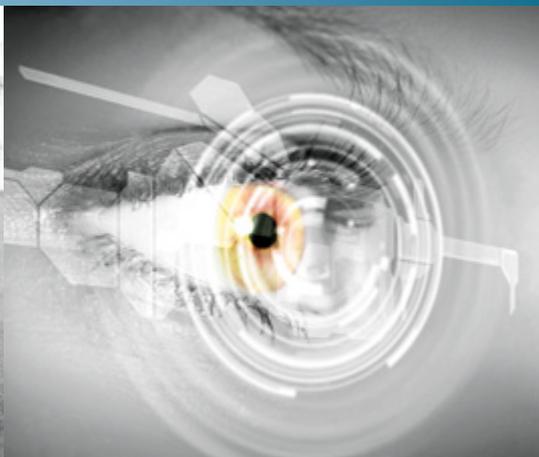


# VALUE REPORT



**ntc**

Novelty. Technology. Care.



The following information is intended for healthcare professionals only

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**ntc**

Novelty. Technology. Care.

We focus on Novelty, Technology and  
we Care of our partners, customers, patients and of our people.

NTC is a global R&D-driven pharmaceutical company headquartered in Milan, Italy.

NTC is controlled by an Italian private equity fund, Wise Sgr.

We act globally, with operations in almost 100 countries through approximately 200 partners and our product portfolio includes some 800 SKUs, most in Ophthalmology, Paediatrics and Gastroenterology.

We have over 30 R&D projects running at present, mainly in ophthalmology, but also in Gastroenterology, Metabolism and Paediatrics. We provide strong financial support to implement first-in-class ophthalmic, paediatrics and biome programmes. Our ophthalmology clinical development program is Europe's largest in 10 years, involving more than 3500 patients in controlled clinical trials.

As our brand suggests, we focus on novelty, technology, taking care of our partners, customers, patients and our employees.

We play a vital role in building links with people in order to understand their needs. Technology for us is vital in both our products and our market approach. We foster novelty in a never-ending effort to develop new solutions for our customers.

Our goal is to become the landmark pharmaceutical company in ophthalmology and, through our clinical research and technological achievements, help to improve the therapeutic offerings available to patients suffering from eye disease.

In 2017 we established our own sales organization in Italy with the aim of maximising some of the many products that we typically grant rights for to third parties. We intend to collect direct experiences as we continue to improve and enhance our products and services for our partners. Our Spanish franchise is opening in 2018 and we are currently deciding where to future expand our direct commercial presence in other European countries over the coming years.

We are reporting double digit growth. The acquisition of products and technologies contributes to our positive path. We signed over 50 out-licensing agreements in 2017, including several multi-continental deals.

We are doing all this to create value for our stakeholders, both internally and externally.



**Riccardo Carbucicchio**  
Chief Executive Officer

# **WE ACT GLOBALLY AND INTEND TO FURTHER EXPAND INTERNATIONALLY**



## **LOOKING AHEAD...**

### **Our Vision**

Our vision is to be the partner of choice in ophthalmology for the companies and physicians for whom we develop products using an evidence-based approach.

# OUR FUTURE WILL BE FUELLED BY:



**Ophthalmology**

Vision is a key human sense.  
Building a strong portfolio  
and a promising pipeline  
to treat eyes diseases.



**Pediatrics**

Meeting the needs of pediatricians  
and providing easy to take and children  
designed solutions, in a perfect balance  
between efficacy and compliance.



**Women Health**

Different phases of women life,  
different needs. Designing a wide  
range of products to maintain wellness  
and improve the quality of life.



**Gastro - Metabolism**

Various digestive system disorders.  
Conceptualizing innovative solutions,  
supported from a scientific stand point,  
restoring the bioma for gastrointestinal benefit.

## Culture

Culture influences action by shaping a tool-kit of habits, skills, and styles from which people construct "strategies of action."

- NTC's **habits** focus on seeking excellence while working and testing ideas.
- NTC's **skills** are centred on both leadership and followership. No one is excluded.
- NTC's **style** is all about flexibility.

## Total Quality Management

In a nutshell, total quality management means continuous improvement.

Are we giving our very best? Can we meet our customers' needs even more successfully next time?  
Our focus on quality reflects a dynamic approach towards products, services, people, processes, and environments, as we strive to create superior value.

# NOVELTY

GOING BEYOND....



*Novelty in Human Resources on the one hand means bringing innovation into employee development processes such as internal communication, learning to build new listening channels, reinforcing commitment, and seeking bottom-up contributions. On the other, it also means understanding the strategic vision of the business and building new organizational models to develop in-house skills and create an innovative work environment.*

**ROBERTA**  
*HR Specialist*



*Novelty is a mindset, and it has driven our business over the last two years. Novelty has become the prevailing company culture. For me, novelty means looking confidently towards the future, being ready to face new and important challenges. We are proud and satisfied with our results up to now, but we are ambitious, and as a team we want to quickly move to the Next Level*

**CLARISSA**  
*Alliance Management  
Associate*

# NOVELTY

Novelty is the quality of being different, new and unusual.

We believe that novelty comes from constantly observing and listening to clients and patients, but how?

By pursuing long-term relationships with teams of experts, where key opinion leaders compare their insights and experiences, develop new ideas, and lead us to implementation.

Novelty is even embedded in our management style. While modern management innovation, big data analytics and evidence-based decision-making are often still inspired by the principle that if you can't measure it you can't manage it, NTC believes teams need the courage and perspective to look for novelty beyond known strategy.

Uncovering a novel insight, such as a radically new business that could disrupt our industry, may give us a truly distinctive strategy that leaves the competition behind as it continues to follow yesterday's strategy.

Novelty for us means striving relentlessly to develop new solutions for our customers.





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# **B**SERVATION

clients and patients  
*courage and perspective*

# DEVELOPING

*of*

.....

## A TRULY DISTINCTIVE STRATEGY



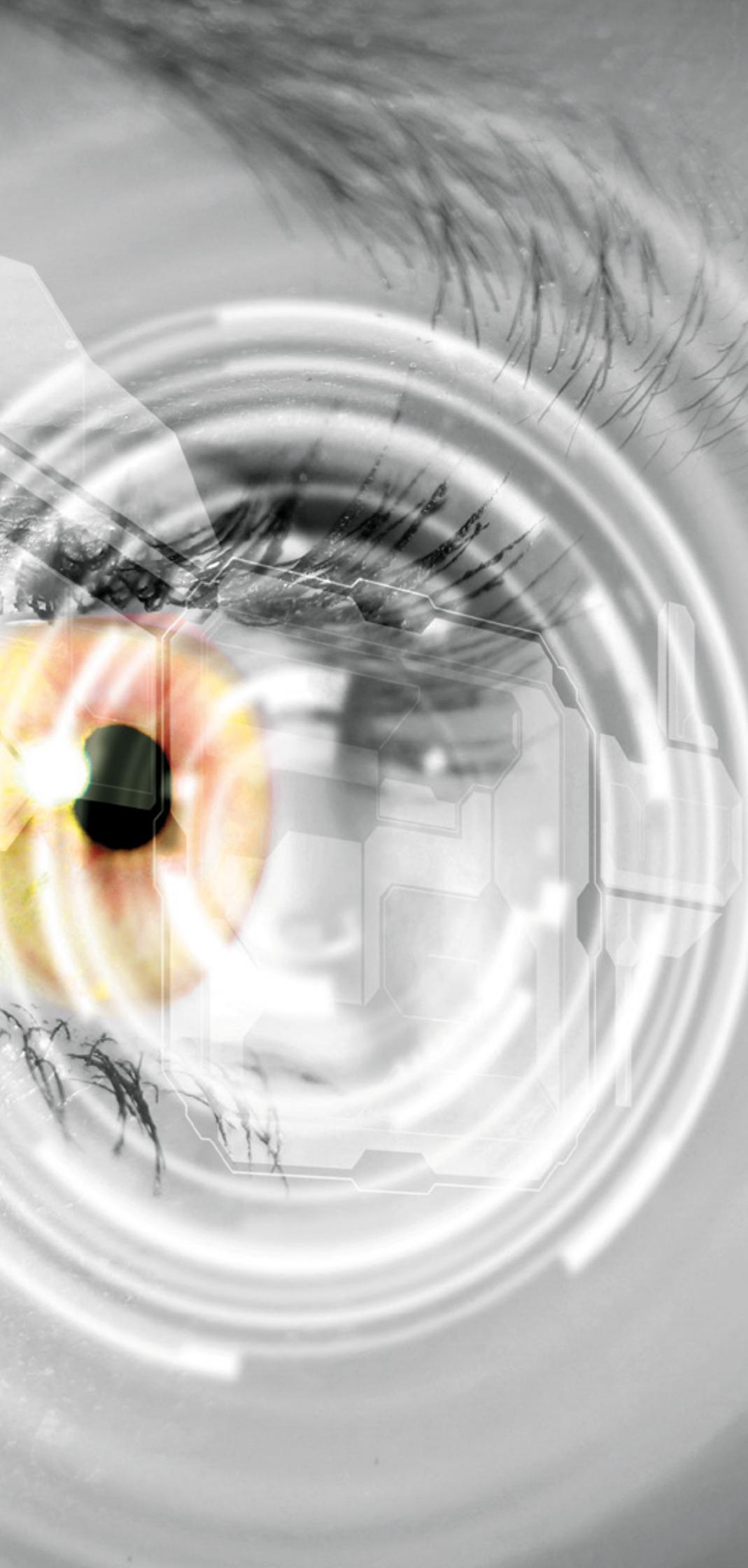
# TECHNOLOGY

FEEDING FORWARD...



*NTC technology supports me daily and facilitates my Business Development & Licensing activities by providing me with the instruments, tools and resources I need (such as our on-line platforms) to interact with our partners quickly, clearly, and effectively, keep them well informed and up-to-date, and oftentimes anticipate their needs.*

**LAURA**  
BD&L Manager



*In the world of artwork, technology represents an incentive to work on packaging innovation: QR codes with multilingual information leaflets, packaging that can interact with smartphones to enhance monitoring and adherence to therapy, and peel-off labels are just some of the topics on our agenda to achieve more effective packaging and, ultimately, offer patients better service.*

**MONICA**  
*Artwork Specialist*

# TECHNOLOGY

Technology has an impact on products and the way we approach the market. The NTC portfolio includes pharmaceuticals, nutraceuticals and medical devices.

We invest significantly in developing new therapeutic solutions for our clients, building both on internal research as well as on acquisitions of new products and technologies from third parties.

Technology is both inside and outside our products. At NTC, packaging also matters. QR codes with multilingual information leaflets, "how to use" videos, packaging that interacts with smartphones to improve adherence to therapy, childproof safety systems, and anti-counterfeiting solutions are all on the NTC agenda to improve its packaging offer.

What matters to us is keeping patients and their needs uppermost in our mind at all times, and using technology to sharpen our focus.

Flexibility is the engine driving this approach, along with effective monitoring of unmet customer needs, finding novel solutions and ensuring timely implementation.

Technology is the key to staying in contact with our partners, as demonstrated by NTC4U, a new customer experience software for sharing information, speeding up order entry, managing forecasting models, solving problems and grasping opportunities, through a focus on customer satisfaction.

As a result we become more successful at intercepting customer needs, developing a stronger focus on customers and ramping up the implementation rate.



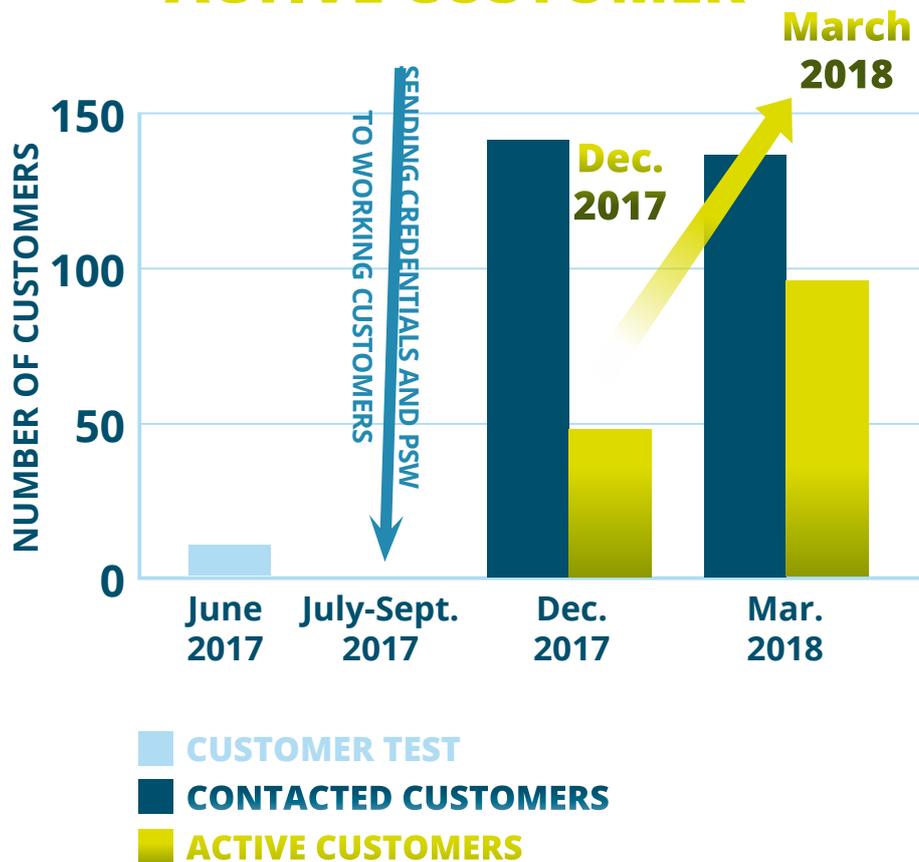
# SPEED

disruptive *and* foundational

# SMARTPHONE

NEW CUSTOMER EXPERIENCE SOFTWARE FOR SHARING INFORMATION

**+100%**  
**ACTIVE CUSTOMER**



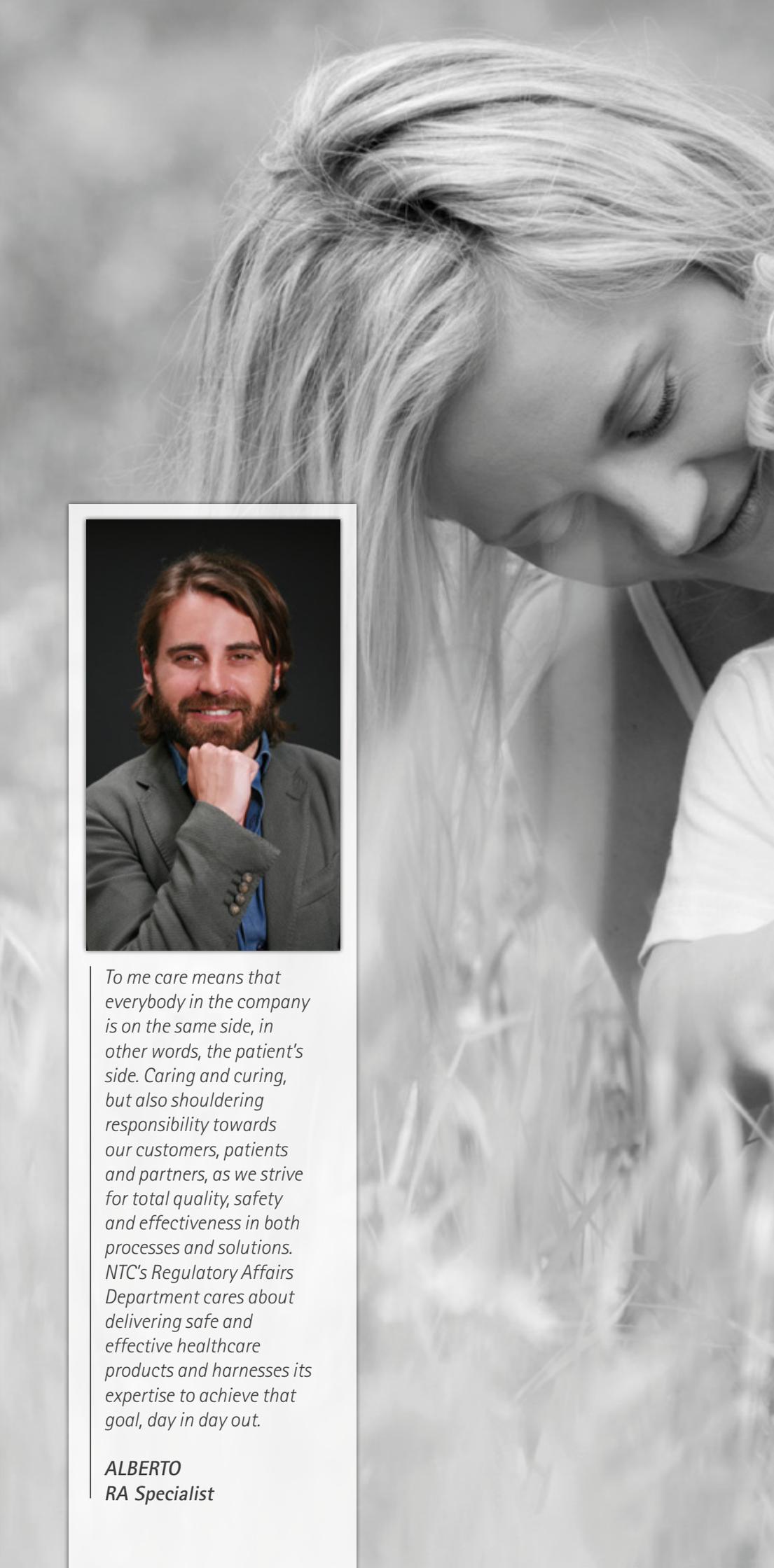
# CARE

CREATING VALUE



*To me care means that everybody in the company is on the same side, in other words, the patient's side. Caring and curing, but also shouldering responsibility towards our customers, patients and partners, as we strive for total quality, safety and effectiveness in both processes and solutions. NTC's Regulatory Affairs Department cares about delivering safe and effective healthcare products and harnesses its expertise to achieve that goal, day in day out.*

**ALBERTO**  
RA Specialist





*I belong to the Finance & Administration team and my customers are mainly internal. "I care" means that I care about my work; I am precise, thorough and dependable. This is how I meet my co-workers' needs as I oversee the efficient flow of internal services and communication. I care because I know that I am a vital part of the process of building a great internal customer experience, which is one of our company's main objectives.*

**SILVIA**  
**Administration Associate**

# CARE

We believe that focusing on care means creating value for the people we are connected to, and taking leadership, internally and externally, to a higher level.

Caring means building bridges with people to better understand their needs.

To do that we have developed a strong listening environment, enabling us to delve more deeply and go all-out to see the bigger picture. Our customer care reports heighten our standard of service, while our internal climate survey and diversity policy help to create a positive working environment.

We research, develop and produce novel pharmaceutical products, innovative medical devices and high-standard drugs that are marketed worldwide through licensees and distributors.

By gaining insights from customers and consumers, we develop new solutions; by leveraging our strong regulatory skills to facilitate a smooth registration process, we assure high-quality production and timely supply.

By living up to our Code of Ethics, we aim to reach all patients who need our products and solutions, while respecting our people and our shareholders.

This is how we create value in our business for our customers.





# CREATE VALUE

 **PARTNERS *and* PEOPLE**

# LEADERSHIP

**CARING MEANS CREATING CONNECTIONS  
WITH PEOPLE TO UNDERSTAND THEIR NEEDS**

## **CORPORATE SOCIAL RESPONSIBILITY**

Geoffrey Heal says: "Most people can't afford expensive cars or houses, a fact of little consequence. We don't worry that most people can't afford Ferraris or Aston Martins or Manhattan penthouses. But drug companies are different because drugs are different; they are not just ordinary commodities: they can make the difference between life and death, or between being sick and well, and most do not accept that these differences should be determined by income."

# "BLEFASTOP"

# A SIMPLE SUCCESS



# 1

A pair of researchers, personal and professional partners, looked into the potential of an eyelid cleansing wipe based on terpinen-4-ol, a bacteriostatic tea tree oil derivative that is toxic to Demodex mites, one of the main causes of blepharitis.



# 2

With NTC's support, the researchers began evaluation studies on terpinen-4-ol dosages and the dose/time relationship for inhibiting movement of Demodex mites.

# 3

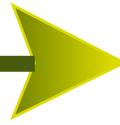
Preliminary results produced two critical issues:

**A** the wipe may cause slight friction along the edge of the eyelids

**B** the active ingredient has an unpleasant odour



# PROCESS STORY



6

Waterproof packaging for improved clinical adherence



5

NTC continued to innovate, organizing numerous advisory boards with Italian ophthalmologists to analyse prescription habits and unmet needs in the treatment of blepharitis.

**A** a need was detected for a device that could be heated to an ideal temperature to facilitate dissolving the lipids that build up in the Meibomian glands

**B** Doctors recommend that patients rinse their eyes daily, just like they brush their teeth, keeping the box on the sink near the toothbrush

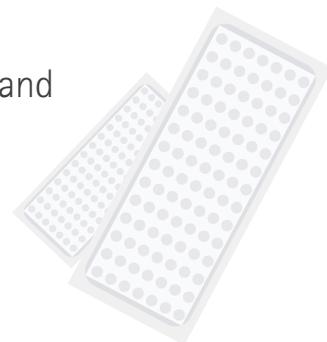


4

A patented combination of terpinen-4-ol and hyaluronic acid was subsequently developed, which felt:

**A** smooth and soft when applied to the eyelids, and

**B** had a pleasant scent



# R&D

THE FUTURE, NOW



*As a Medical Advisor, technology means first and foremost exploring and leveraging new technologies in research and development, such as new devices, and finding innovative excipients and formulations. But I think it is much more than that: it also means seeking new packaging solutions and improving our all-round approach towards customers and partners.*

**ALESSANDRO**  
Medical Advisor



## PIPELINE:

# New products

CODE	TARGET THERAPEUTIC INDICATION	BEFORE GALENIC FORMULATION	POST GALENIC FORMULATION/ PHASE III	PHASE III-IV	REG/ LAUNCH
NTC010 quinolone+steroid	POST CATARACT SURGERY				
NTC011 quinolone+steroid	OTITIS MEDIA AND EXTERNAL OTITIS				
NTC012 quinolone slow release	CONJUNCTIVITIS, BLEPHARITIS				
NTC013 steroid High Dose	ACUTE INFLAMMATION				
NTC014 quinolone+ NSAID	ETERNAL OCULAR INFECTIONS				
NTC015	COLONOSCOPY PREPARATION				
NTC016 HA in novel device for eye drops	MILD/MODERATE DRY EYE				
NTC017 novel device for oral drops	VARIOUS INDICATIONS				
OTHER DRUGS, MEDICAL DEVICES&FOOD SUPPLEMENTS		VARIOUS INDICATIONS, MORE THAN 20 PROJECTS ONGOING			

# RESEARCH & DEVELOPMENT

NTC believes that investing in research & development is key to growth.

While we are aware that it is not the amount of money spent on R&D that produces innovation, innovation is our top priority.

Innovation is all about developing new technologies, creating a product portfolio that meets our customers' needs, and building frameworks and processes that allow us to adopt sustainable business models.

NTC is therefore putting together unique clinical research projects and cooperation programmes involving specialists and other organizations skilled in monitoring market and customer needs. In addition to making products people want, NTC is developing good business models to support those products.

NTC works hard to create and deliver customer value sustainably and profitably.

Our aim is to align R&D with strategy and ensure that we have strong innovation management processes in place to bring products to market. NTC's main innovation projects started in 2016 with a view to satisfying

unmet medical needs and tackling open issues in ophthalmology through evidence-based scientific data and high quality therapeutic solutions.

Some projects are also designed to unveil insights about other therapeutic areas, specifically Gastroenterology and Metabolism, Paediatrics and Women's Health.

Thanks to their different fields of expertise and close interaction with patients, clinicians must be involved in the process of coming up with new ideas and improvements in the development of ground-breaking NTC solutions.

The main objectives of our R&D efforts are to:

- combat antibiotic misuse and, as a result, curb the spread of bacterial resistance, in accordance with the advice of international scientific societies and the World Health Organization, and
- find solutions that will improve patient compliance
- take care of patients and their needs, demands and desires.



## THE KEY



TO GROWTH  
FOCUS *on* INNOVATION

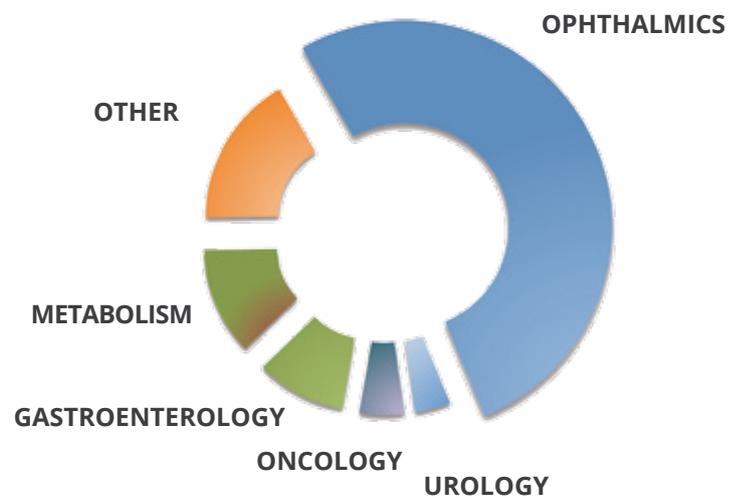
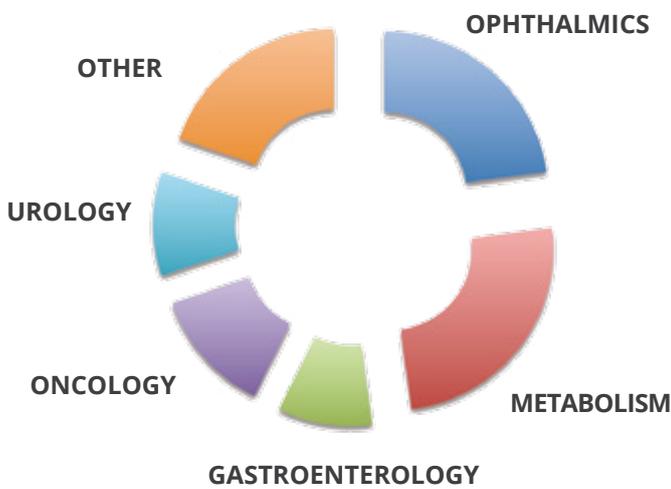
SATISFYING CUSTOMER NEEDS...

## RESEARCH PROJECTS

SUSTAINABLE BUSINESS MODELS

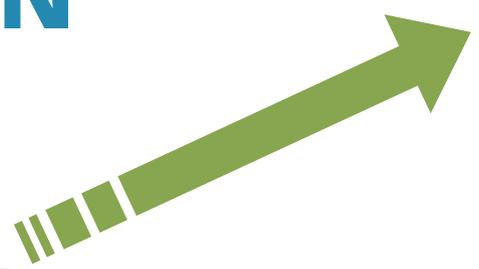
2016

2023



OVER **€ 25 MILLION**  
INVESTED IN  
**R&D**

BY **2023**



# THERAPEUTIC SOLUTIONS

## OPHTHALMOLOGY

NTC is building a strong reputation in this therapeutic area: we are currently running about 30 development projects in Ophthalmology, 10 of which involve prescription drugs.

NTC's ophthalmology expertise includes a wide range of ocular health products in single-dose, multi-dose, preservative-free formulations, including some suitable for contact lenses wearers. NTC is investigating several different indications in the ophthalmology area, with the aim of improving eye health and enhancing the patient's quality of life.

The first project aims to develop an ophthalmic quinolone preparation with the following features:

- slow-release formulation
- fixed combination with a steroid
- fixed combination with an NSAID

## GASTROENTEROLOGY AND METABOLISM

There are numerous disorders of the digestive system, and while some are easily treatable, others require more attention. However, all disorders affecting the tract must be treated promptly to avoid complications. NTC offers an extensive product range offering proven gastrointestinal benefits through innovative formulations.

## PAEDIATRICS

The development of products for paediatric use calls for attention to be paid not only to the efficacy of the formulation, but also to its acceptability, allowing for accurate administration of the dose, which may vary widely based on the child's age and weight. NTC endeavours to meet the needs of paediatricians by providing easy-to-take, child-tailored products delivering the perfect balance between effectiveness and compliance.

## WOMEN'S HEALTH

There are phases in a woman's life, such as puberty, pregnancy and menopause, where physiological changes may be particularly challenging. In these situations, great care must be taken to meet all her specific needs for maintaining general wellbeing.

NTC offers a range of products designed to specifically help solve the problems of women and improve their quality of life.

## FOCUS ON

### CATARACT

#### iPerme and Leader 7

Fixed combinations of **quinolone and steroid**

Trials about to start

**iPerme:** 2 Italian centres, 120 patients

**Leader 7:** 60 Italian centres, 20 international centres,  
800 post-cataract patients

NTC has identified partners with whom to conduct these two pivotal studies: 60 Italian centres and 20 centres located in the rest of Europe (4 in Russia, 4 in Germany and 12 in Spain).

Thanks to its experimental design, for the first time the **Leader 7** study hopes to prove that a one-week course of antibiotic treatment is equivalent to a two-week course. Rationalizing the use of antibiotics in this way is clinically a very significant step, and follows the latest international scientific society recommendations.

### OCULAR ALLERGY

Over the coming months NTC plans to launch Lertal® spray and Lertal® tablets, two products formulated with selected and accurately verified natural ingredients for the treatment of allergic rhinoconjunctivitis and ocular allergy.

A multicentre trial (involving 17 Italian paediatric clinics) on 160 children (aged 6-12) affected by rhinoconjunctivitis and allergic to pollens and mites is in progress.

The enrolment closed in June 2018 with 150 patients.

# OPERATIONS: WHER

COMPLEXITY: A WORD THAT SUMS UP OUR OPERATIONS

**40**

ACTIVE  
SUPPLIERS

IN **8**

NATIONS  
(EU AND EXTRA EU)



**15**

API  
SUPPLIERS

**200**

ACTIVE  
CUSTOMERS

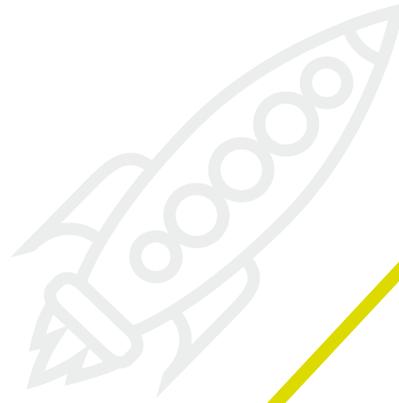
IN **100**  
COUNTRIES



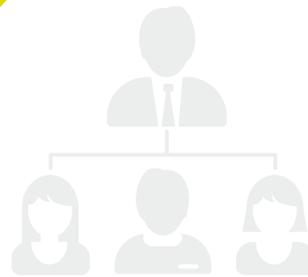
# E THE HEART BEATS



IN **2018**  
WE FORECAST  
**100**  
LAUNCHES  
IN **36**  
COUNTRIES



MANAGING THIS  
COMPLEXITY MEANS  
**15** PEOPLE FULLY  
DEDICATED



CUSTOMER SERVICE  
PROCUREMENT  
ALLIANCE MANAGEMENT  
TECHNICAL OPERATIONS  
COMMERCIAL OPERATIONS  
AND ARTWORK  
THESE ARE THE FUNCTIONS  
INVOLVED IN THE PROCESS,  
A PROCESS BUILT AROUND  
CUSTOMER'S CENTRICITY

**800**  
SKU'S  
IN **32**  
LANGUAGES

# HR: PEOPLE ARE KEY

WORLD-WIDE

IN 2017

A GOOD MIX

of  
EXPERIENCED  
SENIOR STAFF

and

YOUNG  
TALENTS

64%

ARE WOMEN

Working at NTC means being part of a team where everyone can make a difference.

NTC strongly believes in meritocracy and has created a challenging and stimulating work environment with a focus on transparency, listening, culture and excellent employee benefits, resulting in outstanding employee performance and deep engagement.

NTC focuses on building a productive environment where accountability and mutual respect thrive and combine to build a great place to work, while enabling the organization to better serve and communicate with our customers.

**Digital technologies**, diversity, and advanced organizational models are just some of the key elements embedded in NTC's Human Resources policy.

Digital Technologies are implemented to

find, connect and engage people. NTC's Human Resources team aims to develop innovative ways to engage and integrate the workforce, leveraging data analytics.

**Diversity** is not only a matter of culture, it is also a great opportunity to help employees respond to change, take the initiative and shift flexibly and fluidly across the business.

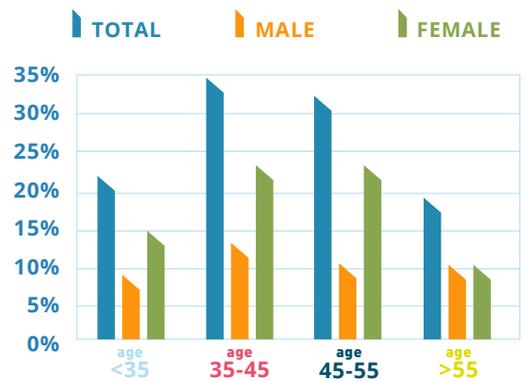
**New organizational models** mean spreading cross-functional and steering teams across the company to integrate data, develop new ideas and standardize processes in all departments, so as to gain valuable insights into NTC's business.

The ongoing process of listening to employees reflects the **speed** with which we react, where strong leadership and accountable management combine to win in this new and ever-changing business environment.

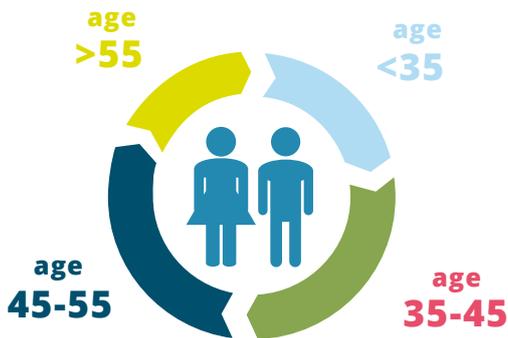
# TO OUR SUCCESS

**WOMEN IN MANAGEMENT: WOMEN ACCOUNT FOR 60% OF OUR FIRST-LINE MANAGEMENT TEAM**

## GENDER DISTRIBUTION BY AGE



## >50% BELOW AGE 45



## WELFARE

**EMPLOYEE SERVICES**  
*and*  
**WORKING TIME FLEXIBILITY**

## AVERAGE HOURS of TRAINING PER EMPLOYEE

**H. 13**

**LANGUAGE MANAGEMENT**  
**BEHAVIOURAL SKILLS**  
**TECHNICAL ABILITIES**

# NTC VALUES

## Our Values



For NTC, continuous improvement begins with a commitment to change, an awareness that stems from our target market and from the powerful belief that people are the engine of change.

## Trust and Transparency



Trust exists when one party can confidently rely on another to act with integrity. Transparency is an enabler of trust, provided through several practices, first and foremost a clear, consistent and continuous communication process.

## Passion



The energy that comes from within impels us to evolve and provide services and products our clients don't even know they need yet. It is our enthusiasm that holds our standards high.





## **Accountability**

Accountability is defined as demonstrating the ownership necessary for achieving desired results. Accountability involves a process of seeing it, owning it, solving it, and doing it and requires a level of ownership that includes making, keeping, and answering for all commitments.

## **A sense of urgency**

Our awareness that change must occur never flags, and we understand the importance of making quick changes to pre-existing conditions.

## **People**

We recognize, appreciate and nurture the talent and contribution of all our people, to ensure that everybody feels part of a great team.



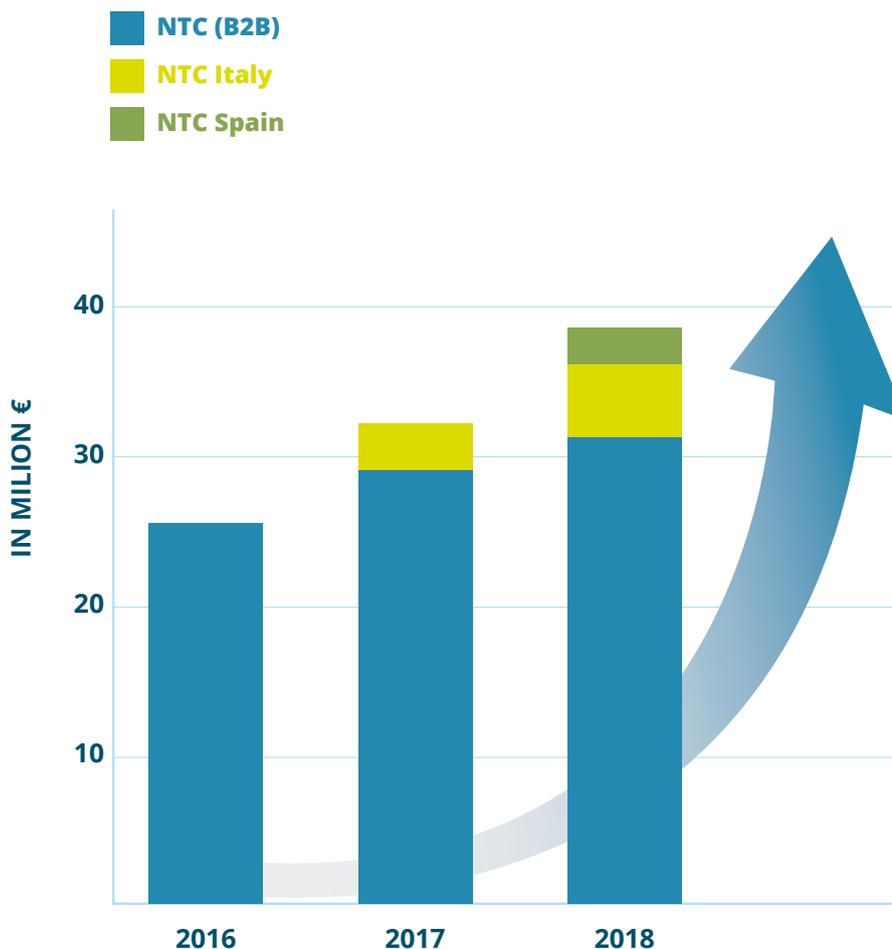
# FINANCIAL HIGHLIGHTS

**NTC'S STRATEGY IS B2B-DRIVEN.**

**DIVERSIFICATION INTO B2C IN ITALY AND SPAIN WILL CONTRIBUTE TOWARDS BOOSTING:**

- **TOP-LINE GROWTH**
- **EBITDA GROWTH**
- **CUSTOMER INSIGHTS TO SUPPORT THE B2B BUSINESS**

## Revenue Analysis





**WE BASE OUR STRATEGIC DECISIONS ON DELIVERING NOVELTY AND TECHNOLOGY FOR IMPROVED PATIENT CARE WHILE AT THE SAME TIME CREATING SHAREHOLDERS VALUE.**

## EBITDA Analysis

