



MOREPEN



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To,

National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai- 400 051
Symbol: MOREPENLAB

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001
Script Code: 500288

Subject: Press Release - 'Morepen carves out its Medical Devices into a Subsidiary'

Dear Sir/Madam,

Please find enclosed press release - 'Morepen carves out its Medical Devices into a Subsidiary'.

Kindly acknowledge the receipt and take it on your record.

Thanking you.

Yours faithfully,

For Morepen Laboratories Limited

**(Vipul Kumar Srivastava)
Company Secretary**



Encl.: As Above

Morepen Laboratories Limited

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Morepen carves out its Medical Devices into a Subsidiary

Value creation for Point of Care business

New Delhi, Morepen Laboratories Limited announces carving out its point of care (POC) Medical Devices business into a newly incorporated wholly owned subsidiary, **Morepen Devices Limited**. The shareholders have given their approval for the same on 28th September 2021 in the 36th Annual General Meeting (AGM) of the Company. The transfer of the business would happen as per terms of the Business Transfer Agreement to be signed between both the companies.

The Medical Devices (POC) business of the company has been delivering exponential growth for past many years and has achieved a leadership position in the market. A stupendous growth of 71% was recorded in the previous financial year ending March 2021. The growth trends are being continued in Q1 FY'22 wherein POC business recorded a spectacular growth of 187%. Growing concerns for health have pushed the average usage and consumption of diagnostics devices in every household multiple folds during last one and half year. It has been reflected in huge growth in sales revenues particularly last two years. We expect the growth drivers will continue fuelling the higher consumption levels in the coming times.

“While the growth is stupendous, we believe this is only the tip of the iceberg. The Indian POC market is expected to touch US\$ 16 billion by 2025 and we want to be the No 1 POC player in India with a very large part of our manufacturing being “Made in India”, said **Anubhav Suri, CEO, Medical Devices Business**. Mr. Anubhav Suri further added that the global POC market is expected to cross US\$ 51 billion by 2025 and Morepen Devices is rightly placed to grab this opportunity by focusing on backward integration and cost leadership.

Sushil Suri, Chairman and Managing Director, said “Our POC Diagnostic business has surpassed even our own expectations and is gaining bigger share year after year in the total revenue of the company. Given that the business is scaling up so rapidly with the mainstreaming of POC business in India, we have to carve out a separate subsidiary both for building specialised teams to handle such scale and POC business unique skill sets.”



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“Given the scale we are looking to achieve, we will also explore bringing in fresh capital that makes it imperative to have a separate entity to undertake this huge initiative. It will also unlock the value of medical devices business segment of the company.” Mr. Sushil Suri added.

The POC medical devices business marketed under the brand “Dr. Morepen” that is synonymous with quality and trust. The first name that comes to anyone mind when they think of a Glucometer or Blood Pressure Monitor or home care product, is Dr. Morepen. The company aims to strengthen that bond even further over the next 2-3 years and the hiving off of the POC business in a separate entity is a first step towards building a global brand synonymous with trust and innovation.

Mr. Anubhav Suri, CEO, Medical Devices Business added, “The number of POC Medical devices and home testing are growing at an exponential pace as technology and cost reduction has made it possible for doing tests at home that could only have been done in a lab before. We believe the number of POC Devices and tests will increase significantly over the next 3-4 years due to advances in biosensors and other rapid diagnostic technologies.”

“Doctors now want patients to monitor their own health vitals and share the data over phone. That is just the first step of integrating this data directly to the doctors. The company is focusing on connected devices, data mining using artificial intelligence (AI), machine learning and also develop a data lab for connected devices”, added Mr. Anubhav Suri.

The new devices company will be scaling up its R&D teams to create world class R&D Centre for medical devices in India. The device company would also go for all relevant Certifications of its manufacturing facilities and products for exporting them to regulated markets in Europe and North America and plans to become a hub for manufacturing Point of care medical devices for the Global market. The new entity plans to deploy more resources on the R&D, backwards integration of core technologies like making enzymes / proteins.

The new technology focused company will be able to raise capital to fund its growth and make investment on innovation, research, capacity expansion and promotion of its products. The proposed segregation will give the clarity to the working teams, trade, customers and other stakeholders. We expect a huge value creation for the shareholders of the company.



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About Morepen Laboratories Ltd. (www.morepen.com)

Morepen Laboratories Ltd. is a 36-year-old, around Rs. 1200 Cr. pharmaceutical and healthcare products company. The company went public in the year 1992 and is currently listed at both the Bombay Stock Exchange (BSE) as well as the National Stock Exchange (NSE).

Morepen is a leading manufacturer of high-quality APIs, Home Diagnostics, Formulations and OTC products in north India. All the manufacturing facilities of the company are in the state of Himachal Pradesh and meet the latest international standards. Company's both API facilities at Masulkhana and Baddi are approved by USFDA and other regulatory bodies of Europe, Asia, and Australia. The company's state-of-the-art manufacturing facility at Baddi comprises a scientifically integrated complex of 10 plants, each with a specific product profile.

Amongst several APIs manufactured by Morepen, the company is the largest manufacturer of Loratadine and Montelukast (anti-allergy and antiasthmatic drugs). It also enjoys a significant share for Atorvastatin and Rosuvastatin (Cholesterol reducing drugs) in the international market. Besides, the company has established an extensive footprint for its API products on the strength of quality, documentation and consistency in regulatory compliances, both in the domestic as well as global markets. Morepen has achieved to its credit the enduring confidence of a strong (over 1250) customer base spanning over 80 countries for its leading API products.

In line with its vision of keeping pace with the changing landscape, Morepen continues to invest in its Research and Development (R&D) infrastructure aimed at developing new molecules to deliver the latest drugs at competitive prices in the global markets. The company's strong dedicated R&D team has successfully developed 22 products in last three years out of which 12 products have already been commercialized. The company has also started supplying these new products to customers with complete documentation like DMF, tech packs and other regulatory compliances.

Morepen's R&D Centre meets all the global regulatory requirements and was recently approved by Department of Scientific & Industrial Research, Govt of India, New Delhi. Morepen R&D and QA team, known for its impeccable service, has filed 125 Patents, 60 DMFs and 8 CEPs for USA and Europe, Japan, China, Taiwan and Australian markets.

Morepen is also an established name in home diagnostics sector which remained untapped for a long time in India. Dr. Morepen has gained No.1 position in manufacturing and marketing of Blood Glucose Monitors in India, displacing some established multinational players. With a stable base of more than four million installations of Blood Glucose Monitors, the company has sold more than 500 million glucometer strips (single tests) till date. Dr. Morepen also has a formidable presence and is the leader in the Blood Pressure Monitors around 4

Brand Dr. Morepen (www.drmorepen.com), which was launched way back in 2001, has created a niche for itself in over the counter (OTC) and SelfHealth segment products as well. Dr. Morepen has reached all over the country with over 50 products including famous brands like 'Burnol' and 'Lemolate'.

For more information on GUBB, please visit www.gubbworld.com

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