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Mohamed El Bouhmadi, president and CEO of Zenith Pharma, walks us through the company's evolution since we last met in 2015. He shares his strategy to position the company as the Moroccan champion in Africa through in-house product development and production as well as implementing an export strategy in close collaboration with their African partners.

Mr El Bouhmadi, we first met you in 2015 when you introduced us to Zenith Pharma. Could you please give our readers an update on the company's evolution and its key milestones over the last five years?

Since we last met in 2015, Zenith Pharma pursued its development internally, developing new products in-house, but also exploring new therapeutic areas and buying the rights to trusted existing medicines to widen our product portfolio. We signed partnerships with numerous multinational pharmaceutical companies to distribute their products in Morocco and beyond, across Africa. Indeed, Zenith Pharma initiated the establishment of an exportation service, buying new equipment and registering our products into different markets like in Senegal, Gabon, or Ivory Coast, aiming to make the well-needed medicines that we produce available in other African markets where the offer is currently very limited.

Zenith Pharma is a group taking care of the fabrication, distribution and promotion of pharmaceuticals. We highly developed our wholesale activities as well, that now accounts for a 26 to 28 percent market share. This impressive growth is also explained by the increased diversity of our product portfolio we obtained through partnerships with multinational pharmaceutical laboratories. This is only the beginning as we are going to make this portfolio available in more and more African markets, as we register our product into different countries already and especially in French-speaking nations.

Multinational companies already have a presence in these African markets but as a smaller structure, we will be able to adapt faster to the local process thanks to a fast decision-making process. We really want to establish partnerships and create synergies between Zenith Pharma and its future African partners. In my experience, Africans are very committed to their work and value the exchange of know-how. It would be a great opportunity for our Moroccan team to be able to collaborate with them and vice versa.

What are the main therapeutic areas that Zenith Pharma is focusing on at the moment?

Zenith Pharma was founded with the sole mission of responding to the medical needs of the Moroccan and African market through safe and high-quality products made more accessible to them. The company is therefore present in the majority of therapeutic areas, such as oncology, cardiology, gynaecology, CNS, rheumatology or neurology. We also offer a large range of hospital equipment so you can see we have a very broad spectrum of expertise. Zenith Pharma is divided into different business units, each focusing on a unique therapeutic area managed with the autonomy to foster a specialist knowledge and allow maximum flexibility at the company level.

We continuously realize substantial investments in RnD to extend our portfolio of products developed in-house. Our business development department is constantly listening to the emerging patients' needs and to market's evolution that is guiding all of our decision-making process. Our only objective is to bring to the population the medicine Moroccans need for their treatments and for their welfare. Zenith Pharma's way of doing business has always been about putting the patient at the heart of everything we do. This is about building trust between Moroccans and the company.

Without this trust we would not have been able to grow as much as we have and we are conscious that we need our patients' trust at least as much as they need our quality medicines. Sometimes Zenith Pharma is asked by doctors, healthcare institutions or hospitals to develop certain products either because there is no existing product on the Moroccan market or because there is a

monopolistic situation on a certain product which makes guaranteeing its access problematic and also raises issues around affordability. In that case, we can develop the molecules internally in line with our ambition to develop the research in the country to turn Morocco into an incubator providing quality products to the local and African markets.

Morocco sees through the emergence of the biosimilars a good opportunity to provide affordable medicines to the greater number of patients. How is Zenith Pharma preparing to lead the challenge of introducing biosimilars on the Moroccan market?

Morocco is indeed calling for the introduction of more biosimilars on the market but the law requires pharmaceutical companies to conduct clinical trials in the country and with a minimum of a hundred patients for the biosimilar to be acceptable. We aim to develop more public-private partnerships with hospitals, research centres and other structures to run this kind of clinical trials and be able to commercialize safe biosimilars across the country. Finding the right pool of patients and obtain the approval of the protocol takes time and slows down the introduction of more biosimilars on the Moroccan market.

However, it does not prevent pharmaceutical companies from developing more biosimilars and, it is a crucial safety measure to be implemented by the authorities in order to prevent the introduction of medicines that could actually harm patients if their entry on the market was not regulated. I believe it is the right thing to do in order to protect Moroccan patients from unscrupulous companies that could introduce dangerous drugs taking advantage of the market's "open doors".

You mentioned Zenith Pharma is working with an increasing number of partners. What kind of partnerships are you looking for and how do you find them?

The vast majority of our partners are well-known multinational companies heavily committed in research and development. Our goal is to bring more innovative drug in Morocco through these partners. I think that the Moroccan market needs to find a balance between innovative products and generics, as patients require both of them. It is our ambition to look after the needs of the Moroccan market and make sure that they have all the medical resources required. Besides, bringing more innovative drugs will also boost the generics' development in parallel, before the innovative drugs become generics themselves after a few years. It is hence a virtuous circle for the

country.

Our medical staff in Morocco are following continuous training and attending many international congresses, so they are very much aware of the different therapeutic protocols that exist and want to treat their patients with the most innovative therapies. We therefore approach new partners according to the unsatisfied medical demand for innovative products that the medical institutions articulate. We agree on a business model that benefits both companies, using their support to market the product, to train our team on this product and for post-marketing activities. We want to build more than a 'provider-distributor' relationship, we really want to establish a win-win situation where the multinational benefits from our in-depth knowledge of the Moroccan pharmaceutical market and from Zenith Pharma's infrastructure and a large network in the country. We always look for partners whose portfolio matches the needs of the Moroccan and African patients, who are at the centre of our concerns.

The World Health Organization (WHO) estimates the country should invest between ten to twelve percent of its GDP into healthcare, when only six percent is today dedicated to the healthcare sector. How challenging is it to bring the right drugs into the market?

All innovative products are not necessarily expensive. Of course some niche products are and so are other products that required a substantial R&D investments, but many innovative products are affordable and crucial to the local market. As a company, to set the price of an innovative product, we have to solve an equation taking into account the cost of the treatment, the Moroccan purchasing power, and the public insurance coverage.

While rather small, the Moroccan market is well regulated with clear rules from manufacturing to distribution in pharmacies. We are moving toward a stricter regulation regarding the promotional activities of pharmaceuticals and the companies' relationships with the medical staff.

In Morocco, the public healthcare system is developing quite fast and private healthcare coverage and insurances are also emerging. The fact that the market is small obliges the industry to come up with solutions that are adapted to the country; generics and biosimilars are one of them. There is also a price monitoring realized through benchmarks from different countries. It favours the setting of prices in adequation with the Moroccan market and the prices of imported products are often lower in Morocco thanks to this monitoring.

Regarding the WHO's recommendations, the state's budget remains modest, but it is important to take in account that is in clear augmentation in comparison to the previous years. The ambition of Morocco is to continue increasing its healthcare budget and gaining in autonomy. I think the COVID-19 situation we are facing worldwide is an alarming example of the importance to reach pharmaceutical product independence and guarantee the inhabitants' safety while favouring the stability of the local economy.

The country has always defended a local production when possible and I think it is more important than ever to have a strong Moroccan industrial fabric to ensure the safety of our population. For Zenith Pharma, we have a ratio of around 40 percent of products produced internally and 60 percent of imported medicines. Developing our in-house production may be time and resources consuming, but our share of internal production is constantly growing and we aim to have a minority of imported products in the near future. We choose to invest large amounts of money each year towards equipment, R&D and training. Our ambition is to be amongst the first laboratories in the country and I believe these three elements are the pillars to bring novelty in the market.

There are 26 local players amongst the members of AMIP, the country's national pharmaceutical association. Do you believe this number is sustainable or do you think there will be some concentrations in the upcoming years?

Historically, pharmacists built the first pharmaceutical laboratories in the country and were very attached to their "brainchild", but a new generation of managers is now taking back the reins of the founder's company and implementing a different strategy, based on a solid commercial background. The Moroccan industry will keep on professionalizing itself and the logic of profitability will take over the current family business mindset that carries strong affective bonds.

Taking a look at the global history of the industry and considering the profitability of these companies, we will most likely see companies gather to create fewer and bigger local champions. The culture of outsourcing is also gradually growing and getting more and more accepted. Mentalities are evolving at the same pace as our society is changing. I think this transition will arrive in the next ten to fifteen years. As an indicator of change, we already see investment funds increasingly entering the local companies' capital, and I believe this trend will continue.

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