboratory providing extensive lab services and imaging services.
- Mini centres with a basic lab as well as ultrasound and X-ray imaging options. They will also serve as collection centres and will have dispatch vehicles to transport the samples to the main centres.
- The diagnostic centres are also proposed to have a consultation room where preventive medicine will be exercised for corporate clients and individuals wishing to be seen by a healthcare professional for preventive care or minor discomfort
- A phased approach is advised to ensure adequate capture of market before expansion into more costly activities such as acquisition of land and construction of a fit for purpose building, introduction of MRI, endoscopies, and dialysis.
- The diagnostic centre will become operational in year 2024 and is expected to produce profit from the first operational year onwards.

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| Infrastructure Expenses | 750,000 |
| Total CAPEX | 3,065,000 |
| Contingencies | 381,500 |
| TOTAL | 4,196,500 |

Summary Centres and cost :

| Country | Type Facility | Location | Project Cost USD |
|--------------|--|---------------------------------|------------------|
| Ghana | Two main centres, two satellite centre | Adenta, Kumasi, Nsawam, Nkawkaw | 10,350,000 |

| | | | |
|---|--------------------------------------|--------------|------------|
| Sierra Leone | One main centre | Freetown | 4,485,000 |
| Zambia | One main centre two satellite centre | Kitwe, Ndola | 4,196,500 |
| Consultancy & other expenses | | | 1,000,000 |
| Total Project Cost (rounded off) | | | 20,000,000 |

Most of the equipment proposed can be procured from manufacturers Siemens based in Germany/ manufactures Phillips based in Netherlands. The required % content for Euler Hermes participation / Atradius Participation will be met.

Broad Indicative Terms and conditions:

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| Borrower | PGIL DMCC, Dubai, UAE. |
| Structure | Buyers' Credit Structure |
| Total Cost (of all 3 Countries) | USD 20 Mn |
| Loan Requirement | USD 17 Mn (85 % of total cost) |
| Funding currency | USD / Euro |
| Repayment Tenor | 2 years Moratorium (including 1.5 years availability / construction period + 6 months Holiday period) & 7.5 years Repayment period making DTD tenor of 9 years. |
| Security | Escrow of cash receivables |