arrow

Creating better futures

pharmacy alliance
Your formula for independent strength

generic partners

Strides Shasun

DISCLAIMER

This presentation and the accompanying slides (the "Presentation"), which has been prepared by the Company, has been prepared for information purposes only and is not, and is not intended to be, an offer, or solicitation of offer, or invitation or recommendation to buy or sell any securities of the Company, and shall not constitute an offer, solicitation or invitation or recommendation to buy or sell in any jurisdiction in which such offer, solicitation or invitation or recommendation is unlawful. No part, or all, of this Presentation shall form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities of the Company. The securities of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration under such act.

Nothing in the foregoing shall constitute and/or deem to constitute an offer or an invitation to an offer, to be made to the Indian public or any section thereof through this document, and this document and its contents should not be construed to be a prospectus in India. This document has not been and will not be reviewed or approved by any statutory or regulatory authority in India or by any stock exchange in India.

This Presentation is strictly confidential and may not be copied, published, distributed or transmitted to any person, in whole or in part, by any medium or in any form for any purpose. The information in this Presentation is being provided by the Company and is subject to change without notice. This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This Presentation contains statements about future events and expectations that are forward-looking statements. These statements typically contain words such as "expects" and "anticipates" and words of similar import. Any statement in this Presentation that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. None of the future projections, expectations, estimates or prospects in this Presentation should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the Presentation. The Company assumes no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

You acknowledge that you will be solely responsible for your own assessment of the market, the market position, the business and financial condition of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company. The distribution of this Presentation in certain jurisdictions may be restricted by law and persons into whose possession this Presentation comes should inform themselves about and observe any such restrictions.

arrow

Creating better futures

BUSINESS PRESENTATION

STRIDES AUSTRALIA v2.0

OUR HISTORY IN AUSTRALIA

- Strides and Genepharm (founded by Dennis Bastas) merged Australian and SE Asian businesses in 2007 to form Ascent Pharmaceuticals
- By 2012 we had also created:
  4th largest Pharmacy Wholesaler – CHS
  6th largest Pharmacy Banner – Pharmasave
- With strong management team the Ascent business grew to A$130m in Sales and A$20m EBITDA in 2012
- Ascent was sold to Watson (US) for A$400m in 2012

STRIDES AUSTRALIA - v2.0 VS v1.0

	ARROW Strides Aust v2.0	ASCENT Strides Aust v1.0
Wholesaler Partnership	Sigma Healthcare: Signed 10-year exclusive preferred partnership.	No Wholesale partnership. Acquired direct wholesaling through CHS.
Retail Partnerships	20 major retail banner partners (1,100 Stores). Owned – Pharmacy Alliance (600 Stores).	5 major retail banner partners (200 Stores). Owned – Pharmasave (150 Stores).
First-Line Pharmacy Customers	1,400 Stores	700 Stores
Generic Range	190 Products	85 Products
OTC Range	Full product range (300 SKU's) Market leading Private Label	Selected products (60 SKU's) No Private Label

STRIDES AUSTRALIA v2.0 - OUR 2020 GOALS

Strides Shasun

arrow

- Growing to largest generic pharmaceutical business in Australia by 2020
- Arrow First-line customer base of 2,000 pharmacies
  Pharmacy Alliance growing to 1,000 pharmacy buying group by 2020
- Generic portfolio to grow to over 240 products by 2020
   - Includes a number of first-to-market generics
     through Generic Partners pipeline
  - 50% of portfolio to be manufactured at Strides facilities

AUSTRALIAN INDUSTRY OVERVIEW

PHARMACY INDUSTRY - VALUE BREAKDOWN

Strides Shasun
arrow

Australian Retail Pharmacies - 5,500 Stores
$16.0b Total Sales [Retail Value]
$10.5b Total Purchases [Wholesale Value]
$6.8b Pharmaceuticals (65%) - $3.7b OTC (35%) [Wholesale Value]

Pharmacy Wholesale	Sigma 34%	Symbion 31%	API 28%	DHL/Other 7%

Pharmacy Wholesale - $10.5b (15,000 SKU's)
Generic Wholesale - $1.1b (500 SKU's)

Generic Pharma Wholesale	Sigma 35%	Symbion 33%	API 29%	DHL/Other 3%	
Generic Pharma Supply	Arrow 24%	Apotex 30%	Mylan 24%	Sandoz 18%	Others 4%

Australian Generic Pharmaceuticals
$1.8b (27% of Pharmaceuticals Value) [Wholesale Value]
$1.1b Generic (60%) - $0.7b Brand (40%) [Wholesale Value]
$0.7b Generic (after avg. generic discounts) [ex-Manufacturer Value]

MAJOR INDUSTRY CHALLENGES

Strides Shasun

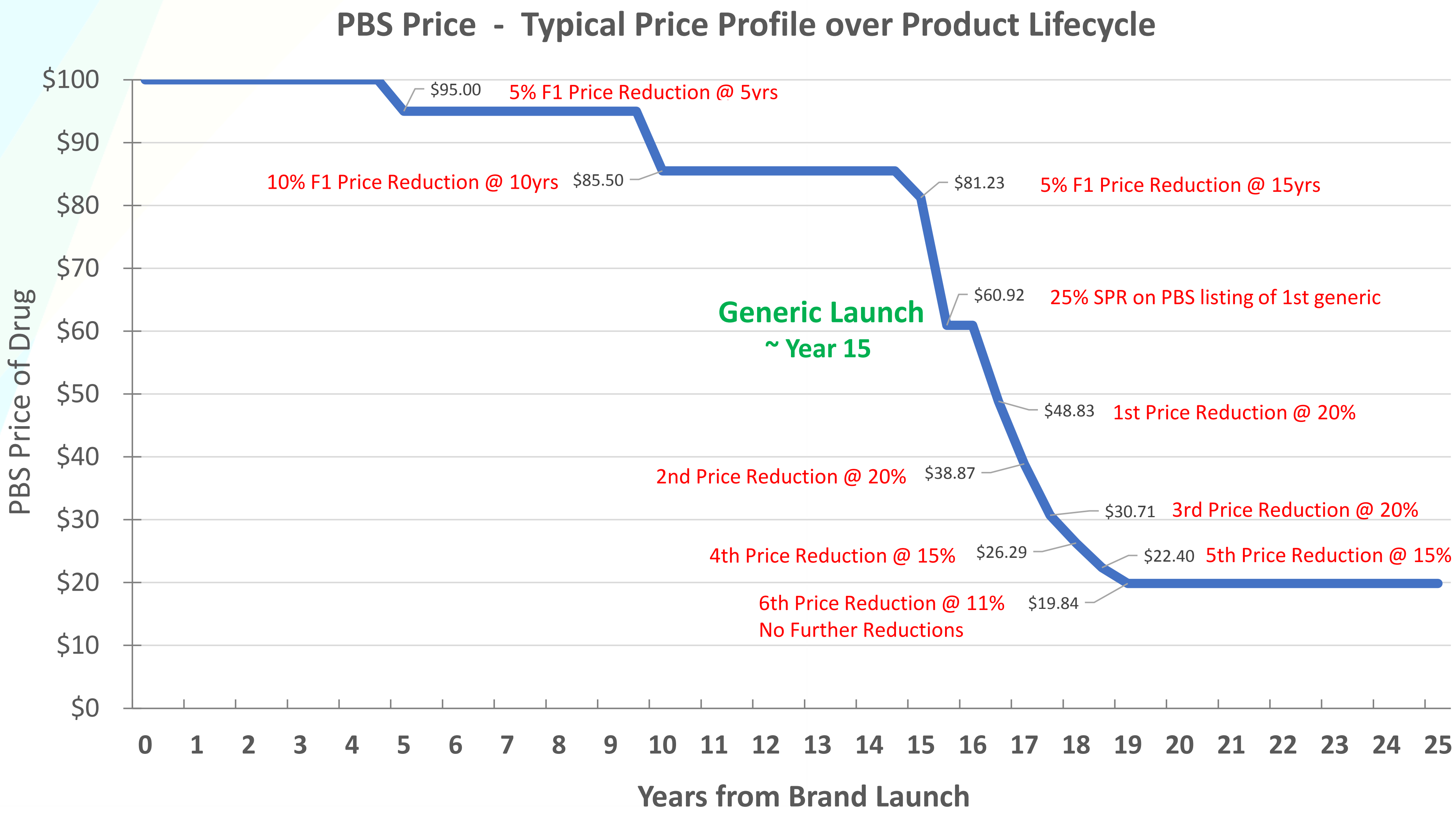
arrow

Patent Cliff	Reimbursement Reforms	Vertical Integration of Supply Chain	Growth of Pharmacy Groups
Majority of patented pharmacy drugs have expired	**PBS reform has forced new business models in pharmacy**	**Wholesalers and generic drug companies have built collaborative models**	**Independent pharmacy has consolidated to strengthen offer**
• The ongoing patent opportunity that once existed has now slowed • Diminished opportunity for short-line offer on new launches • Dispensary now dominated by generic drug volume and need for high substitution	• Changes implemented in December 2010 continue to place pressure on the viability of retail pharmacy • Focus shifting to dispensary maximisation with a greater retail awareness to bring customers and grow profits	• Wholesaler margins being hit by price reforms • Need for stronger retail strategy and value-add • Collaboration with generic drug companies to strengthen loyalty and reduce pricing pressure	• Increased compliance required to support competitive supplier deals • Consolidation of buying and back-office operations to deliver operating leverage and buying power • Need for retailing skills

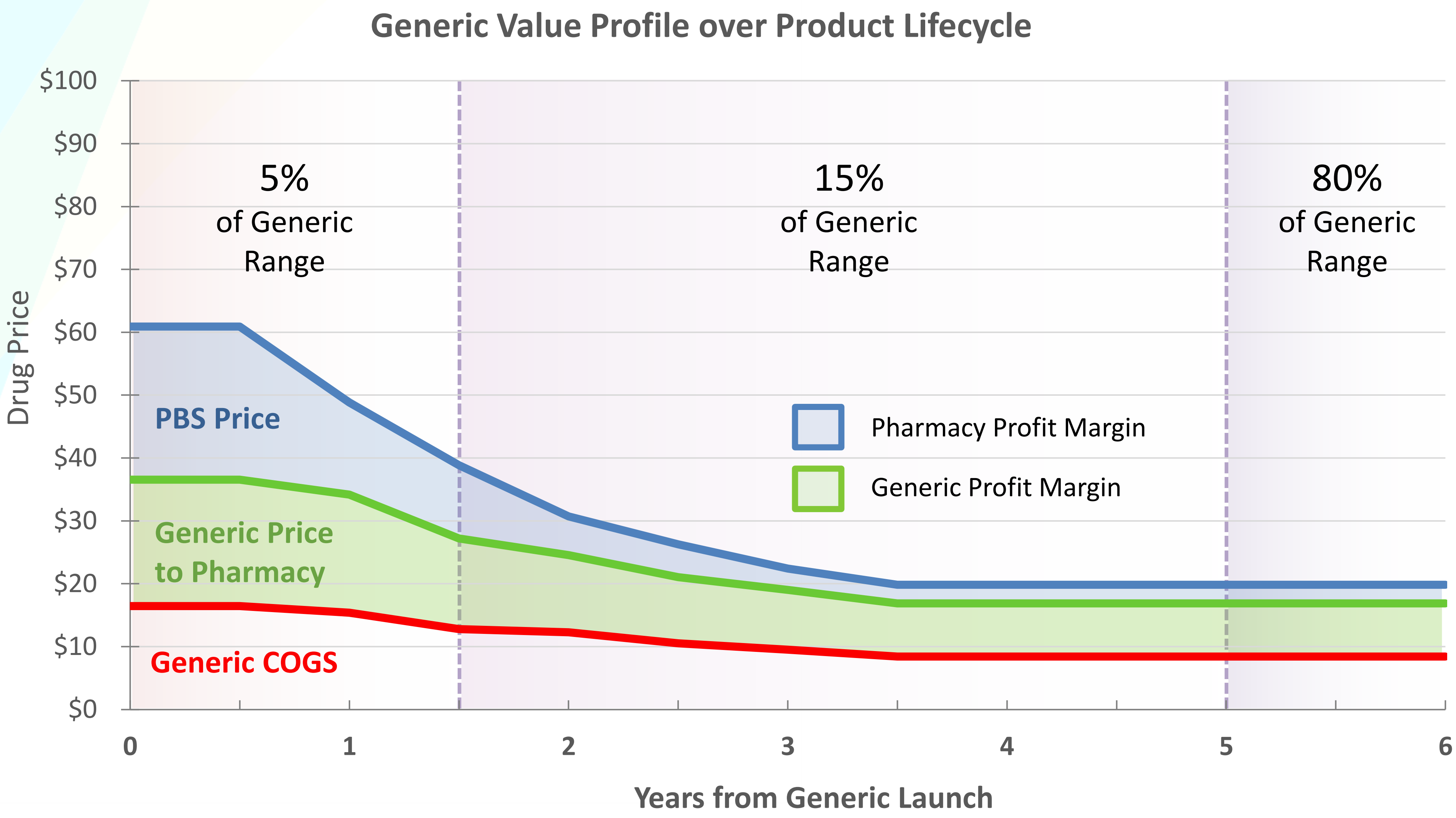
Environmental and regulatory change will force originator companies, generic companies, wholesalers and pharmacists to change the way they operate in order to remain competitive.

Playing field is no longer even – Innovative business models key to success and profits

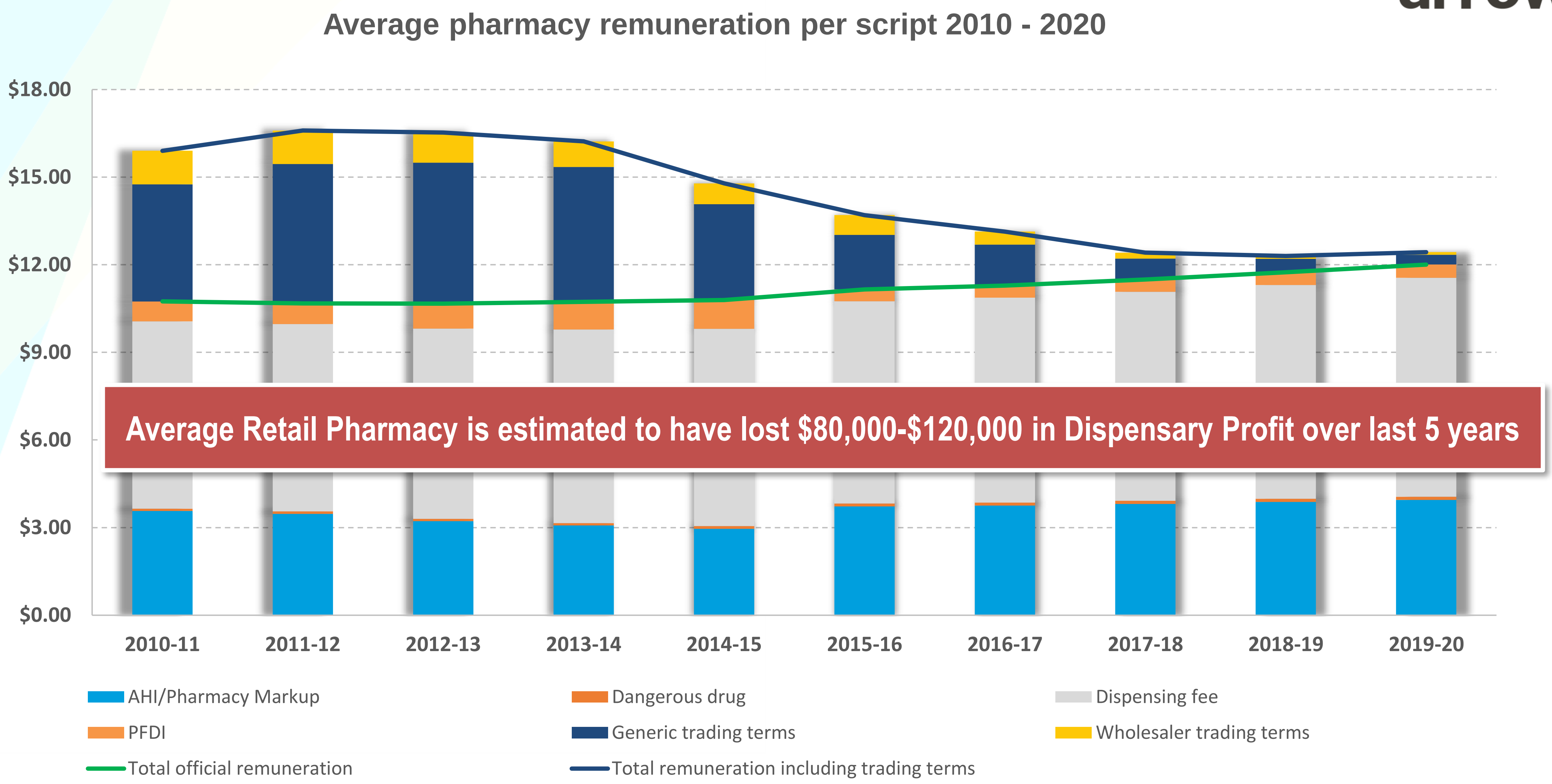
PBS PRICING LIFECYCLE



GENERIC PROFIT LIFECYCLE



PHARMACY REMUNERATION HAS BEEN REDUCED



STAKEHOLDER IMPACTS

Strides Shasun
arrow

Pharmacy
- Target of 90% generic substitution
- Growth of groups / strong loyalty to generic suppliers
- Growing awareness of patient loyalty & life-time value
- Service as a differentiator

Generic Companies
- Consolidation; looking for innovative partnerships
- Growth in professional services
- Powerful reporting tools
- Growth from product expansion and non-regulated portfolio
- Government agreement now in place to support supply

Government
- Patient-centric care and patient empowerment are key aspirations
- IT-enablement focus
- Healthcare sustainability driving policy e.g. biologics substitution
- Cost savings priority

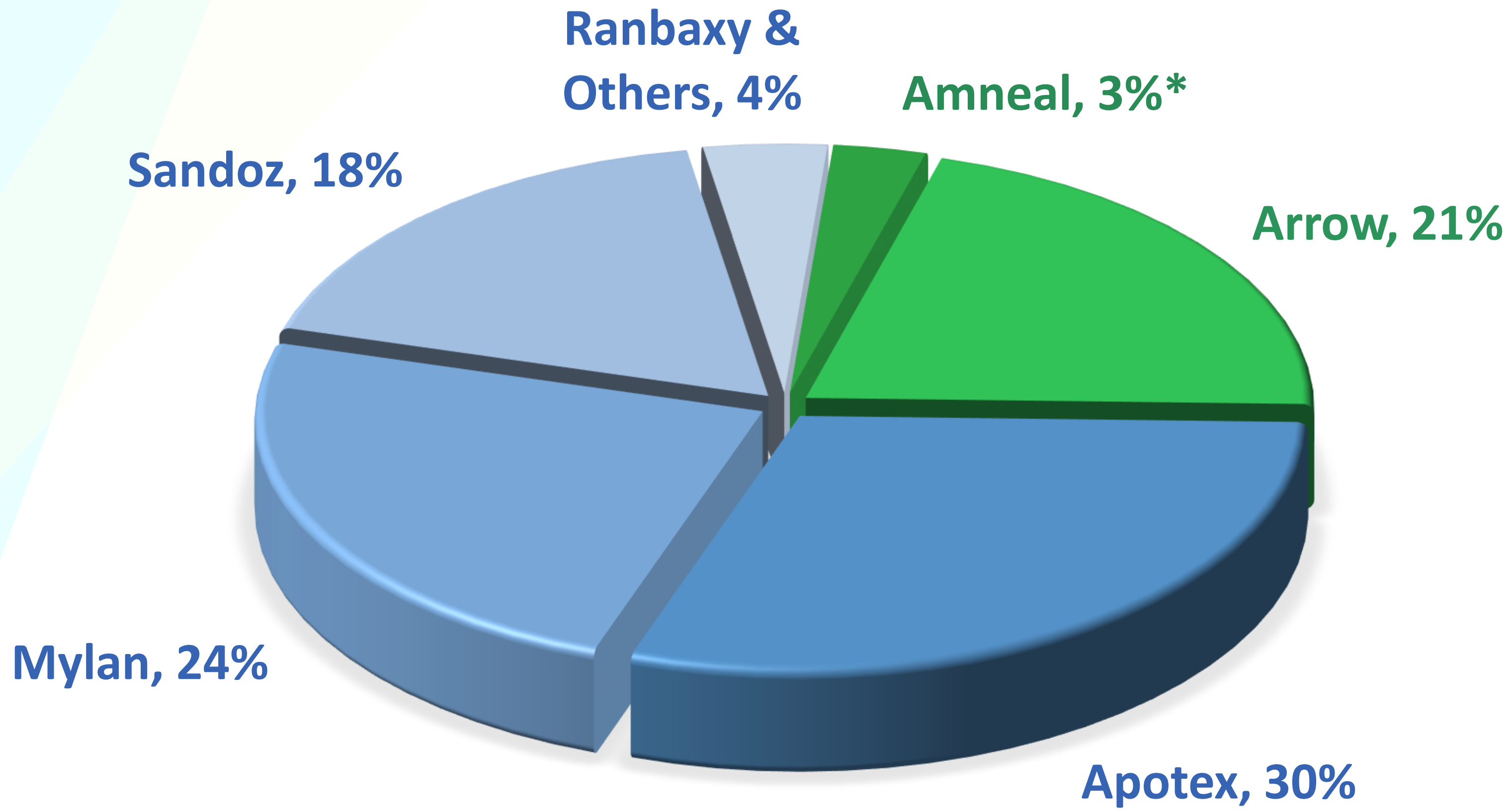
Wholesalers
- Vertical integration throughout the supply chain
- Increasing need for large retail group loyalty and collaboration
- Diversification of services & 4PL
- Wholesaler review underway

Patients
- Increasing sophistication on generic acceptance
- Generic awareness campaign by PBS
- Consumer forums gaining power & representation
- Information is highly accessible; growing health literacy

$6.6 billion being removed from the sector via revised PBS rules across 19 measures

GENERIC MARKET OVERVIEW

GENERIC LANDSCAPE



Current Generic Market Shares 2017
Source: Sinapse data analytics

4 Major Players dominating the Retail Market

4 major Generic companies all have their market positioning and customer base.
Total range across 4 major companies is between 160 - 220 molecules

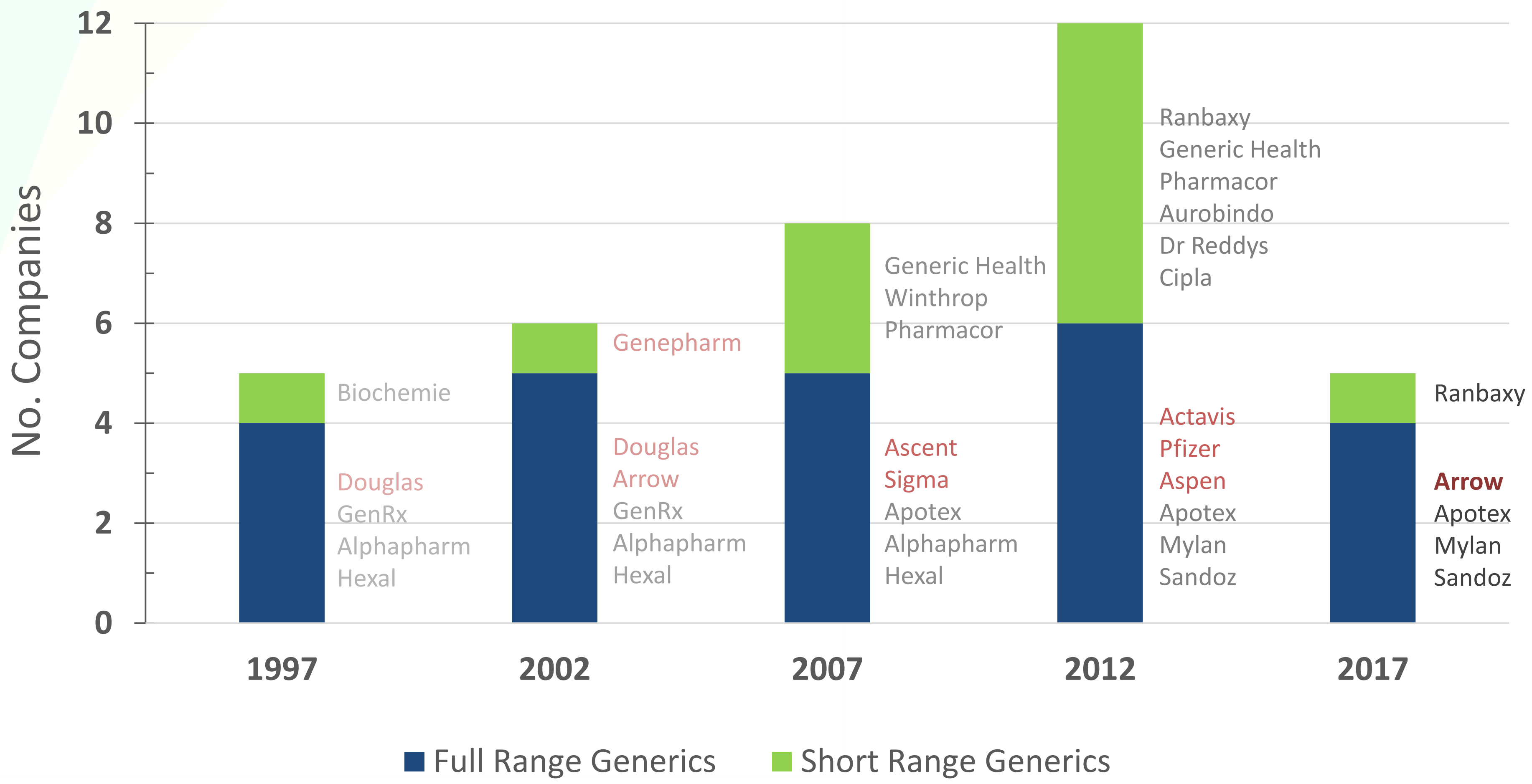
High Barriers to Entry:

- ✓ RANGE
- ✓ RELATIONSHIPS
- ✓ COST OF BUSINESS

*Amneal was acquired by Arrow in Sep 2017

GENERIC COMPETITION - PHARMACY

Market consolidation due to high cost of operation and high competitive barriers



GENERIC COMPANY OVERVIEW

Strides Shasun

arrow

Arrow / Amneal Pharmaceuticals	Apotex (Advancing Generics)	Mylan / Alphapharm	Sandoz
Strong share due to Generic, Brand and OTC portfolios	Market Leader (Retail) Recently launched OTC range	Maintains share due to heritage relationships and large portfolio	Market Share largely from Chemist Warehouse in retail
Portfolio of around 190 molecules Decisions made locally	Portfolio of around 190 molecules Decisions made locally	Portfolio of around 220 molecules Decisions made overseas	Portfolio of around 160 molecules with decisions made overseas (Novartis)
Amcal, Guardian, Pharmacy Alliance, DDS & PharmaSave	Terry White, Chemmart, Blooms & Pharmacy Choice	Priceline & Soul Pattinson	Chemist Warehouse
30+ Field force across Generics and OTC (incl. BDM's/Hospital)	30+ field force across all states (incl. KAM's/Hospital	Limited Field Force Primary focus on 1st line and Key accounts	15+ field force plus Hospital KAM Team
1400 First Line Accounts **4000** Pharmacy Accounts	**1800** First Line Accounts **4000** Pharmacy Accounts	**1200** First line Accounts **4500** Pharmacy Accounts	**600** First Line Accounts **1500** Pharmacy Accounts

All Players have publically stated their intent to play in the biologics market

AUSTRALIAN RETAIL MARKET

GENERIC ALIGNMENT- BANNER & BUYING GROUPS

Strides Shasun

arrow

arrow

- Pharmacy Alliance
- Amcal
- Guardian
- DDS
- Pharmasave
- Caremore
- Quality Pharmacy
- Chemist King
- SmarterPharm
- Malouf Pharmacy
- Capital Chemists
- LiveLife Pharmacy
- Calanna Pharmacy

1,100 Group Stores

APOTEX ADVANCING GENERICS

- TerryWhite Chemmart
- Pharmacy Choice
- Advantage
- Pharmacy 777
- Optimal Pharmacy
- Wizard
- Cincotta
- Mega Save
- Blooms
- U Pharmacy
- IPG

1,400 Group Stores

alphapharm A Mylan Company

- Priceline
- Soul Pattinson
- API Club Premium
- Pharmacist Advice
- Chemist Outlet
- United Discount Chemists
- Chemsave
- National Pharmacy
- Chempro

900 Group Stores

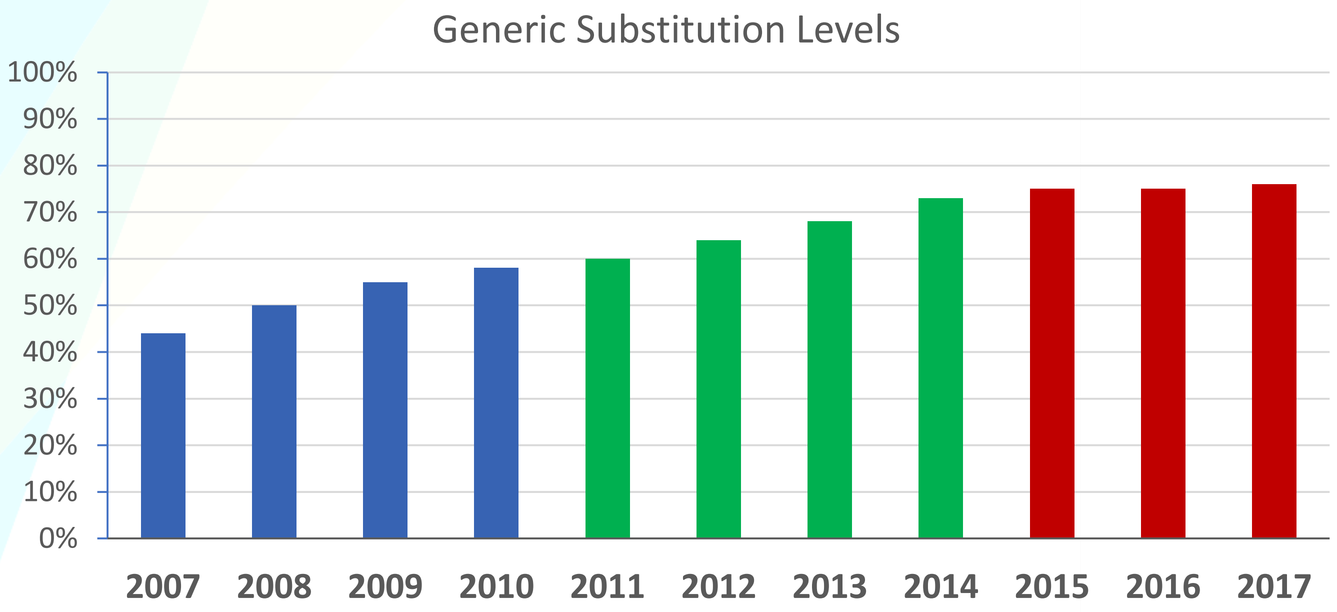
SANDOZ

- Chemist Warehouse
- QVIC
- Good Price
- United Discount Chemists

500 Group Stores

GENERIC SUBSTITUTION RATES

Increasing consumer acceptance and pharmacy generic substitution ability....



Substitution has increased on the back of major patent expiries that have occurred in the last 10 years

With ongoing PBS Reform impacts, these are expected to continue to rise in the coming years

Generic companies are continuing to push not only Substitution but are insisting on Loyalty to their portfolio at a minimum of 90%

Estimated Aust market substitution rate 2017

Type	Share
Generic	**76%**
Brand	24%

Generic Loyalty rates 2017

Type	Share
Preferred Generic	**90%**
Competitor Generic	10%

Pharmacy approaches substitution as a non-negotiable process in their workflow

VERTICAL INTEGRATION

symbion	Sigma Healthcare	api	
Generics: Apotex	**Generics:** Arrow	**Generics:** Alphapharm	~ 75% of generic market
Wholesale: Symbion	**Wholesale:** Sigma & CHS	**Wholesale:** API & CH2	~ 95% of wholesale market
Data: Intellipharm	**Data:** NostraData	**Data:** PharmaData	Ex-dispensary data vs IMS
Banners: Terry White, Chemmart, Good Price	**Banners:** Amcal, Guardian, PharmaSave, DDS, Pharmacy Alliance	**Banners:** Priceline, Soul Pattinson	~ 40% of pharmacy sales

Support from key pharmacy groups is critical to successfully implement any program in the channel

WHOLESALER CHANNELS

Strides Shasun

Wholesaler	Retail	Hospital	3PL/Direct
symbion	• 32% Market Share • Aligned to compliant Banner Groups and Loyal Pharmacy Customers market share • Part of the EBOS Group and continue to expand via acquisition • Hospital distribution aligned	symbion Hospital Services • Symbion Hospital Services • Including services such as "Ward Boxes", Sampling, Clinical Trials and Specialised Medicines	LINFOX
Sigma Healthcare	• 36% Market Share • Growth has come through Banner Group acquisition (Pharma Save, DDS, Chemist King) • Strong legacy banner groups in Amcal & Guardian • Focus around improving retail offer and differentiating via services	CHS • Sigma acquired CHS to gain a footprint into the Hospital Market • Also provides services such as "Ward Boxes" and Specialised Medicines • Niche supplier with a primary focus in Victoria	DHL
api	• 30% Market Share • Priceline and Soul Pattinson are part of heavy retail focus • Aligned to Alphapharm • Weakest of the 3 major players	CH2 • API sold CH2 to a private buyer in November 2015 • Sole focus on Hospital Distribution • Offering full 4PL distribution, Clinical Trials, Ward Boxes and Specialised Medicines • 2nd Largest Hospital Supplier • Medical Clinics, Veterinary Services and Age Care	TOLL
NATIONAL PHARMACIES	• 2% Market Share • Access to local CSO funds • Primarily supplies National Pharmacy stores		

PERFORMANCE UPDATE

TWO YEARS IN OPERATION

Strides Shasun

arrow

- Acquisition of Aspen Generics (Arrow) closed 1 September 2015
- Business was fully exited from Aspen from 1 March 2016
- First year required the establishment of stand-alone operations and back-office
- Successful re-launch of Arrow brand with strong customer support
- New management team bringing together the best of the old Ascent and new Arrow people
- Positive growth performance achieved in second year
- Successful acquisitions have strengthened competitiveness and profitability of core business
  - Pharmacy Alliance
  - Generic Partners
  - Amneal

Arrow launch at Australian Pharmacy Conference April 2016

GROWING CUSTOMER BASE

Customer Growth (Arrow/Amneal)	2016	2017
Generic First-Line Customers	1,151	1,382 (+20%)
Growth - Avg. Sales/Store/mth	-	-2%
Growth - Total First-Line Sales/mth	-	+17%
Chemist's Own First-Line Customers	790	952 (+20%)
Growth - Avg. Sales/Store	-	+12%
Growth - Total First-Line Sales/mth	-	+34%

Note: Total number of Australian pharmacies = 5,400

SALES GROWTH

Strides Shasun

arrow

Growth on Last Year - YTD (Arrow)	Like-for-Like Products	New Products	Total Products
Generic Drugs - Volume Growth (units)	+3%	+6%	+9%
Generic Drugs - Sales Growth ($)	-9%	+15%	+6%
Generic Drugs - Avg. Price/Unit ($)	-12%	+9%	-3%
Chemist's Own - Volume Growth (units)	+14%	+6%	+20%
Chemist's Own - Sales Growth ($)	+9%	+6%	+15%
Chemist's Own - Avg. Price/Unit ($)	-4%	0%	-4%

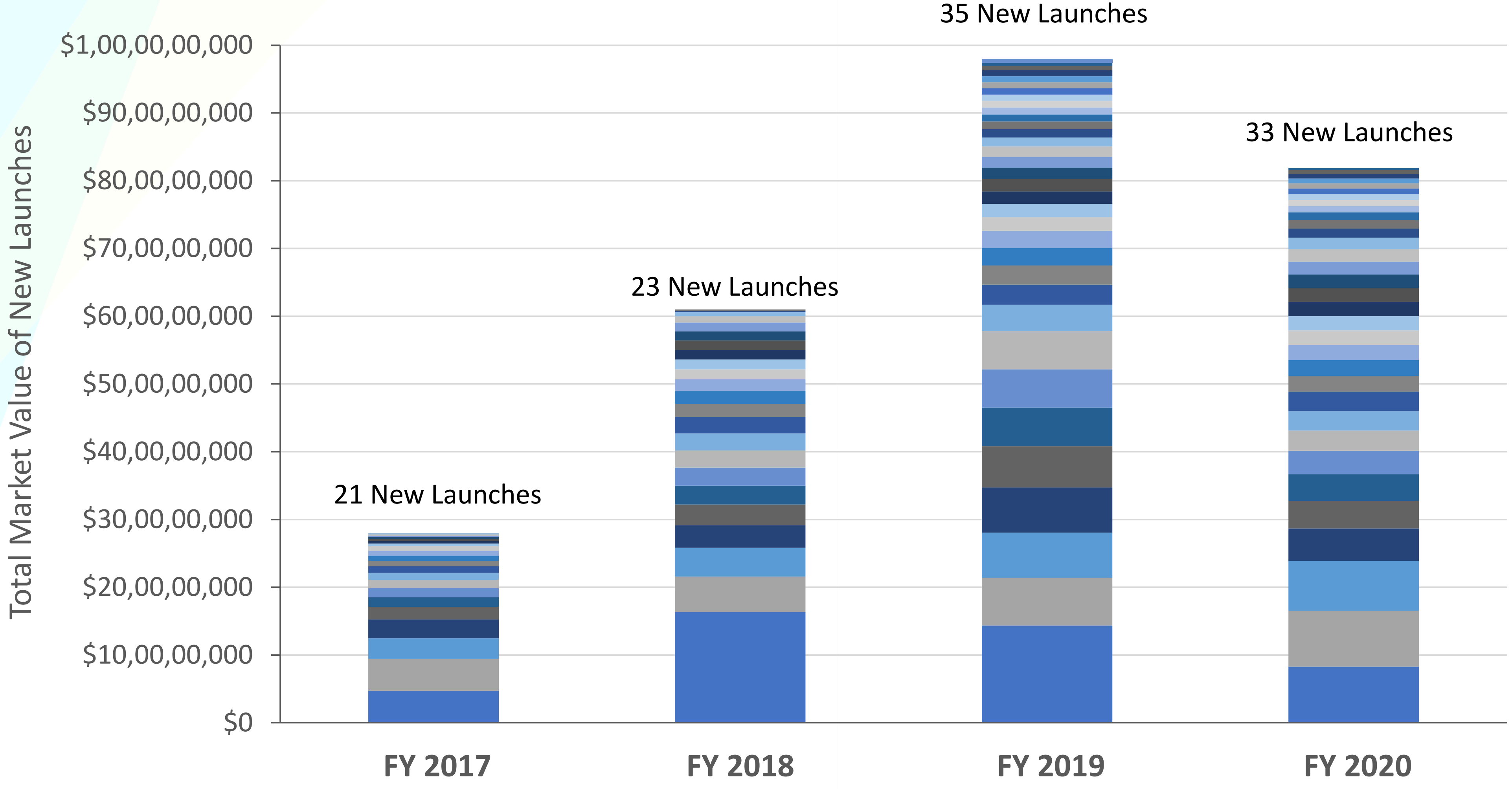
MARGIN GROWTH

- Initial establishment of stand-alone operations and sales reorganisation had a one-off impact on resetting base EBITDA margin
- Growth in business has created operating leverage, resulting in improved EBITDA margins
- Expense base now stable for further deleveraging of business and EBITDA margin growth

Margin Improvements (Arrow)	% Change on LY	Change in %-Sales ratio on LY
Gross Profit growth	+14%	+4%
Expenses growth	+8%	+1%
EBITDA margin growth	+10%	+2%

GENERIC DRUGS PRODUCT STRATEGY

PRODUCT DEVELOPMENT



Note: Values based on Oct 2017 IMS MAT market values

COGS IMPROVEMENT

- Volume growth has provided supply benefits resulting in lower supply pricing which has absorbed a significant proportion of PBS pricing impact

- Strides manufacturing program has seen the transfer of 26 products to lower cost manufacturing at Strides
- A further 30 products are under submission to transfer to Strides manufacturing

Cost-of-Goods Improvements	$ Benefit Annualised	% Change
COGS pricing 2017 vs 2015 products	$9.5 m	+22%
COGS pricing benefits from Strides transfers	$2.5 m	+6%

VALUE-ADD PRODUCTS & SERVICES

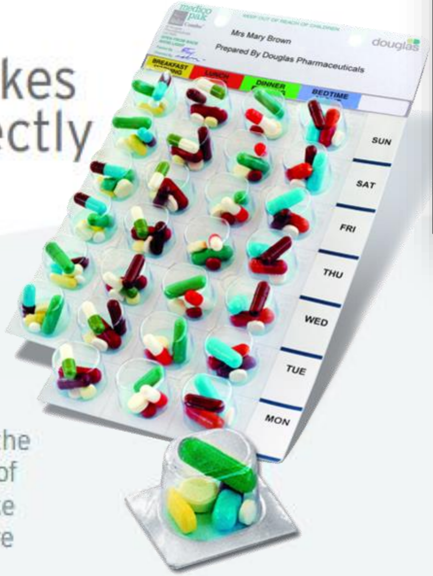
Strides Shasun

arrow

medico pak

Medico Combo

Medico Pak makes medication perfectly clear



See-through blister paks with the right dose, for the right time of day, so you dont forget to take your medication even if you're away from home

CHEMIST'S OWN PRODUCT STRATEGY

Chemists' Own®

Your trusted brand in pharmacy

RICH HERITAGE SPANNING 23 YEARS

Strides Shasun

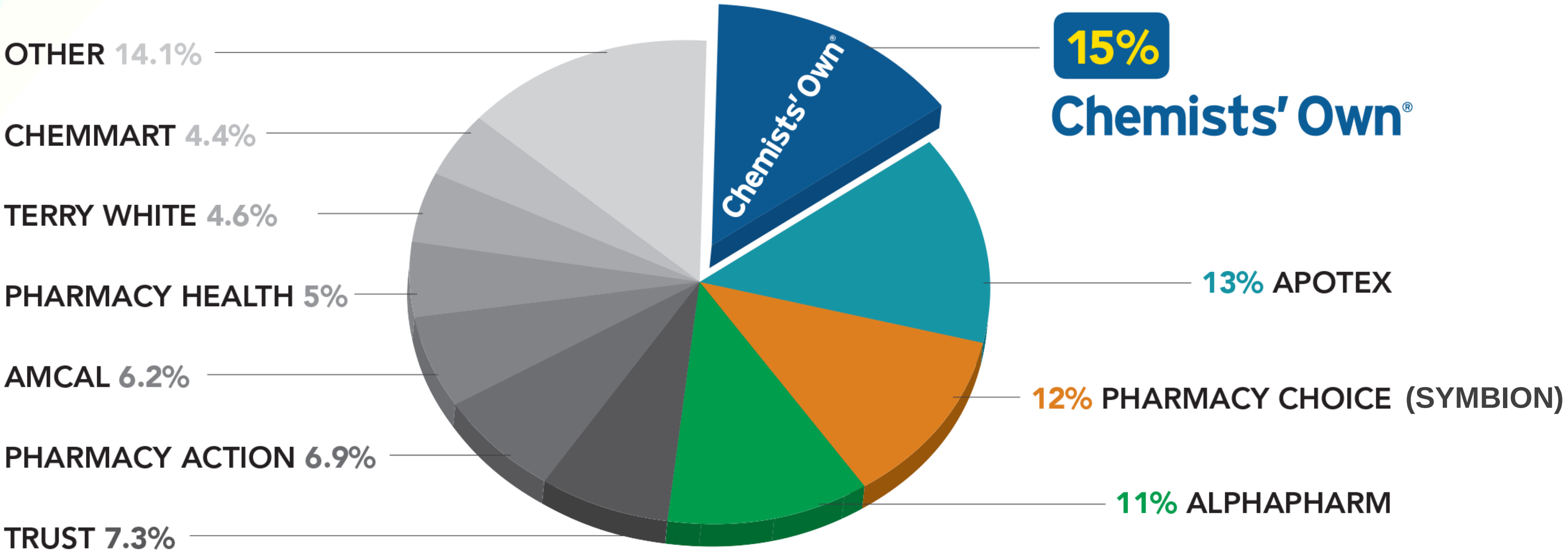
arrow

Strong brand equity, *trust & loyalty*
with pharmacies and patients

Depth of range *in key pharmacy categories*

CHEMISTS' OWN – MARKET LEADER

Relative Market Share – Private Label OTC Brands



IMS Australian Pharmacy Data MAT September 2017

PHARMACIST INSIGHTS

Strides Shasun

arrow

Engagement of

BAIN & COMPANY

global consulting firm

- Pharmacists value **margins** and **discounts**, followed by **stock availability** and **product range**
- Second to this, they value **money back guarantees**, **training**, **customer programs** and **merchandising**
- Pharmacists also recommend **20%** as the right **price gap** versus the brands

154 pharmacists surveyed November 2016

CONSUMER INSIGHTS

Strides Shasun

arrow

Engagement of

BAIN & COMPANY

global consulting firm

- Chemists' Own has **strong consumer awareness** (10-25% points higher than other Private Label brands)
- **1 in 4** try Chemists' Own and 1 in 9 try Pharmacy Care.
  Chemists' Own aided awareness **49%**, Pharmacy Care 24%.
- **Professional recommendation** is the most important influencer in the purchase decision of consumers
- **80%** of consumers receive pharmacist recommendation and the **majority purchase based on this**
- Consumers perceive **20-30%** as the **optimum price gap** to brands
- Most consumers are willing to pay higher for **quality generics** and if **professionally recommended**

404 pharmacy customers surveyed November 2016

CHEMISTS' OWN PERFORMANCE

***Strategy driving growth** since acquisition in September 2015*

1. ON-BOARD ALIGNED GROUPS
2. DRIVE COMPLIANCE IN SUPPPORTING GROUPS
3. MAXIMISE NEW PRODUCT LAUNCHES

Dollar +28%

Unit +29%

Sept-Nov 2017 versus Sept–Nov 2015

ENSURING FUTURE GROWTH

*With extensive **New Product Pipeline***

FY 18 Launches (Apr-Sept)

FY 18 Launches (Oct–Mar)

12+ products planned for launch FY19

ENSURING FUTURE GROWTH

Strides Shasun

arrow

By aligning with ***Strategic Partners***

Sigma Retail Banner Supporters 163/392

Other Supporting Pharmacies 582/3958

Pharmacy Alliance Supporters 368/500

Total 1st Line Supporters – **1,113**

Total 2nd Line Supporters – **1,012**

/ 4,850

pharmacy alliance

Your formula for independent strength

alliance PHARMACY

where local health matters

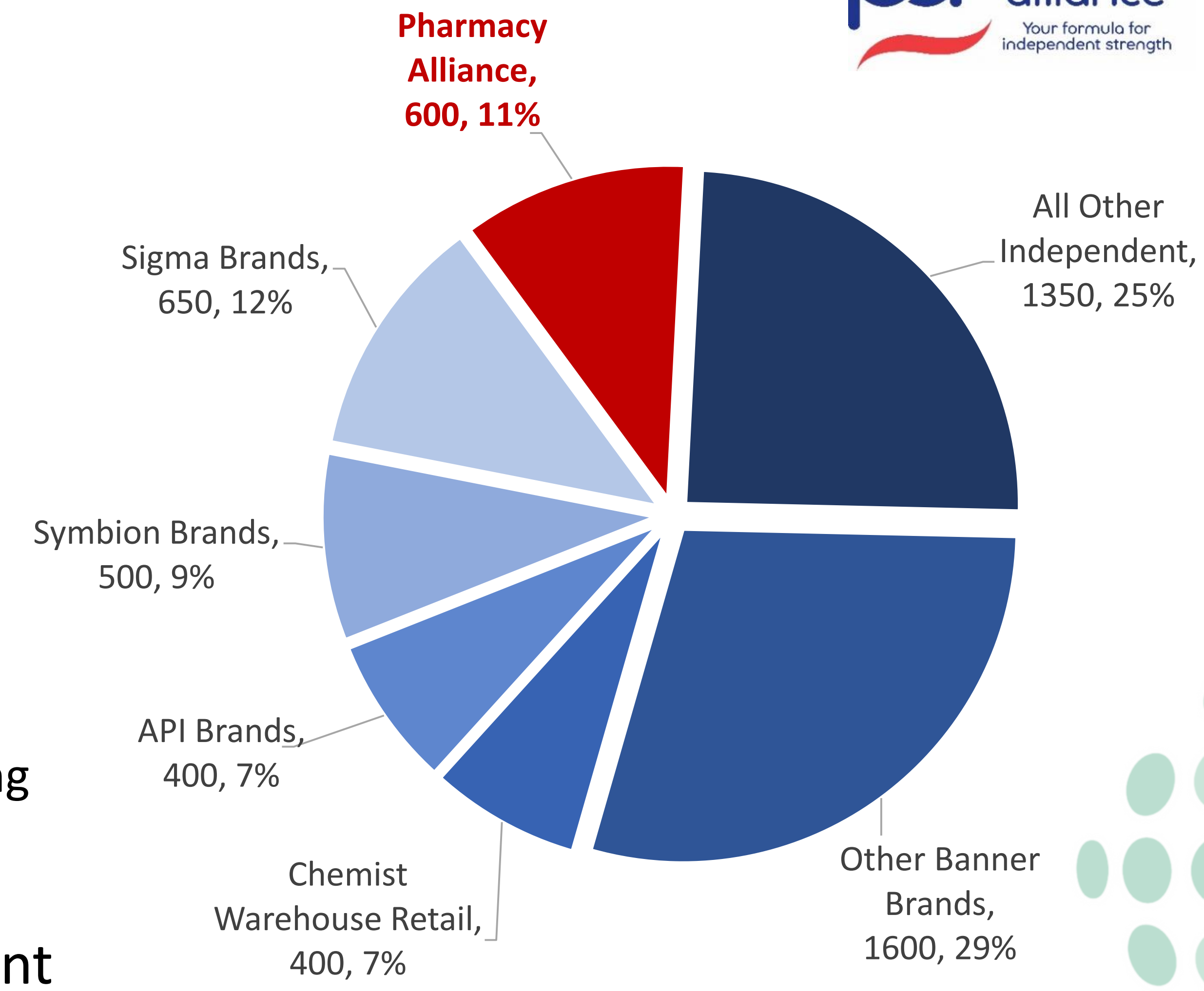
PHARMACY STRATEGY

PHARMACY INDUSTRY

Strides Shasun

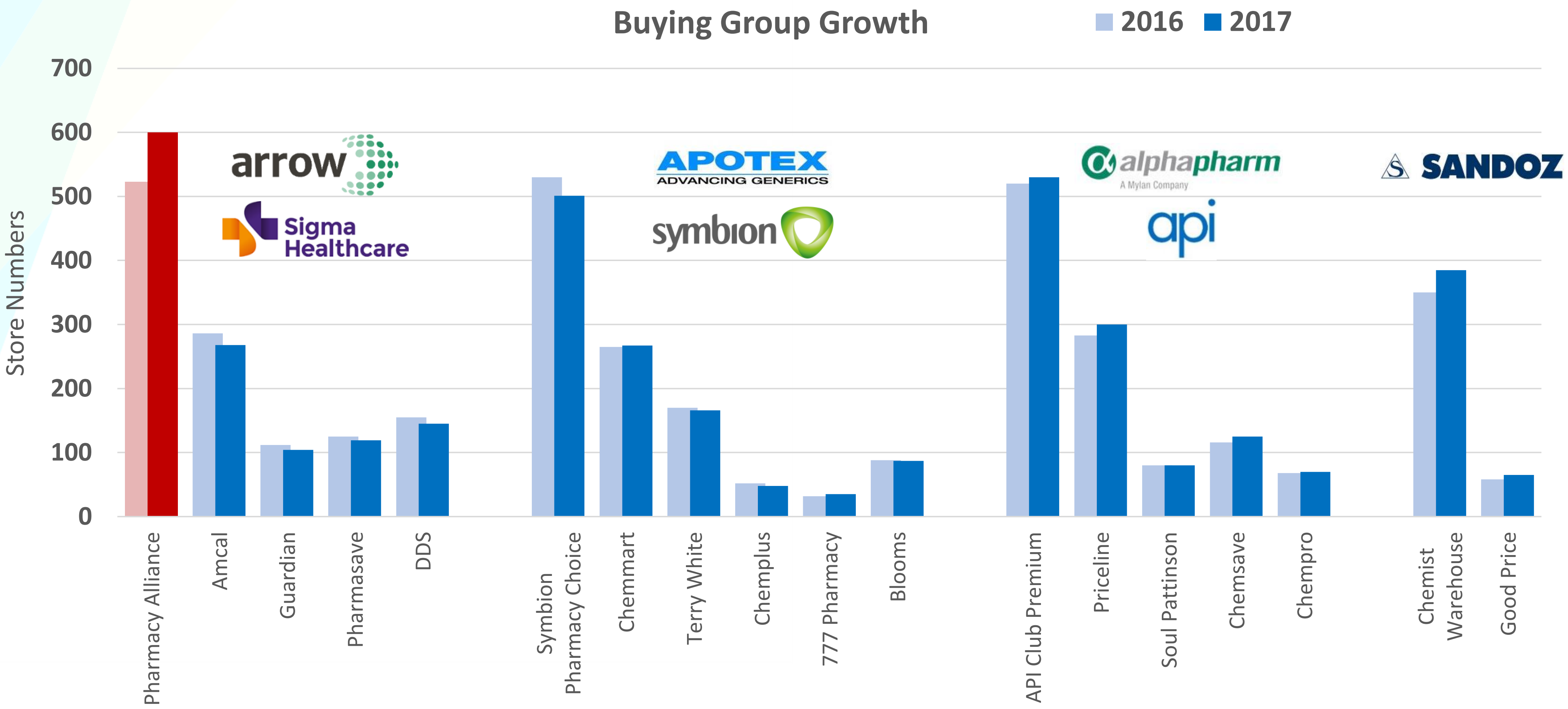
pharmacy alliance
Your formula for independent strength

- Competition in Australia for pharmacy memberships & franchises is crowded
- ~30% of the market is made up by Wholesaler owned banner and buying groups
- ~30% of the market is made up by:
  - Low level banner, and
  - Owner operated groups
  - Small marketing and buying groups targeting market share with free or low fees
- ~25% of the market remains Independent



INDUSTRY GROUP PERFORMANCE

- The average group growth is flat across the industry – Except for PA



RETAIL BRAND STRATEGY – 100 BRANDED STORES

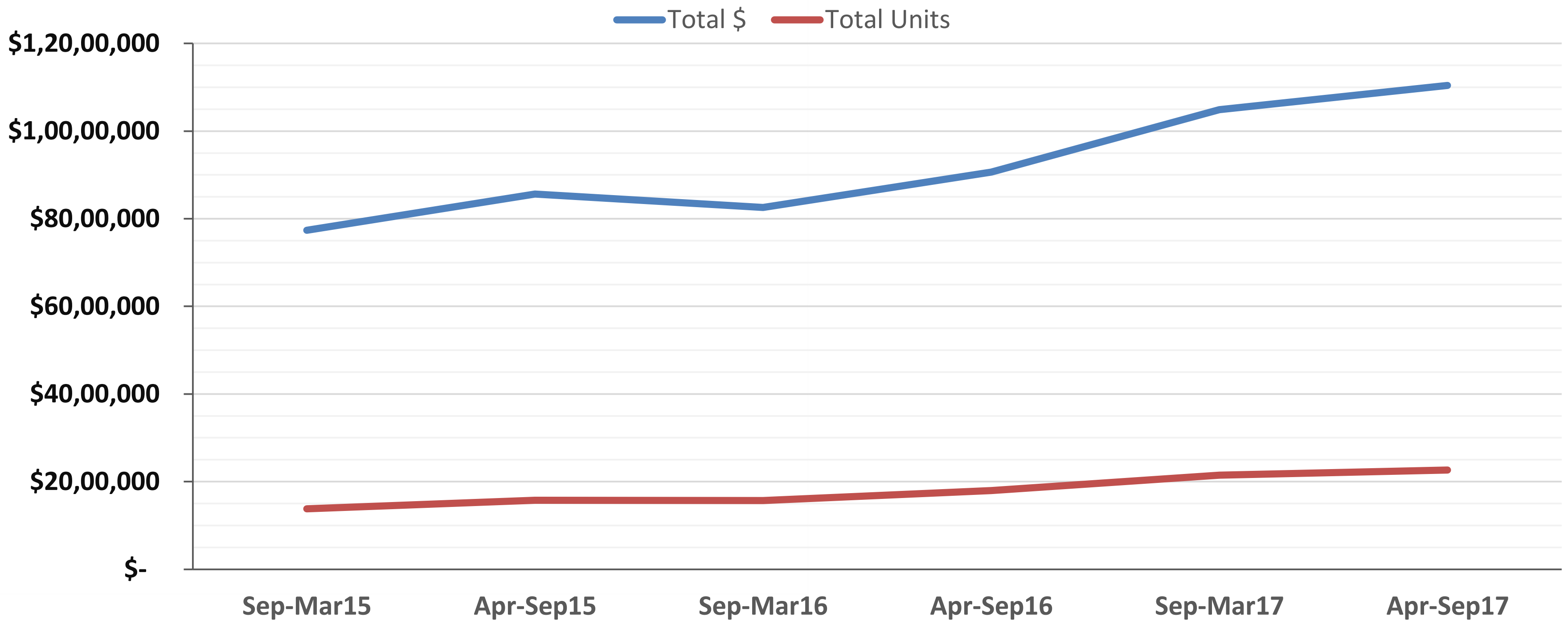
Strides Shasun

pharmacy alliance
Your formula for independent strength

alliance PHARMACY
where local health matters

ARROW PERFORMANCE

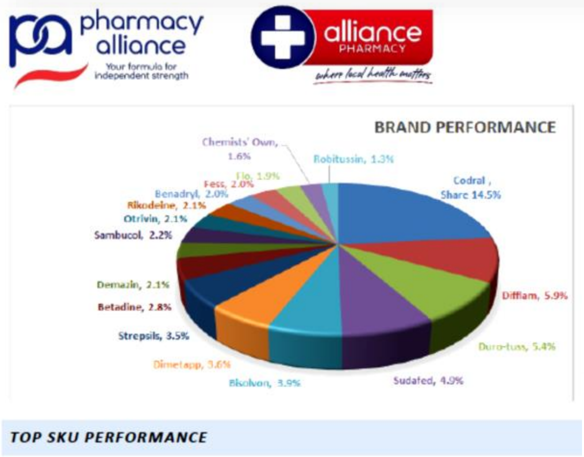
- From March 2015 Arrow branded generics have seen consistent growth within the membership
  - Arrow First-Line 2016 = 220 Stores
  - Arrow First-Line 2017 = 300 Stores



OPERATIONS – PARTNER PROGRAM

- Complete pharmacy management program, including:
  - Full Financial, budget and P&L management
    - Actual to budgets reported monthly
    - Stock/purchases/expense control
  - Compliance/brand standards
    - Merchandising and presentation
  - HR management
    - Recruitment and team performance
    - Roster/wage management
  - IT System – POS and Dispensary
  - Marketing programs
    - LAM
    - Loyalty
  - Day to day operation of the pharmacy

MANAGING STORE & STOCK LAYOUT



KEY VALUE ADD - MARKETING

- Complete catalogue/campaign program
  - Monthly promotional catalogue program
  - Additional Christmas promotional program
  - Consumer competitions / giveaways
- Health focus
  - Social media
  - EDMs

LOYALTY PROGRAM

- Loyalty program
  - Re-engage
  - Email marketing capabilities
  - In-pharmacy promotion's/bonus points promotional options

- Management
  - Business reporting includes
    - Data allows for key targeting
    - Customer demographic analysis
    - Average basket size
    - Percentage of loyalty member transactions

THANK YOU

For further information please contact:
Sandeep Baid
sandeep.baid@stridesshasun.com

Strides Shasun