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"PPS has had a record order book of projects in development for our customers across all three geographies. As a result, we are expanding rapidly to meet customer needs."

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Can you provide an overview of the key developments for Piramal Pharma Solutions (PPS) in 2020?

In 2020, Piramal Pharma Solutions (PPS) embarked upon an increased focus on patient centricity as our core ideology. When the Covid-19 pandemic broke out, our initial focus was to ensure employee safety at our factories. We focused on getting medicines to patients so that there would be no shortage of critical medicines that help reduce the burden of disease. Largely, we had no major interruptions in supply throughout our network and there were no major delays in getting medicines to customers.

Before the Covid-19 pandemic, PPS had very exciting ambitions to grow, but did not have enough capital to achieve all of our growth objectives. We embarked on a fundraising process, ultimately selecting and securing Carlyle Group as our growth investment partner in June 2020. In return for a 20% stake in the business, Carlyle will provide PPS with the investment capital and complementary expertise to take our business to the next level.

We also realized that we were missing a piece of our puzzle in terms of drug product in the US. As a result, PPS expanded the company's portfolio by acquiring a drug product facility in Pennsylvania, capable of delivering potent solid oral dosage forms as well as creams, liquids and ointments.

What do you anticipate will be the lasting impacts of the pandemic on the CDMO industry?

For PPS, the pandemic highlighted the significance of mission and purpose. What we do matters. We also realize that trust and relationships matter more than ever. It is important who you choose as a partner, because when things get difficult, you have to be able to draw on strong relationships to deliver what is needed.

Resilience is another key learning that emerged from the pandemic. You cannot predict all things that can go wrong, and I think our clients are putting a greater emphasis on understanding all aspects of their supply chain and the steps that can be taken proactively to create options and flexibility, in case the unexpected becomes a reality.

What does supply chain flexibility look like?

For PPS, it started several years ago when we noticed certain environmental uncertainties were affecting the reliability of our Chinese intermediates and key inputs into our supply chain. We mapped out what was PPS controlled in our CDMO supply chain, and we started on an 18-month journey to identify second or even third sources. We sought to mix our sources across countries and regions where possible, to minimize supply risks. Creating flexibility requires time, energy, and costs, but investing in derisking your supply chain is worth it, as the option of not being resilient can be more adverse.

How realistic is the concept of reshoring manufacturing from a US perspective and what does this mean for PPS?

PPS is geographically agnostic with its presence across three continents. We have facilities in the US, Canada, UK and India covering drug substance and drug product. For any given customer, we can offer at least two facilities in different countries with the same offering. Some customers highly value proximity, while others primarily value making sure they have a product with the most competitive cost. PPS focusses on our customer's needs and how we can meet those needs depending on what they value most. It's working, as evidenced by the fact that over the course of the last year, PPS has had a record order book of projects in development for our customers across all three geographies. As a result, we are expanding rapidly to meet

customer needs.

Which technologies do you find most promising for CDMO's in the future?

An area that has been receiving significant interest over a sustained period is potency-related manufacturing capabilities. PPS continues to invest in high potency technologies. Another area of interest is solubility-enhancing technologies, which allow drugs that are highly targeted to be more soluble. We are continuously looking for adjacent areas to our current area of focus, which is small molecule, into which we can expand, whether it be a new dosage format, a new product, or different drug substance areas. We aim to add capabilities or technologies that are complementary to what we currently have through M&A.

Can you highlight some of the key growth areas for PPS?

We are seeing rapid organic growth in two main areas. First, our integrated product offering is a huge part of what we are selling for new projects and this area is growing exponentially. Many of our clients are looking to find fewer partners to handle more steps in the process to reduce complexity, increase speed, and to allow whoever partners with them to be more relevant and more aligned with their ultimate outcome. We are increasingly witnessing sharpened focus on innovative integrated projects.

Secondly, PPS is heavily invested in getting new development programs into our overall portfolio. We are also seeing that the recently launched or soon to launch projects area of our portfolio is rapidly growing.