NEULAND

WHERE OPPORTUNITY BECOMES REALITY

Fortifying for a STRONGER FUTURE

2021-22 Annual Report

Navigating this Report

Corporate Overview

Statutory Report

Financial Statements

Quantitative highlights for the year

₹ 953.2 Crores
Total Revenue

₹ 144.3 Crores
EBITDA

₹ 63.5 Crores
Profit after Tax

Cautionary Statement

Certain statements in this Report relating to our business operations and prospects may be forward-looking statements. These statements can be identified by usage of words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance.

These forward-looking statements are dependent on assumptions, data or methods that may be incorrect or imprecise and hence may be incapable of being realised. Such statements are not guaranteed of future operating, financial and other results, but constitute our current expectations based on reasonable assumptions. The Company's actual results could materially differ from those projected in any forward-looking statements due to various future events, risks and uncertainties some of which are beyond our control. We do not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Fortifying for a **STRONGER FUTURE**

The global active pharmaceutical ingredient (API) sector is characterised by relentless change. To stay in business and remain competitive, it is important for organisations to continually strengthen themselves, evolve and be ready to respond to opportunities and risk.

At Neuland, the customer is at the centre of everything we do. From understanding their needs thoroughly to going beyond the stated requirements, we strive to ensure that our customers are delighted and remain competitive as our success depends on theirs.

As a global API service provider, ensuring quality APIs time and again is our responsibility and commitment to our customers. During FY 2022, the organisation created a practical framework of six key strategic priorities that will guide us to fortify our business capabilities, drive growth and deliver long-term sustainable value to all our stakeholders.

Aligning our capabilities more closely to meet customer needs, enhancing our manufacturing agility; building stronger project management teams, embedding digitalisation deeper into our business; nurturing and maintaining our leadership succession bench and developing a differentiated product portfolio, our strategic priorities are aimed at making us a stronger organisation.

We are reinforcing our capabilities to drive business agility, better serve our customers and set our organisation on a firmer footing for sustained growth.

We are fortifying for a resilient future.

About Neuland

WHO WE ARE

Established in 1984, Neuland Laboratories is a leading manufacturer of active pharmaceutical ingredients (APIs) and an end-to-end solutions provider for the pharmaceutical industry for chemistry-related services. Our expertise extends across generic API manufacturing, advanced intermediates as well as the development and commercialisation of API's for new chemical entities (NCEs). Supported by three world-class US FDA and EU GMP compliant manufacturing facilities and complex chemistry capabilities, Neuland has become a trusted partner for innovators as well as generics.

WHERE WE ARE BASED

We are headquartered in Hyderabad, India and our manufacturing and research facilities are situated near Hyderabad. Business development offices have been set up in the US, Europe and Japan to strengthen our global collaborations.

OUR MARKETS

We are a reliable manufacturing and development partner to customers in over 80 countries across US, Europe, Japan, APAC, India, MENA and LATAM.

US FDA refers to the United States Food and Drug Administration, a federal agency of the Department of Health and Human Services..

Good manufacturing practice (GMP) describes the minimum standard that a medicines manufacturer must meet in their production processes. The European Medicines Agency (EMA) coordinates inspections to verify compliance with these standards and plays a key role in harmonising GMP activities at European Union (EU) level.

cGMP refers to the Current Good Manufacturing Practice regulations enforced by the FDA.

OUR BUSINESS VERTICALS

Generic Drug Substances (APIs)

Our core business and operational expertise since inception has been the manufacturing of APIs. We have earned the identity of a preferred and reliable API supplier in the pharmaceutical industry primarily due to:

- Consistency in product quality
- Knowledge and ability to deal with niche chemistry
- On-time delivery performance

Custom Manufacturing Solutions

Our deep understanding of complex chemical processes and manufacturing, derived from our proven expertise in chemical process development to manufacturing at varied scales, enables us to deliver Custom development and manufacturing solutions. Our offerings span the full range of the pharmaceutical industry's chemistry requirements, from pre-IND through commercial manufacturing. We offer both small-scale clinical trial quantities and full commercial-scale supply with minimal technology transfer timelines. Our manufacturing facilities are compliant with cGMP requirements and meet environment and safety standards. The R&D facility is approved by the Department of Scientific and Industrial Research (DSIR), Government of India and inspected by the US FDA without any observations.

Peptide Capabilities

Our peptide synthesis services include production of peptides from milligrams to multi-kilogram scale by standard sequential chemical peptide synthesis and segment condensation strategies. Neuland has expertise in solution phase synthesis, solid phase synthesis and hybrid technology for complex peptides. We are currently a supplier of high-quality peptide building blocks like Pseudoproline dipeptides and other complex Fmoc building blocks.

OUR CORE VALUES

The Neuland Way

We follow a strong set of ethical values, termed 'The Neuland Way', which spurs integrity and motivation among the workforce. An internal cultural survey highlighted that Neuland is a strong, ethical, quality conscious and value-based Company that is committed to making a difference in people's lives. The core of our business is built upon 5 values:

CUSTOMER CENTRICITY

Everything we do at Neuland, revolves around the customer. From understanding their needs thoroughly to going beyond the stated requirements, we strive to ensure that our customers are delighted with our products and services.

RELIABILITY

Reliability whilst delivering the promise consistently is our objective. We ensure we are reliable firstly by being consistently compliant (cGMP, EHS, HR, ISMS) both internally and externally. Secondly, to meet our customer's requirements and deliver on time we bring in place rigorous project planning and execution.

ACCOUNTABILITY

Being accountable and working with colleagues to problem solve are an essential part of our role. We all know that success is not built on a complacent business model. We need to be challenging how we do things and improving them to remain competitive. Our actions are always in tune with the environment and customer expectations.

OWNERSHIP

At Neuland, we encourage all our colleagues to be part of the solution and tackle all obstacles to complete the task in hand. Part of the reality at Neuland is being aware of the opportunity and possibility, then being able to deliver individually as well as in an open teamwork structure.

OPENNESS & TRANSPARENCY

Our clear, open and transparent culture at Neuland ensures all colleagues communicate and collaborate in the best possible way to achieve maximum results. We actively encourage the exchange of ideas and thoughts within a HR structure that applauds openness. Our project management models give maximum transparency to our customers.

FAST FACTS

38+
years of experience

100+
APIs across 10 therapeutic areas

80+
countries served

907 KL
API manufacturing capacity

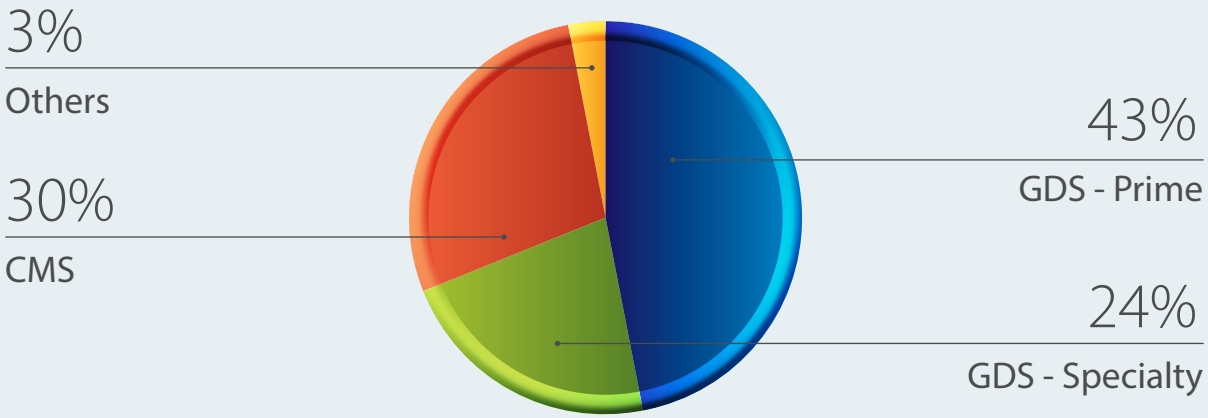
916+
DMFs filed worldwide

75%
revenue from exports

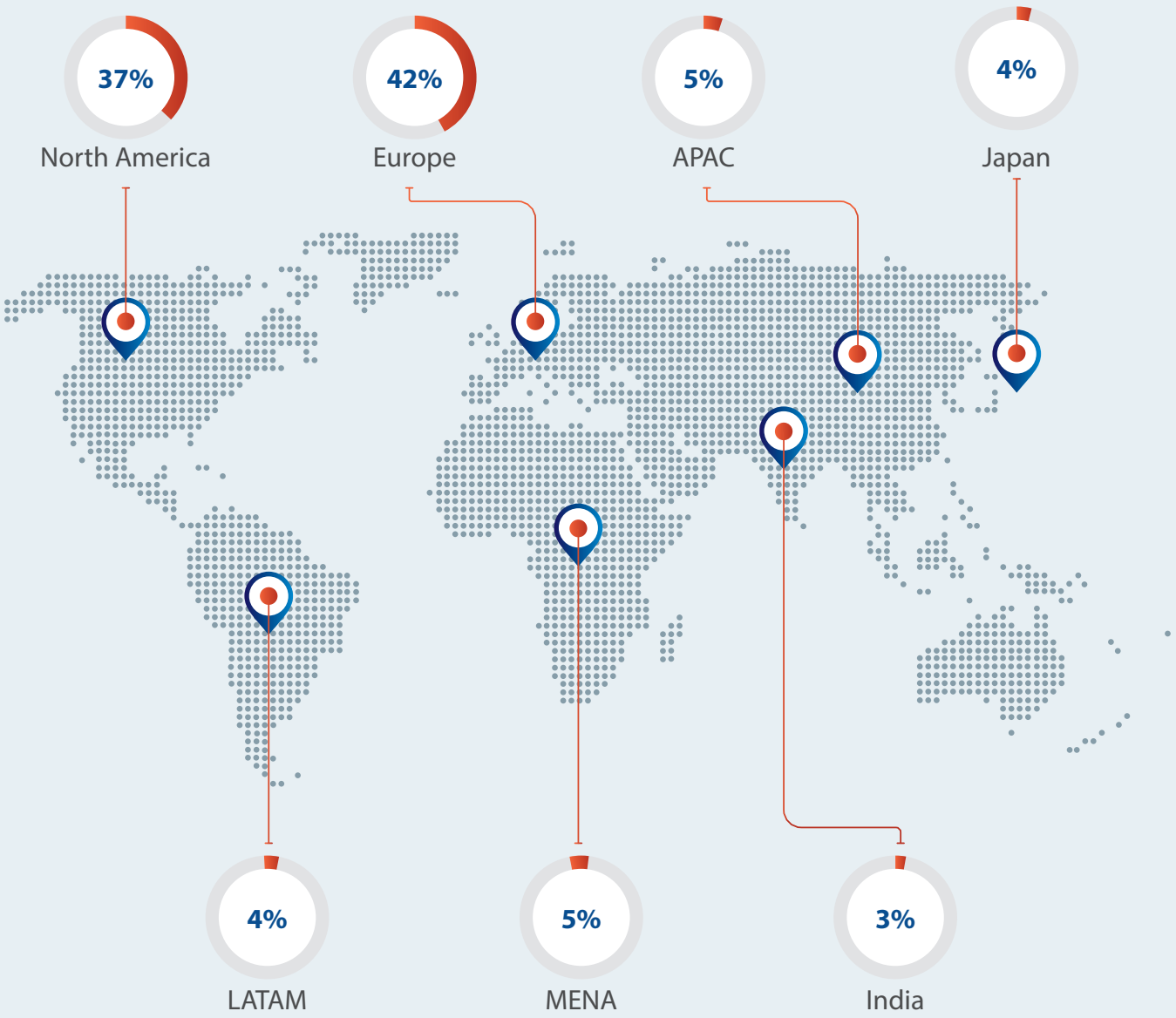
62
active US DMFs

1,521
Employees

REVENUE SEGMENTS



OUR GLOBAL REACH



% refers to FY 2022 sales by end market

Our Journey – Key Milestones

SUCCESSFULLY CLEARED 15 US FDA INSPECTIONS.

Laying Strong Foundation
1984 - 2003

Deepening Our Capabilities
2004 - 2012

1984
Incorporated

1986
First API sale of Salbutamol Sulphate / Albuterol Sulphate

1994
Neuland goes public

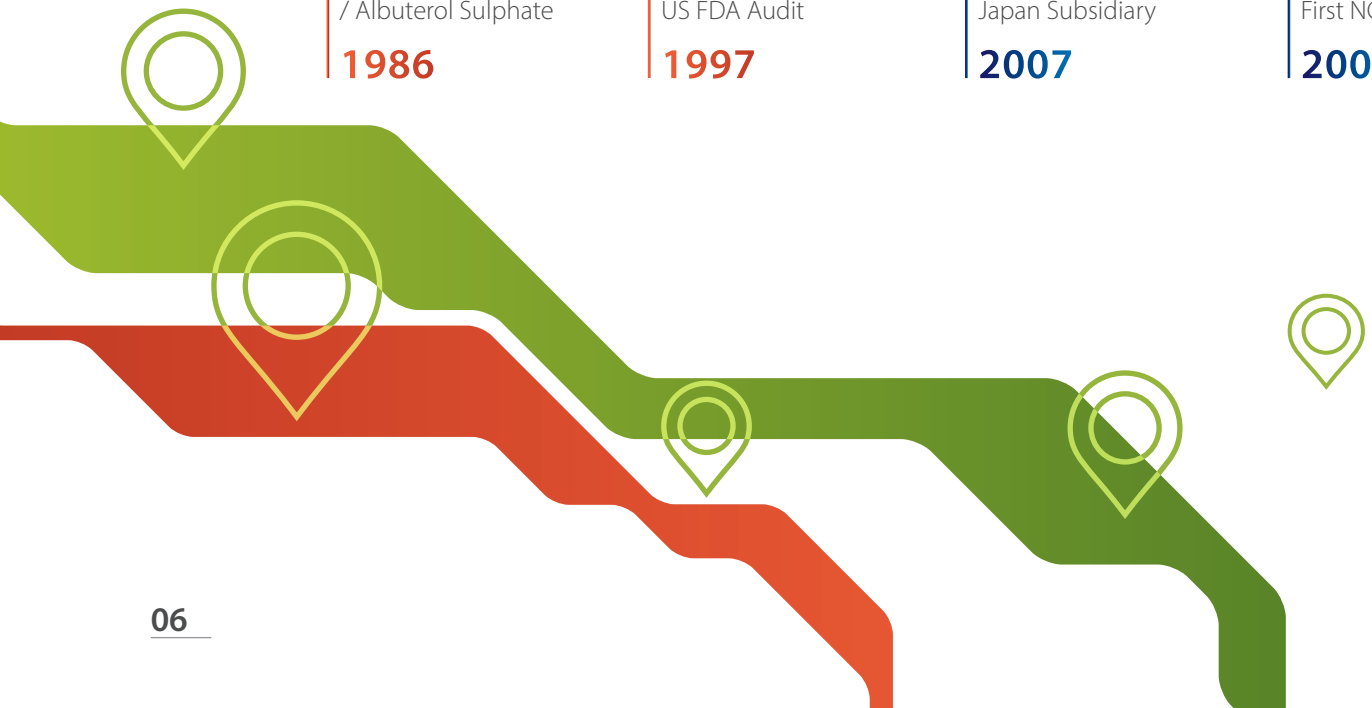
1997
First US FDA Audit

2004
USA Operation

2007
Japan Subsidiary

2008
R&D Centre established; EDQM Audit

2009
PMDA, Japan Audit; First NCE Approval



Increased Sustainable Growth
2013 - Today

2013
Strategic alignment of business towards niche API & Custom Manufacturing Solutions

2015
10th US FDA Audit

2016
R&D Facility approved by US FDA

2017
Among first 3 API facilities in India audited by CFDA

2018
Acquisition of advanced intermediates & API Facility

2019
Increased flow of projects from CMS Japan. Active emphasis on supply chain de-risking

2020
100 Mn+ Revenue over 75 live CMS projects, 15th US FDA Audit

2021
Unit – 3 Commercialisation 271 KL Reaction volume

2022
Unit - 3 ANVISA Approval

INSPECTION HISTORY

SUCCESSFULLY CLEARED 15 US FDA INSPECTIONS.

US FDA (USA)

Unit-1 Inspection
March 1997, May 2004, March 2008 (PAI for NDA), November 2010, April 2014, April 2017, June 2019

Unit-2 Inspection
June 1999, February 2002, November 2005, September 2012, August 2015, November 2018, February 2020

EDQM (EUROPE)

Unit-1 Inspection
December 2005

Unit-2 Inspection
June 2017

BfArM (GERMANY)

Unit-2 Inspection
February 2017

EMA (EUROPE)

Unit-1 Inspection
January 2013

AFSSAPS /ANSM (FRANCE)

Unit-2 Inspection
February 2012