

# Newsletter 34

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## Contents

Welcome note.  
Message from the CEO.  
Feature Article.

Remedica News.  
Environmental Issues.  
Corporate Social Responsibility.  
A glimpse of Cyprus.

## Welcome note

Welcome to the 34<sup>th</sup> issue of our Newsletter which is largely devoted to the announcement of our strategic alliance with Ascendis Health, a South African company listed on the Johannesburg Stock Exchange.

In our Environmental Issues we report on pollution from burning tyres. In Corporate Social Responsibility we report on the winner of the Pattihis Family Scholarship for 2016-2017, our Health & Safety Week, our awareness campaign on World Environment Day and an award to the top student of a local college.

In Remedica News we present our new corporate video and report on the acquisition of another industrial plot for our future expansion.

Finally, we take a glimpse at the wine villages of Cyprus. ■

Charalambos Pattihis  
Group CEO

## Message from the CEO

We are communicating with you today to let you know of an important development at Remedica, namely the signing of an agreement to place our company under the umbrella of Ascendis Health, a fast growing South African company focussed on the development, manufacturing and marketing of brands serving the human, animal and plant health markets and listed on the Johannesburg Stock Exchange.

As part of this development, Remedica will integrate with the Ascendis Pharma-Med division and will thus become an integral part of a stronger, international pharma player. With its diversified portfolio of products, markets and customers, strong pipeline of new products and synergies with the Ascendis Pharma business in South Africa and Spain, Remedica is well positioned to deliver strong growth in the future based on this platform.

Ascendis Health ([www.ascendis.co.za](http://www.ascendis.co.za)), founded in 2008 by its main financial sponsor Coast2Coast Capital, is supported by well-known South African asset managers and will

be supported in this important transaction by tier one long-term investors such as the IFC (World Bank) as well by lenders like Barclays and HSBC. With new equity issued as part of this and other transactions the market capitalisation of the combined group should be well in excess of €550 million.

We believe that in a fast-changing environment for the global generics industry, this development will greatly assist Remedica to secure its future as a manufacturer of high quality branded generic medicines and will provide funding to embark on its next phase of development. Importantly, the existing management will remain in place, so the change will be seamless for our existing customers. Remedica will also play a central role in the global Ascendis pharmaceutical development strategy.

It is the belief of both Remedica and of Ascendis Health that this transaction will provide excellent development opportunities for Remedica and we look confidently forward to the future. ■

Charalambos Pattihis  
Chief Executive Officer

# Feature Article: Ascendis Health

Founded in 2008, Ascendis Health has grown from a fledgling start-up business with a clear vision and aspirational goals to become a successful listed player in the global health and care sector.

The company comprises of a group of leading health and care brands that operate in the human, animal and plant sectors. Sustained and impressive growth has been achieved by a focussed organic, acquisitive and synergistic strategy to develop the companies in which Ascendis has invested, while ensuring that a strong management team drives and improves the strategic, operational and financial performance in each enterprise for the ultimate benefit of the group.

Ascendis comprises household consumer brands such as: Nimue Skincare, Evox Advanced Nutrition, SSN Natural Supplements, Supashape, Solal, Foodstate, Vitaforce and Bettaway Multivitamins. RCA, the Scientific Group and Surgical Innovations provide an industry leading and comprehensive medical devices solution for hospitals and clinics. Efekto, Avima and Marltons provide category-leading brands in the Phyto Vet sector. These high quality and trusted brands originate from South Africa although many of them are already sold in many markets throughout the world.

The acquisitive growth strategy utilises the expertise of a hand-picked deal team from Coast2Coast - an experienced investment holding company and the founder and controlling shareholder (currently 43%) of Ascendis. Coast2Coast is co-owned by the dynamic duo of Gary Shayne and Cris Dillon and currently boasts a deal team of over 30 professionals with over 100 years' combined experience in the investment arena, as well as personal experience in establishing, integrating and operating successful businesses.



**Gary Shayne**

Zimbabwean-born, Gary has a highly successful history in both private equity and entrepreneurial ventures. Among his successes is the listing of Celsys Print, one of Zimbabwe's leading printing and technology companies and the creation of Shayne Accounting Services, which has become one of the country's largest single-owned accountancy practices. Gary was also involved in other Zimbabwean ventures, including Milpal Chemicals. The group sold all of their Zimbabwean interests to Lonhro, a London-based company engaged in multiple business sectors in Africa, in late 2007 to concentrate on the SA market. Gary's passion for private equity is a key driving force at Coast2Coast.

**Cris Dillon**

Cris is a true entrepreneur and responsible for identifying, structuring and concluding investment deals. He has been predominately involved in running his companies that include Multipac and LA Label in Los Angeles, Reviva and Axiz Retail and in addition has spent some time in corporate banking. With a degree in Chemical Engineering and an MBA, Cris has skills to complement Gary's expertise and together they provide a strong and diverse professional team.



Their continued success is based on the mantra originated by investment guru, Warren Buffet, that *"it's far better to buy a wonderful company at a fair price than a fair company at a wonderful price"*.



**Cliff Sampson**

Ensuring the smooth integration of each new acquisition and unlocking the organic synergies in the South African market is the responsibility of Managing Director, Cliff Sampson. Cliff has over 30 years' experience in the FMCG industry and has held the position of managing director for over 20 years. Before joining Ascendis, he was managing director of Foodcorp for seven years, growing the group's business to one having an annual turnover of more than R7 billion. Cliff is highly respected and was the managing director of National Brands for nine years, led its transformation into a successful and highly profitable contributor to the AVI Group.



#### **Dr Karsten Wellner**

Ascendis currently employs close to 2000 staff who are headed by the charismatic Dr Karsten Wellner (CEO) who joined the Company in 2011. He has had over 25 years experience in international and South African health markets. Before joining the group, he headed Fresenius Kabi South Africa for eight years (including a regional responsibility for Africa and the Middle East), the local subsidiary of Fresenius SE & Co. KGaA, a diversified European healthcare company, listed on the Frankfurt Stock Exchange. His previous experience included managing Fresenius Switzerland for five years where he also had an international responsibility for pharma exports and developing markets. Karsten won the title of “fittest CEO in Africa” in an Ironman (triathlon) contest, which is a testimony to his fervent belief in health and in delivering on his promises. He devotes the majority of his time to shaping Ascendis strategy, guiding Ascendis international activities, working on Public and Investor Relations and identifying and securing new international deals to compliment and grow the Ascendis stable of brands.

Central to the success of the growth of Ascendis is the ability to embrace and align a culture of diversity and entrepreneurship to its sense of purpose as an innovative and responsible health and care leader that delivers results for its investors.

Commenting on the recent acquisition Dr Karsten Wellner said: *“Remedica’s CEO, Charalambos Pattihis, will remain at the helm of the company along with the existing executives, with full operational control, thereby being in a position to continue delivering on the outstanding results of the company, and achieve even more impressive results within the new Ascendis family. I also hope that our existing Farmalider business in Spain (Ascendis owns currently 49%) and its focus on products and dossier developments in OTC and pain management generics for Spain and central Europe will complement Remedica nicely.”*

Furthermore, he added, *“being a performance driven company, it is vital that all divisions and products offer real benefits, and help bring effective wellness, nutrition, and medical and environmental solutions within reach, and help support the idea that healthy people mean healthier homes in a healthier world”.*

#### **Kieron Futter**

Kieron Futter serves as the Chief Financial Officer of Ascendis Health Limited. He has more than 20 years of experience in financial management in various industries, including five years with GlaxoSmithKline in Consumer Health Care (in the UK and Dubai) and five years as CFO of TransUnion Group Africa incorporating 31 companies, for which the international holding company is based in Chicago, USA. Most recently, he was CEO of Nandos' company-owned restaurants for two years focussing on the financial management of R1.2b revenues and 3000 employees.



Karsten, Cliff and Kieron are the executive members of the Ascendis Board and their success is founded on strong divisional leaders who are true experts in their areas of responsibilities; for example: -



#### **Viral Desai**

Heading the dynamic Pharma Division is Viral Desai, who has been active in the pharma industry for over 15 years. He has served in various executive roles across the commercial and technical operations at Adcock Ingram. Before joining Ascendis in 2014, his responsibilities covered the pharmacy and hospital generic businesses: previously he had been involved with the successful acquisition and integration of several businesses, both locally and internationally.

This focussed management team are extremely excited about the integration of Remedica into the Ascendis stable, as this immediately transforms the Ascendis' Pharma-Med division into an international pharma player with an exciting and diversified portfolio of products, markets and customers, and a strong pipeline of new merchandise and collaborations.

It also creates a strategic platform for further international expansion and growth in the generic pharmaceutical industry in both Europe and emerging markets. The services of the state of the art manufacturing facilities in Cyprus can also be offered to other recently

acquired pharma businesses such as Akacia Healthcare in South Africa, and the Farmalider Group in Spain.

Ascendis is well-positioned to continue on its growth path as it boasts a clearly defined business with unique market leading positioned health and care brands providing superior returns.

The growing Ascendis team represents a unique combination of entrepreneurial and international large corporate backgrounds retaining the best of both of these characteristics. The executive team has extensive experience from a broad variety of industry backgrounds: from distribution, finance, direct selling, telecommunication, technology, food, retail, nutraceuticals and pharmaceuticals, so it is with great pride and anticipation that the partnership between Ascendis and Remedica promises intense endeavour and great results. Dr. Karsten Wellner: *"I am extremely proud of having met Bambis. What he, his team and all employees at Remedica have built in the last years is absolutely amazing. As a listed entity we have certain requirements to fulfil - but most important is our strong belief in entrepreneurship and decentralised structures with some limited corporatisation to support the underlying businesses in their continued focus on excellence and performance."* ■

## Remedica News

### 1) Remedica's new corporate video.

Remedica recently presented its new corporate video which, amongst other highlights, features its new oncology facility where it produces its range of anti-cancer drugs. The video is available on Remedica's website [www.remedica.eu](http://www.remedica.eu) and on its YouTube channel, Remedica Ltd.

### 2) Remedica expands.

Recently Remedica bought the building that is located diagonally opposite its main building (No. 1) and which is to be designated Building No. 12. The company's plans for the newly-acquired building are still in early stages but it will be probably be used for future expansion. It comprises buildings with a total area around 4,800 m<sup>2</sup> and has access to public roads both from the front as well as from the rear, which facilitates transportation. ■





# Environmental Issues:

## Pollution from burning tyres

Although the invention and use of rubber tyres contributed significantly towards human technological and economic achievement, their disposal and end of life management remains a major environmental concern. This is mainly due to the tyres' physical properties and chemical components which pose a major threat to human and ecosystem health if released into the environment. Taking this into consideration the EU has banned the landfilling of both whole and shredded tyres since 2006 via the implementation of EU landfill Directive. Instead tyres at the end of their life cycle ought to be recycled or used for energy production and recovery purposes.

Despite these rules, data published by the European Commission suggest that 3.4 million tonnes of used tyres are disposed of or dumped in Europe every year. Most of them are dumped in landfills in direct violation with the EU legislation and environmental good practices. It should also be noted that the burning of tyres is still practiced illegally within the EU as a method of disposal.

As stated above, the uncontrolled disposal and burning of old tyres imposes major human and environmental health hazards. Decomposition of tyres into their chemical components could lead to the passage of heavy metals and toxic particles into groundwater resources and the atmosphere impairing human health either via direct exposure (inhalation route) or via the food chain (oral route). Continuous exposure to these pollutants could cause acute respiratory tract responses, especially in the most sensitive individuals, as well as chronic diseases like carcinogenesis.



[www.tyrepolymerplants.net](http://www.tyrepolymerplants.net)



[www.econews.gr](http://www.econews.gr)



[www.sigmalive.com](http://www.sigmalive.com)



[www.dailymail.co.uk](http://www.dailymail.co.uk)



[www.pinterest.com](http://www.pinterest.com)

Moreover uncontrolled stockpiles of used tyres impose a major hazard if there is an outbreak of fire. According to the US Environmental Protection Agency, in 1983 a fire occurred in a stockpile of 7 million tyres in Virginia causing a plume of smoke reaching 3,000 feet high and nearly 80 km long. The fire burned for nine months and air emissions were so immense that the air in three states became polluted. Fire induced decomposition of tyres can lead to the pollution of nearby water sources with toxic heavy metals such as lead and arsenic.

In order to tackle pollution from burning tyres, and tyre disposal in general, the European Environment Agency suggests that waste from used tyres should be prevented by retreading used tyres, recycling, or if no other option is available waste tyres should be used for energy recovery. The retreading of tyres involves the use of old rubber to replace of tread patterns. Recycling of tyres is achievable by retrieving the rubber material and using it as a raw material in the manufacture of other products, including new tyres. Finally used tyres could be used for energy production as replacement of other energy sources, such as oil or coal.

These objectives can be achieved through the application of the EU's Extended Producer Responsibility principle whereby the tyre manufacturing and retailing industry are obliged to develop and set into operation a collective tyre recovery and recycling system. Consequently used tyres would not be disposed, burned or stockpiled but be entered into an effective re-use system as proposed by the European Environment Agency.

Despite the fact that the EU has implemented legislative measures directed towards the tackling of pollution from the burning of tyres, these measures need to be more strictly since this environmental issue still remains unresolved. ■

# Corporate Social Responsibility: Remedica Cares

## 1) Tribute to Remedica's founder. (photo 1)

At an official ceremony, in the presence of his Excellence, the President of the Cyprus Republic, Mr. Nicos Anastasiades, the President of the Cyprus Association for Famine Relief, his beatitude Bishop Messrs Chrysostomos, paid tribute to Remedica's founder, Mr. Chris Pattichis, posthumously, and presented an honorary plaque, which was received by the deceased's son, Charalambos.



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## 2) Pattihis Family Scholarship. (photo 2)

This year's Pattihis Family Scholarship goes to Ms Christina Tryfonos currently a 3<sup>rd</sup> year student, studying BSc Mathematics and Economics at the London School of Economics and Political Science (LSE). Her decision to apply for the Pattihis Family Scholarship was not only influenced by the financial support it would provide but also due to the opportunity to work at Remedica. She stated that "I will be very grateful if I am given the chance to work in the biggest pharmaceutical company in my country, with more than 50 years of successful reputation worldwide. It will be an honour to work for a company that has been acknowledged as one of the top ten best export companies across Europe out of the 24,000 firms that applied, in 2015. The choice of the company I will be working with is very important to me since it has to match some of my beliefs and needs to be more than just a profit maximizing employment decision. Remedica's vision and mission as well as social responsibility shows that the firm's main aim is to achieve the best quality whilst showing its awareness of major social and environmental problems. Donating to many non profit organisations, food banks and social clinics as well as employing renewable resources, like solar panels for their production, are clear evidence of such awareness." We wish Christina every success!



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## 3) World Day for Safety and Health at Work. (photo 3-6)

In order to encourage the promotion of healthy and safe workplaces on a global scale, the International Labour Organisation (ILO) has established April 28<sup>th</sup> as the World Day for Safety and Health at Work. The ILO, became involved in this campaign in 2003, following a request by the trade union movement which had previously set April 28<sup>th</sup> as the International Commemoration Day for Dead and Injured Workers. The purpose of initiative taken by the trade union movement was to honour the memory of victims of occupational accidents and diseases by organizing worldwide activities and awareness campaigns on this date.

Furthermore, by celebrating the World Day for Safety and Health at Work, the ILO not only honours those injured whilst at work, but most importantly, it recognises that these fatalities and injuries could be reduced, prevented or potentially even eliminated. Taking this into consideration the ILO promotes the development of a preventative health and safety culture by actively involving international, multinational and national bodies and competent authorities, professional organisations, enterprises and trade unions.

Following the call of ILO for active campaigning, the European Agency for Safety and Health at work (EU-OSHA) has grasped the opportunity to incorporate the World Day for Safety and Health at Work as a part of its campaigning activities both through its influence on EU institutions and most importantly through its national focal points.

Remedica, as a forward thinking organisation and responsible employer, has taken the initiative to incorporate this International and European challenge by promoting preventive safety and health culture throughout its personnel, associates and local society. In addition to the day-to-day promotion of safety and health at work, Remedica has also established a safety and health week, which takes place annually during the working week in which April 28<sup>th</sup> falls.

During the safety and health week, Remedica's personnel, contractors and visitors are given the opportunity to see campaign material through the screening of videos and presentations. In addition printed campaign material is posted on notice boards which are updated every day in

order to pass on as many campaign messages as possible. Furthermore, an electronic campaign message is forwarded to all internal email accounts, each day throughout the week. Furthermore, on-the-job discussions are encouraged and training sessions take place throughout the week in order to further encourage the active participation of personnel in tackling health and safety challenges and to further improve workplace welfare.

Although numerous responsible European organisations like Remedica have embraced the initiative taken by the ILO and the EU-OSHA to actively promote occupational safety and health, yet still more is required to be done on a global level for the further improvement of the health, safety and welfare of the work force and society in general.

#### 4) World environment day. (photo 7, 8)

It was in the early 70's that the international community first began to comprehend the excessive impact that its activities have had on global environment and its implications for human health and wellbeing. For example, the testing of nuclear weapons on land and oceans, the depletion of ozone layer, the uncontrolled disposal of toxic waste and wastewater, the depletion of natural resources, the extensive deforestation and wildlife poaching were only some concerns which demanded immediate global action.

In order to call for an international initiative for tackling the above environmental challenges the United Nations organised the United Nations Conference on the Human Environment which was held in Stockholm between 5<sup>th</sup> and 16<sup>th</sup> of June 1972. This conference produced 26 principles upon which global action was to be based. These included the recognition of the fundamental human right to live in an environment of a quality that permits a life of dignity and well-being, the responsibility to safeguard it for present and future generations, the development of national environmental policies, the recognition of liability for victims of pollution, the elimination of nuclear weapons, the promotion of international collaboration and the investment in environmental science and research. Another achievement of the Stockholm's Conference was that it officially recognised the interaction of the natural environment and human society, which according to the United Nations Environment Programme, until had been disconnected from each other.



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Furthermore, the UN General Assembly designated June 5<sup>th</sup> as World Environment Day, marking the first day of the Stockholm Conference on the Human Environment. On the same day another resolution was adopted initiating the establishment of United Nations Environment Programme (UNEP), which came to be the leading agency responsible for the development of the global environmental agenda. UNEP claims, that over the years the World Environment Day has developed to be a widespread international platform that is celebrated by stakeholders in over 100 countries.

Despite the fact that environmental protection and sustainable development lie deeply within Remedica's philosophy, as reflected by its day-to-day operations, the World Environment Day concept is utilised as an additional measure for further raising environmental awareness among its personnel, contractors and visitors.

The same methods of dissemination as used for the World Day for Health and safety at Work are employed once again but in this case discussions have the aim of encouraging active participation of personnel in tackling local and global environmental issues.

Since the establishment of the World Environment Day back in 1972, a remarkable paradigm shift towards the establishment environmental protection and awareness has been achieved. Nevertheless, the tackling of global environmental challenges, such as climate change, pollution of the oceans, deforestation and wildlife protection require even further international commitment and collaboration by institutions and society in general.

#### 5) Student Award. (photo 9)

As part of Remedica's social contribution and its efforts to promote health and education in Cyprus, the company's Medical Representative, Mr. Anestis Georgiades, presented Kyriaki Andreou, the graduate with the highest mark on the Medical Representatives course of KES COLLEGE, with a monetary prize. ■



# A glimpse of Cyprus: The wine villages of Cyprus

Imagine a place under a blazing sun, with gorgeous beaches, delicious food and exquisite wine. Sounds good, doesn't it? You could find all of these and much more in Cyprus, the third largest island in the Mediterranean sea. Its attractive features along with its strategic geographical location – connecting three continents – made this privileged island an easy target for several conquerors since antiquity. Despite the fact that the island was under the control of consecutive conquerors, it was considered to be a commercial force to be reckoned with, its wines being among its most valuable assets. Over the centuries, wine production has evolved and expanded albeit retaining some of the traditional elements. Nowadays, some of the most productive wine growing regions in the island are the wine villages of Cyprus which, according to some connoisseurs, are home to some of the finest wines in the world. Euripides, Homer, Pindar, Pliny, Richard the Lionheart and Shakespeare, to name just a few devoted fans, would probably agree.

Recent archaeological findings suggest that wine, the nectar of the Gods as it was once called, has been produced in Cyprus for at least 5500 years, making its wine industry one of the oldest in the world that played a significant part in the oenological development of the Mediterranean area. When, in the time of the Crusades, the Templar Knights used the island as a base for their operations in the 12<sup>th</sup> century, they were impressed by an aromatic, sweet wine called *Nama*, which had been made on the island for centuries. They soon began to produce and export it and the wine became famous throughout Europe, assuming the name *Commandaria*, after the Knights' headquarters region in Kolossi village (la Grande Commanderie/Commandaria). Today, Commandaria is still one of the most famous Cypriot wines, and holds the title of the oldest manufactured wine in the world, as well as the wine with the oldest designation of origin in the Guinness Book of World Records.

A project implemented by the Cyprus Tourist Organisation and co-sponsored by European funds divides the island into *the following seven distinct wine routes: Laona – Akamas, Vouni Panayias – Ambelitis, Krasochoria Lemesou (Wine Villages of Limassol), Commandaria, Pitsilia, Diarizos and Lefkara – Nicosia*. The most famous route is the one known as *Krasochoria Lemesou (Wine Villages of Limassol)* that attract locals and tourists throughout the year and offers visitors a unique travel experience. The route comprises twenty wine villages and more than forty wineries, most of which extend over the southern part of Troodos mountains, the geological centre of the island. When a series of tectonic movements forced Cyprus to emerge from the abyss ninety million years ago, the Troodos mountain range was the first to appear and its soil and overall terrain provide an eminently suitable environment for vine cultivation.

Two of the most known wine villages are Omodos and Koilani that share ten wineries between them. Other important wine villages include Kolossi, Erimi, Kantou, Souni-Zanakia, Pano Kivides, Agios Amvrosios, Lofou, Vouni, Pera Pedi, Mandria, Kato Platres, Vasa, Malia, Arsos, Pachna, Anogyra and Avdimou. These charming villages have been historically linked to the production of wine for generations and there you can still find some ancient grape varieties, such as the *Maratheftiko*, probably the second oldest grape variety in the world. Some other well-known varieties are *Mavro*, *Ofthalmos* and *Xynisteri*. Although most of the local wineries have been equipped and updated according to modern standards, some traditional oenological practices are still employed.

The beautiful natural scenery and the simplicity of the traditional architecture is enhanced by the genuine hospitality and

benevolent nature of the villagers. The cobblestone passages, the humble cottages, the byzantine churches, the folk museums and the picturesque bridges are amongst the villages' common characteristics. As wine production was integrated in people's lives, one can also find large earthen vessels (pitharia) for wine making and storing in most houses. Once vibrant, most of the wine villages have been largely abandoned by their permanent residents, who favoured a more urban lifestyle. However, in the past few decades, a tendency has been observed to revive rural communities, to promote and preserve their unique style. Various food and wine festivals are regularly organised and attract thousands of visitors each year, who, apart from having the opportunity to enjoy the local delicacies, such as *palouzes*, *shoushoukos* and *kiofterka*, can also attend various cultural events and admire traditional local artefacts.

Cypriot wines have proved to be an extremely powerful commercial tool and have travelled all around the world, carrying with them the unique aromas, flavours and colours of the land that created them. The wine industry has flourished significantly and the seven wine routes provide a glimpse into the evolution of wine making over the centuries. There is no doubt that the wine villages of Cyprus, which comprise one of the most fascinating wine routes, will captivate your attention and your heart. One visit will convince you. ■

#### Sources:

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[www.limassolmunicipal.com.cy](http://www.limassolmunicipal.com.cy)  
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