

Issue highlights

- ❑ **Nureca Limited (“Nureca”)** was incorporated on November 2, 2016. Nureca is a B2C company engaged in the business of home healthcare and wellness products, which offers quality, durability, functionality, usability and innovative designs. The company enables their customers with tools to help them monitor chronic ailments and other diseases, to improve their lifestyle. The company believes in innovation and catering new products to the ever-growing needs of the home health care sector.
- ❑ Nureca is a digital first company wherein they sell their products through online channel partners such as e-commerce players, distributors and retailer. Further, they also sell their products through their own website **drtrust.in**
- ❑ The company has most of the product lines supporting home health market in India, making it a one-stop solution provider. “**Dr Trust**” is a known for its innovative products in the market, and, with the segment showing significant potential for growth, the company is positioned to show significant growth.
- ❑ Nureca classifies their products portfolio under the 5 categories such as **Chronic Device Products, Orthopedic Products, Mother and Child Products, Nutrition Supplements and Lifestyle Products.**
- ❑ **During Covid-19, company’s products such as oximeter, gluco meter, nebulizer and BP monitor were categorized under the essential goods and their operations were not shut down during this pandemic.**
- ❑ The brands which are currently being used by the company for their existing product range are:



- ❑ To expand their business footprint, Nureca, in October 2019, joined hands with Croma -India’s first omni-channel electronics retailer from the Tata Group, to emerge as the very first company to sell healthcare and wellness products through Croma stores. As part of this tie-up, Nureca will sell products from its Dr Trust and Dr Physio brands at 30 Croma stores across the country, and this would grow with the increasing adoption of the products.

Brief Financial Details*

(₹ In Cr)

	As at Sep’30,	As at Mar’ 31,		
	2020(6)	2020(12)	2019(12)	2018(12)
Equity Share Capital~	7.00	0.01	0.01	0.01
Reserves as stated~	44.65	14.92	7.94	1.71
Net worth as stated	51.65	14.93	7.95	1.72
Revenue from Operations	122.15	99.43	61.90	20.05
Revenue Growth (%)	-	60.63%	208.73%	-
EBITDA as stated	50.01	9.76	9.14	4.39
Profit Before Tax	48.65	8.61	8.84	4.32
Net Profit for the period	36.18	6.40	6.23	3.11
Net Profit (%) as stated	29.62%	6.44%	10.06%	15.51%
EPS –Basic (₹)	51.69^	9.14	8.89	4.45
RoNW (%)	70.06^	42.82	78.36	180.93
NAV-Basic(₹)~	73.78	14,934	7,945	1,720

Source: RHP *Restated Summary, ^not annualized.

Issue Details

Fresh Issue of Equity Shares aggregating upto ₹ 100 Crore

Issue size(Gross): ₹ 100 Cr

No. of shares: 2,525,253 – 2,500,000

Face value: ₹ 10

Employee Reservation: Equity Shares aggregating to ₹ 1 Cr

Price band : ₹ 396 – 400

Bid Lot: 35 Shares and in multiple thereof

Employee Discount: ₹ 20/- per share

Post Issue Implied Market Cap:

₹ 397 – 400 Cr

BRLMs: ITI Capital Ltd.

Registrar: Link Intime India Pvt. Ltd.

Issue opens on: Monday, 15th Feb’2021

Issue closes on: Wednesday, 17th Feb’2021

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	23-02-2021
Refunds/Unblocking ASBA Fund	24-02-2021
Credit of equity shares to DP A/c	25-02-2021
Trading commences	26-02-2021

Issue break-up

	No. of Shares (Approx)	₹ In Cr	% of Issue
QIB	1,875,000 – 1,856,250	74.25	75%
NIB	375,000 – 371,250	14.85	15%
Retail	250,000 – 247,500	9.90	10%
Emp	25,253 – 25,000	1.00	-
Total	2,525,253 – 2,500,000	100.00	100%

Listing : BSE & NSE

Shareholding (No. of Shares)

Pre issue	Post issue^	Post issue#
75,00,000	10,025,253	10,000,000

^@Lower price Band #@ Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoters & Promoter Gr	93.33%	70.00%
Public	6.67%	30.00%
Total	100.00%	100.00%

BACKGROUND

Company and Directors

The company was incorporated as 'Nureca Private Limited' on November 2, 2016 at Delhi. The company became a wholly owned Subsidiary of Nectar Biopharma Pvt. Ltd. on August 16, 2018.

The pre-Issue shareholding

Name	No. of Equity Shares held	% of the pre-Issue paid- up Equity Shares capital (%)
Promoters & Promoters Group		
Saurabh Goyal	3,499,979	46.67%
Payal Goyal	3,499,979	46.67%
Other	35	0.00%
Total for Promoter & Promoter Gr.	6,999,993	93.33%
Public	50,007	6.67%
Total	7,500,000	100.00%

Brief Biographies of Directors

Saurabh Goyal is the Chairman and Managing Director of the company. He has worked with Nectar Life Sciences Limited and has over 10 years of work experience in marketing division. He has been a Director of the company since February 11, 2017.

Smita Goyal is the Non-Executive Director of the company. She is working with Nectar Biopharma Private Limited as Vice President. She has been a Director of the company since October 21, 2020.

Rajinder Sharma is the Non-Executive Director of the company. He has been a Director of the company since November 30, 2018.

Vijay Kumar Sharma is the Independent Director of the company. Prior to his taking over as Chairman on September 16, 2016, he had served as Chairman (in-charge) from September 16, 2016 and Managing Director of Life Insurance Corporation of India from November 1, 2013. From December 2010 to November 2013, he had served as Managing Director and Chief Executive Officer of LIC Housing Finance Limited. He has been a Director of the company since October 21, 2020.

Charu Singh is the Independent Director of the company. She has over 5 years of work experience in accounts and finance. She has been a Director of the company since October 21, 2020.

Ruchita Agarwal is the Independent Director of the company. She has worked with J.P. Morgan Chase and has 2 years of work experience. She has been a Director of the company since October 29, 2020.

Aryan Goyal is the Chief Executive Officer of the company. He has more than 13 years of experience. Prior to joining the company, he was working with Nectar Life Sciences Ltd. He was appointed as Chief Executive Officer since September 3, 2020.

Sakshi Mittal is the Chief Financial Officer of the company. She has more than 7 years of experience in finance and accounts. Prior to joining the company, she was working with Nectar Life Sciences Ltd as Deputy Manager and Nectar Biopharma Pvt. Ltd. as Deputy Manager. She is associated with the company since October 21, 2020.

Gurvikram Singh is the Company Secretary and Compliance Officer of the company. Prior to joining the company, he was working with Gupta Builders and Promoters Pvt. Ltd. and has been appointed as Company Secretary of the company since August 3, 2020.

OBJECTS OF THE ISSUE

Objects	(₹ In Cr)
	Amount
Funding incremental working capital requirements of the company	75.00
General Corporate Purposes	[•]
Total	[•]

BUSINESS OVERVIEW

Nureca Limited (“Nureca”) is a B2C company engaged in the business of home healthcare and wellness products, which offers quality, durability, functionality, usability and innovative designs. The company enables their customers with tools to help them monitor chronic ailments and other diseases, to improve their lifestyle. The company believes in innovation and catering new products to the ever-growing needs of the home health care sector. Nureca is a digital first company wherein they sell their products through online channel partners such as e-commerce players, distributors and retailer. Further, they also sell their products through their own website **drtrust.in**.

The company has most of the product lines supporting home health market in India, making it a one-stop solution provider. **Dr Trust** is known for its innovative products in the market, and, with the segment showing significant potential for growth, the company is positioned to show significant growth. They have a diversified product portfolio, which primarily caters to home healthcare sector. They provide an improved product mix to their customers and their preferences thereby targeting a wider customer base. Company’s growth is further driven by their ability to make available an assortment of quality products under trusted brands built by the company.

Currently, Nureca classifies their products portfolio under the 5 categories such as:

Product	Details
Chronic Device Products	Includes products such as blood pressure monitors, pulse oximeters, thermometers, nebulizers, self-monitoring glucose devices, humidifier and steamers.
Orthopedic Products	Includes rehabilitation products such as wheelchairs, walkers, lumbar and tailbone supports and physiotherapy electric massagers.
Mother and Child Products	Includes products such as breast pumps, bottle sterilizers, bottle warmers, car seats and baby carry cots.
Nutrition Supplements	Includes products such as fish oil, multivitamins, probiotics, botin, apple cider and vinegar.
Lifestyle Products	Includes products such as smart scales, aroma diffusers and fitness tracker.

With an aim to offer a comprehensive range of products, Nureca has expanded their product portfolio, which has resulted in enhanced growth and profitability. Nureca differentiate themselves from their competitors through innovation and design, use of advanced technologies and in-depth understanding of rapidly changing consumer preferences in India, which have enabled them to develop several new product categories that address unique customer needs.

Nureca market and sell their products across India through their own website i.e. drtrust.in and third party e-commerce platforms, distributors and retailers. They manage their sales and marketing activities through their Corporate Office. This distribution network ensures that their products are easily available in almost any part of India. They continue to engage in various marketing initiatives to build brand awareness and recall value for their products and to grow their market share. In addition to leveraging and engaging their distribution network for marketing initiatives, they also undertake direct promotional initiatives like advertising their products through digital marketing.

The Revenue from Operations has grown at a CAGR of 122.68% during Fiscal 2018 to 2020 and Net Profit has grown at a CAGR of 43.35% during Fiscal 2018 to 2020.




BUSINESS IMPACT – COVID 19

Since the onset of the COVID-19 pandemic in March 2020, Nureca has responded swiftly by implementing various processes to ensure their operations continue seamlessly. As they are engaged in marketing of home healthcare products, which helps the user to monitor their health from their home, **company’s products such as oximeter, gluco meter, nebulizer and BP monitor were categorized under the essential goods and their operations were not shut down during this pandemic**. Further, these products also helped the user from visiting the hospitals during the lockdown.

However, due to limited availability of logistics and supply chain constraints, they were impacted during the initial period of the lockdown. Nureca continued their operation after making arrangements to meet the government’s requirements on sanitization, people movement and social distancing. Nureca has experienced sustained growth in their business in recent years, including currently during the on-going outbreak of COVID-19. They consider that their swift response and proactive steps taken have mitigated the impact of COVID-19 pandemic on their business and personnel thus far.

COMPANY PRODUCT PORTFOLIO

The following brands are currently being used by the company for its existing product range:

Product	Logo	Particulars
Dr. Trust		This is company's flagship brand. The products catered under the Dr. Trust brand enables the users to effectively monitor chronic alignments and improve their lifestyle.
Dr. Physio		This brand is used for company's products under Orthopedic category such as electric massagers, wheelchairs and walkers. It offers the most imaginative, unwinding, restorative, wellbeing and individual care products.
Trumom		This brand is used for company's products under Mother and Child Care category which offers mother care and child care products to enhance the parenthood experience.

Nureca has a variety of products and the same are sold under the following categories:

Category	Product	Company Products
Chronic Disease Products	BP Monitors	<ul style="list-style-type: none"> • Dr. Trust BP Smart with MDI; • Dr. Trust BP A-One Max Connect; • Dr. Trust BP AFIB Talk; • Dr. Trust BP Comfort Pro.
	Nebulizers	<ul style="list-style-type: none"> • Dr. Trust Compressor Nebulizer; • Dr. Trust 5L Oxygen Concentrator 1101; • Dr. Trust Portable Ultrasonic Mesh Nebulizer; • Dr. Trust Bestest Compressor Nebulizer; • Dr. Trust Junior Compressor Nebulizer.
	Pulse Oximeters	<ul style="list-style-type: none"> • Dr. Trust Professional Series Pulse Oximeter; • Dr. Trust Signature Series Pulse Oximeter; • Dr. Trust USA Fingertip Pulse Oximeter.
	Thermometers	<ul style="list-style-type: none"> • Dr. Trust Non-Contact Infrared Thermometer; • Dr. Trust Non-Contact Infrared Forehead Thermometer; • Dr. Trust Icheck Infrared Thermometer; • Dr. Trust Homedoc; • Dr. Trust Instascan.
	Glucometers	<ul style="list-style-type: none"> • Dr. Trust Glucometers
	Portable ECG Machine	<ul style="list-style-type: none"> • Dr. Trust Smart ECG Pen
Orthopedic Products	Rehabilitation and Support Cushion Products	<ul style="list-style-type: none"> • Dr. Trust Wheelchair; • Dr. Trust Walker; • Dr. Trust Walker with wheels; • Dr. Trust Coccyx Pillow.
	Physiotherapy Products	<ul style="list-style-type: none"> • Dr. Physio Full Body Massager; • Dr. Physio Tens Massager; • Dr. Physio Air Compression Massager; • Dr. Physio Foot and Calf Massager.
Mother and Child Products	Mother and Child Products	<ul style="list-style-type: none"> • Trumom Breast pumps; • Trumom sterilizers; • Trumom baby bottle warmers; • Trumom car seats; • Trumom carry cot.
Nutritional Supplements and	Nutritional Supplements	<ul style="list-style-type: none"> • Dr. Trust Fish oil; • Dr. Trust Probiotics; • Dr. Trust Biotin; • Dr. Trust Multivitamins.
Lifestyle Products	Weighing Scale and Smart Weighing Scales	<ul style="list-style-type: none"> • Dr. Trust Smart Body Fat and Body Composition Scale; • Dr. Trust Platinum Rechargeable Scale; • Dr. Trust Absolute Fitness Body Composition Scale; • Dr. Trust Balance Scale; • Dr. Trust Elegance scale.
	Aroma Diffusers	<ul style="list-style-type: none"> • Dr. Trust Luxury Cool Mist Dolphin Humidifier; • Dr. Trust Nano Ionic Facial Steamer and Vaporizer; • Dr. Trust Home Spa Face Steam Vaporizer.

Category	Product	Company Products
	Fitness Tracker and more	<ul style="list-style-type: none"> • Dr. Trust Fitness Tracker Smart band; • Dr. Trust exercise mats; • Dr. Trust AB wheel; • Dr. Trust foam Roller.

In-house manufacturing:

Nureca has recently set up a manufacturing unit in Chandigarh where they can do final assembly of their products pursuant to the purchase of equipment's brought in semi knock down condition from various sources, branding, labelling and packaging suitable for marketing and transport in India. They also repair the defective or damaged equipment which has been sold before in the market in their manufacturing facility.

Outsourced Manufacturing:

Nureca majorly outsource the manufacturing of their products to certain foreign vendors and as well as certain vendors in India. They exercise control and regular supervision over the manufacturing operations at the facilities of their manufacturing partners through their personnel. Outsourcing the manufacturing of their products allows them to increase production capacity as required and without incurring additional capital expenditure.

The Distribution Network - Online Channels

Nureca is a digital first company where in they sell their products through online channels partners such as e-commerce players, distributors and retailer. Further, they also sell their products through their own website drtrust.in. Their agreements with online channel partners such as e-commerce players, distributors and retailers are typically non-exclusive in nature. Currently, 95% of revenues for the company come through digital channels (e-Commerce). However, this poses an opportunity for the company to expand into the offline channel. This would provide significant impetus to their growth, and build their brand value as well.

Branding, Sales, Marketing and Advertising

Nureca has a dedicated marketing team comprising of 19 employees as on September 30, 2020. For Fiscal 2020 and Fiscal 2019, their advertising and publicity expenses on a consolidated basis were ₹3.13 crore and ₹2.31 crore, respectively, or, 3.18% and 3.76% of their consolidated revenue from operations, respectively.

Nureca intends to continue to enhance the brand recall of their products through the use of targeted marketing initiatives such as digital and television advertisements and advertisement on e-commerce platforms, as well as marketing through traditional channels such as outdoor advertising. Also, they encourage consumer engagement in social media and also use social media to both communicate and elevate the brand's reputation for superior quality.

After Sales Service

If any of the customers face a technical issue with their product, they can contact company's in house customer care through phone or email. Troubleshooting is done over the phone or email, through videos and educating the customer about the correct procedure to operate a product. In some cases, a physical check may be required for repair or replacement during the warranty period. Nureca has an ISO 9001:2015 certification, which is applicable to sales, services and warehousing of medical devices, consumer electronics, pharmaceutical and personal care products and in house QA team in Punjab, which checks the product for any physical defect.

COMPETITIVE STRENGTHS

- ***Strong portfolio of the products and consistent focus on quality and innovation***

The quality is a pre-requisite for a positive consumer experience and long-term brand loyalty. In order to offer new and varied products to their customers, Nureca focuses on creating innovative products with an emphasis of quality and efficiency. Further, they focus that their products are adhered to the most stringent CE and FDA guidelines. Based on their experience Nureca has focused on investing in experience based product innovation that are most relevant in creating the consumer experience.

- ***Asset light business model and competitive products***

Company's business model relies on their ability to design products that are of good quality, innovative and functional, through optimal sizing from a suitable manufacturer or vendor and their long standing relationship with their vendors. The company enters into agreements with vendors who manufacture their products as per the

specifications and this allows the company to scale their operations quickly at a pre-determined cost and as per their quality standards without incurring any capital expenditure on manufacturing facilities.

Nureca operates on an asset light business model which does not require them to invest heavily on physical assets such as plant and machinery, land and property which allows them to be capital efficient. Their business model is scalable, such that they can expand their geographical reach and distribution capacity and add new products efficiently and at a relatively low cost without disrupting their existing business.

- ***Experienced Promoter with strong senior management team having domain knowledge***

The company promoter, Saurabh Goyal has over 10 years of experience in the home healthcare sector and the company benefited immensely from his expertise. The experience of their Promoter in the home healthcare sector is supplemented by their senior management team. They have built an experienced team of senior management professionals, led by their Chief Executive Officer, Aryan Goyal. Their management team's in-depth understanding of target markets and client demand and preferences have enabled them to grow their business and expand their operations. Their understanding of industry trends, demands and market changes, has enabled them to adapt and diversify their offerings and leverage market opportunities.

KEY BUSINESS STRATEGIES

- ***Diversifying and strengthening the market by enabling them to cater to a wide range of geographies and customer segments***

Company's overall strategy is commensurate for them to take advantage of the expected growth in the unorganised home healthcare sector in India. Increasing their penetration in new geographies will enable them to penetrate into new catchment areas with new geographies. Enhancing their reach to cover additional cities or states will enable them to reach out to more customers.

The company intends to strengthen their market in new geographies through following distribution network with a focus on efficiency:

Online Channel Strategy

- Investments in developing their online presence allow them to cater to their customers' evolving spending and shopping preferences in a cost-effective manner.
- They continue to work with online retailers to increase the share of their products sold through their platforms.

Offline Channel Strategy

- Increasing the ranges available in their channels and engaging customers to understand their requirements
- In their market channel, they plan to increase penetration by increasing counters where their brands are present and add sales promoters to high performing stores.
- They work at deepening their relationships with these and increasing their sales and expanding distribution in lower tier towns. As part of their strategy, they will continue to develop relationships with wholesale distributors by ramping up dealer and distributor networks.

- ***Strengthening the business through product innovation and new product launches***

The company seeks to design products that are of good quality, innovative and functional. They anticipate the introduction of new products, which can be connected to a device for remote monitoring of the patients. Nureca already has apps such as "**Dr. Trust Scale Connect App**" and "**Dr. Trust BP Connect App**" which enables user of their smart scales and BP machines to monitor and share their healthcare data with doctors, nutritionist and family members. Therefore, they intend to improve and invest in such apps, create new apps for their devices and add more value added applications to advise and improve lifestyle/health of their customers.

- ***Strengthening the business through effective branding, promotional and digital activities***

Nureca seeks to increase their brand awareness and build differential brand equity through above-the-line investments in television and outdoor media; marketing initiatives, new product lines and brand extensions. They also seek to increase their brand awareness through effective online marketing strategies by creating presence across multiple digital media, strong emphasis on search engine optimisation and messaging on digital advertisement media.

- **Retain and attract the best talent and develop a performance focused culture**

The key to company's success will be their ability to continue to maintain and grow a team of talented and experienced professionals. They intend to continue placing special emphasis on attracting, training and retaining their employees. They are successful in building a team of talented professionals and intended to continue placing emphasis on managing attrition and attracting and retaining motivated employees.

COMPETITION

Nureca compete with local and global companies operating in India. The market is extremely fragmented with over 50 players, most of them Indian, with mostly generic products, showcasing no significant competitive advantage in terms of innovation or differentiation. There are numerous other players in the market, like **Omron, Philips, Johnson and Johnson, Roche, Bayer** competing on technological advances, features and competitive pricing.

INDUSTRY OVERVIEW

The Home Health Market in India and neighbouring countries is pegged at ₹20,757 crore in 2019 and is expected to grow to ₹38,920.7 crore by 2025 at a CAGR 11.0%. The growth is driven by rising awareness of Health and wellness, increasing spending power, growing burden of chronic diseases, and the need for Healthcare stakeholders to reduce healthcare costs (*Source: Frost & Sullivan Report*).

About Nureca Limited

Nureca entered the India market 4 years ago, a time when the market was flooded with many products in the Home Health market – premium companies brought good products but with out-dated technology; smaller players, both local and Chinese, were bringing in generic and low-quality products – Nureca identified and targeted the opportunity to address the need for innovative products but with high quality at reasonable premium, and are showing a significant growth due to the impressive response from the market. The current addressable segments for Nureca in India and neighbouring countries are Chronic Disease Products, Mother and child care and Orthopedic products. They sell their innovative products through their brand portfolios – Dr Trust, Trumom and Dr Physio.

Currently, 95% of revenues for Nureca come through digital channels (e-Commerce). However, this poses an opportunity for Nureca to expand into the offline channel. This would provide significant impetus to their growth, and build their brand value as well. **To expand their business footprint, Nureca, in October 2019, joined hands with Croma - India's first omni-channel electronics retailer from the Tata Group, to emerge as the very first company to sell healthcare and wellness products through Croma stores. As part of this tie-up, Nureca will sell products from its Dr Trust and Dr Physio brands at 30 Croma stores across the country, and this would grow with the increasing adoption of the products.**

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