



**BUSINESS &
INNOVATION HUB**
#1 IN LATAM

PHARMA AND LIFE SCIENCES



Uruguay XXI

INVESTMENT, EXPORT AND COUNTRY
BRAND PROMOTION AGENCY

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Uruguay offers attractive opportunities

for life sciences companies

Uruguay offers a compelling proposition for companies operating in the life sciences sector, encompassing pharmaceuticals, medical devices, animal health, and biotechnology-based industries. The country is recognized for its stability, institutional robustness, high quality of life, access to a skilled workforce, and attractive tax incentives.

These key attributes establish Uruguay as a trusted and dependable choice, exemplified

by its successful history as a business hub for multinational and multi-Latin pharmaceutical companies. Many of these companies have chosen Uruguay as the location for their regional distribution centers, global service centers, and production facilities.

Remarkably, Uruguay, with its 3.5 million inhabitants, efficiently meets its domestic demand while maintaining a harmonious balance with the broader regional supply chain.



#1 in LATAM at:

- Democracy Index** (Economist Intelligence Unit, 2021)
- Rule of Law Index** (World Justice Project, 2021)
- Low corruption** (Transparency International, 2021)
- Social Mobility** (World Economic Forum, 2020)
- Civil Liberties** (Freedom House, 2021)
- E-Government Development Index** (United Nations, 2020)



LOGISTICS & DISTRIBUTION



COMMERCE & SERVICES



MANUFACTURING & INNOVATION

UNIQUE COMBINATION OF ATTRIBUTES

Stability, transparency and sustainability

#1 in LATAM

- Democracy & Rule of law
- ESG performance
- Quality of life

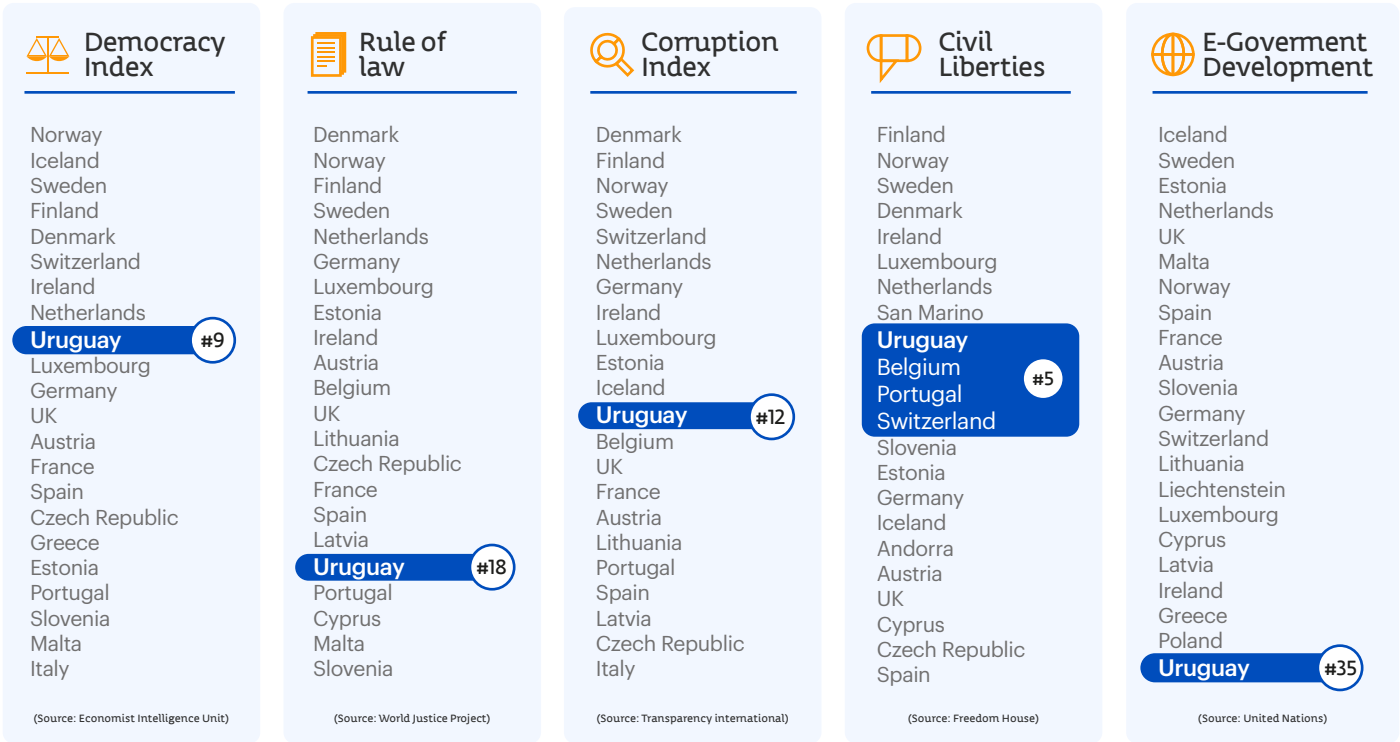
Certainties and Easiness for business

- Small and export - oriented country
- Outstanding tax incentives
- Government support

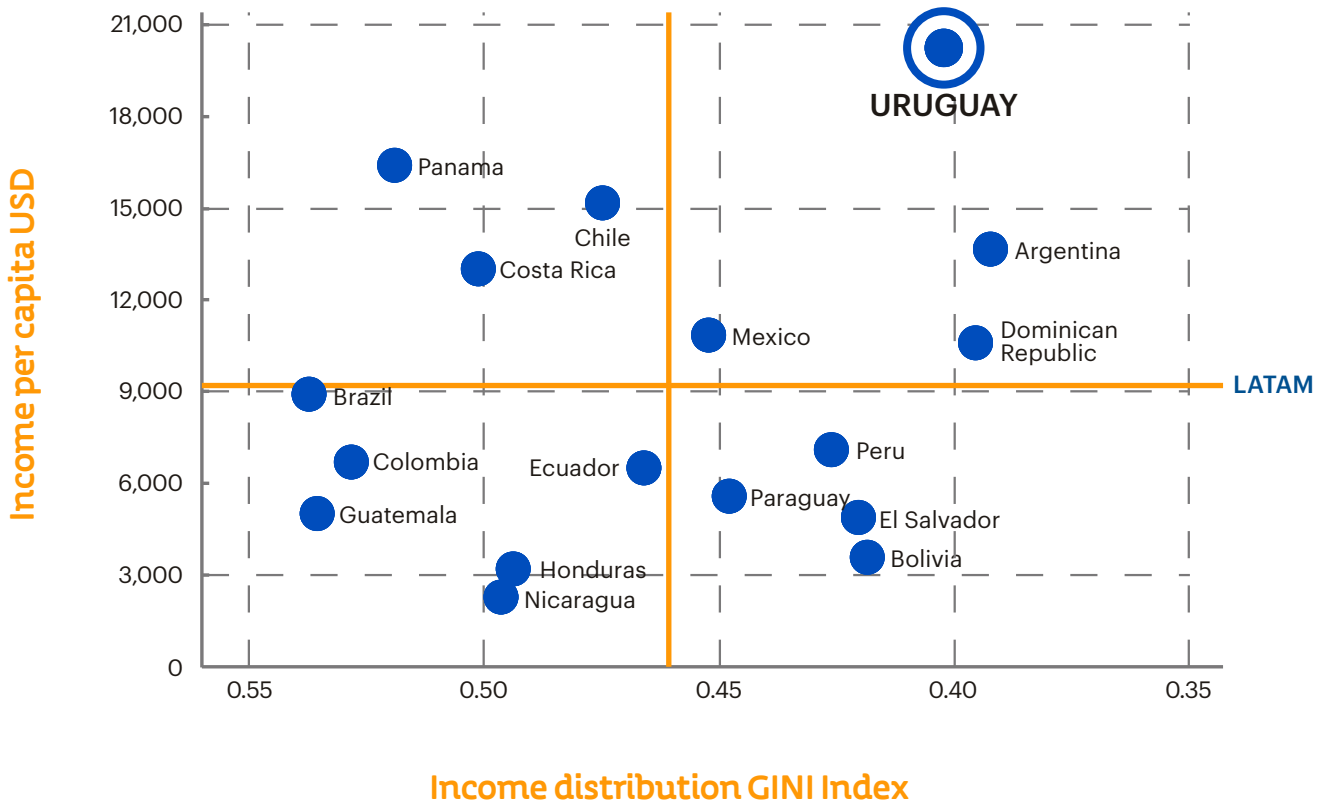
Track record as a pharmaceutical hub

- **+20** Regional Distribution & Services Centers
- **+30** manufacturing sites
- World class tech & cold chain infrastructure
- Support & innovation ecosystem

Uruguay VS Europe

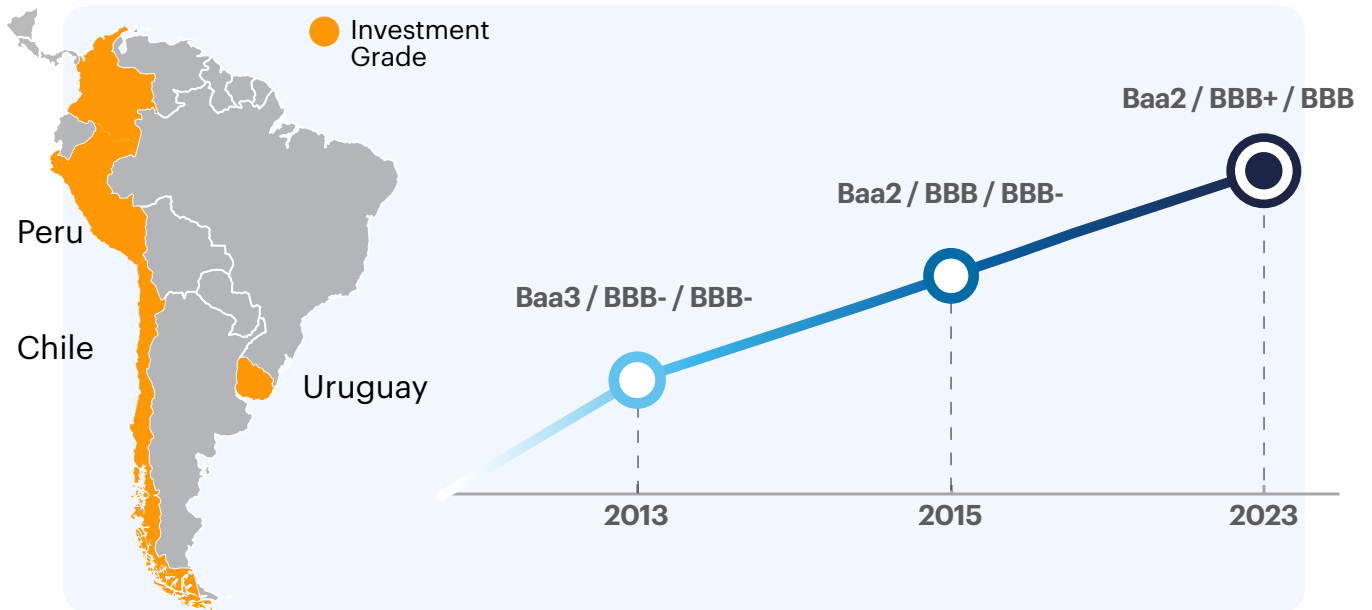


Inclusive Growth



Fuente: Data of WEO - FMI (Abril 2023) and CEPAL (2021).

Investment Grade



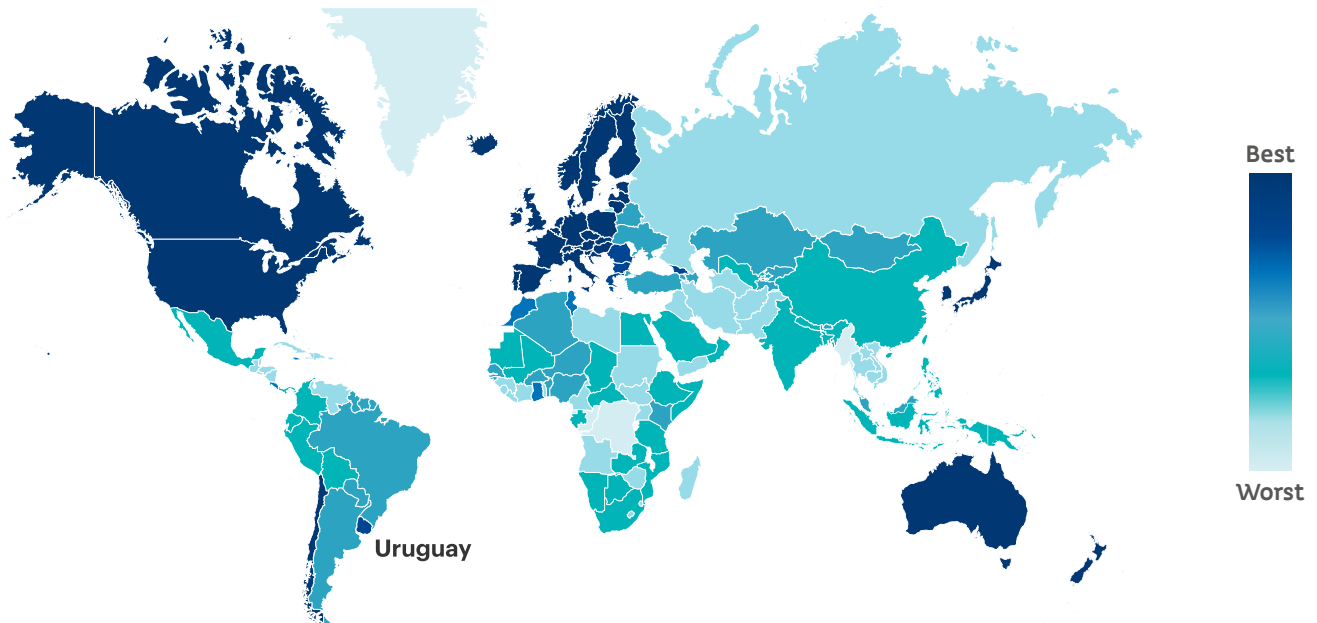
MOODY'S

STANDARD & POOR'S
The McGraw-Hill Companies

FitchRatings

Outstanding performance in ESG factors

Environment · Social · Governance



Source: Bluebay Asset Management - Verisk Maplecroft, 2019.

#1 Leader in telecommunication in LATAM



Internet penetration - fixed broadband
(International Telecommunication Union)

#1



% of homes connected by optical fiber

#1



Adoption of IT
(World Economic Forum)

#1



% of companies connected by optical fiber

#1



Digital Nations member
(World's leading digital governments)

#1



E-Government Development Index
(United Nations, 2022)

#1

#1 The best quality of life in Latin America



Live in Uruguay

liveinuruguay.uy



Health



Education



Commuting



Recreation

Montevideo



Digital
inclusion



Multilingual
talent



Ceibal

Only country in the world to
achieve **One laptop per child**
full implementation.

Source: ETI 2019, ECH 2018 - 2019

#1

in TOEFL in
South America

General
population

English
56%

Portuguese
30%

Technical
and university
students and
graduates

English
82%

Portuguese
43%

Business Opportunities

Uruguay presents a wide array of complementary services and investment prospects within the life sciences sector. From pioneering drug development initiatives to the most advanced services along the value chain, including regional distribution, back-office administration, and top-notch customer service, Uruguay has cultivated a dynamic cluster predominantly comprised of multinational and multi-Latin enterprises.

The country has fostered an environment conducive to success, drawing the presence of numerous multinational pharmaceutical and medical device companies. They have established a strong foothold in Uruguay, leveraging it as a pivotal trade and global services hub. This entails the establishment of regional distribution centers, trading facilities, and essential support services.

Furthermore, Uruguay has evolved into a production hub of significance, marked by the construction of state-of-the-art facilities and strategic acquisitions of local enterprises within both human and animal health sectors.

Additionally, Uruguay has gained recognition as a robust hub for research and development services. It is home to Contract Research Organizations (CROs), diagnostic ventures, and innovative startups that collectively contribute to the advancement of the life sciences sector.

This multifaceted landscape underscores Uruguay's commitment to fostering innovation and progress in the life sciences industry.

LIFE SCIENCES

TRADE & GLOBAL SERVICES



SUSTAINABLE PRODUCTION

REGIONAL DISTRIBUTION



HQ -SSC TRADING



DIAGNOSTICS CRO - R&D



MANUFACTURING





1 Trade and Global Services Hub

In addition to the overarching advantages that Uruguay offers, activities associated with the trade and global services platform enjoy specific, targeted benefits.

In 2022, 25 companies actively participated in the dynamic landscape of the pharmaceutical hub operations in Uruguay. Over the past three years, this number has steadily risen, marked by the inclusion of prominent multinational corporations such as AstraZeneca, Sanofi, and GSK. In 2022, the majority of these foreign multinationals collectively employed more than 1,400 individuals.

Uruguay presents promising growth prospects for companies opting to establish their operations within the country. It's a common trajectory for international firms initiating regional logistics operations in Uruguay to incorporate service-oriented activities as a key facet of their expansion strategy. Likewise, global enterprises primarily focused on the domestic market often integrate trade and service hub operations. Additionally, companies engaged in production activities tailored for the domestic market frequently leverage exports as a pivotal driver of their growth strategy.

1.1 Supply Chain Hub

Uruguay has a long track record in logistics and distribution activities for the region that have positioned it as a logistics hub of reference. In the country, the sector includes various operations carried out in free trade zones, ports and airports.

Pharma companies are the main players in this ecosystem, where they operate as captive distribution centers or through

specialized logistics operators. In addition to these, a series of providers complete the chain: carriers, freight forwarders, customs brokers, and specialized cold chain suppliers. These operations are carried out directly by international pharma companies or through third-party logistics operators (3PLs).

**Advantages of
having a regional
distribution
center in Uruguay**

Minimal inventory

Reducing delivery times

**Deferring import duties
& taxes payment**

**Lowering logistics risks, e.g
temperature excursions**

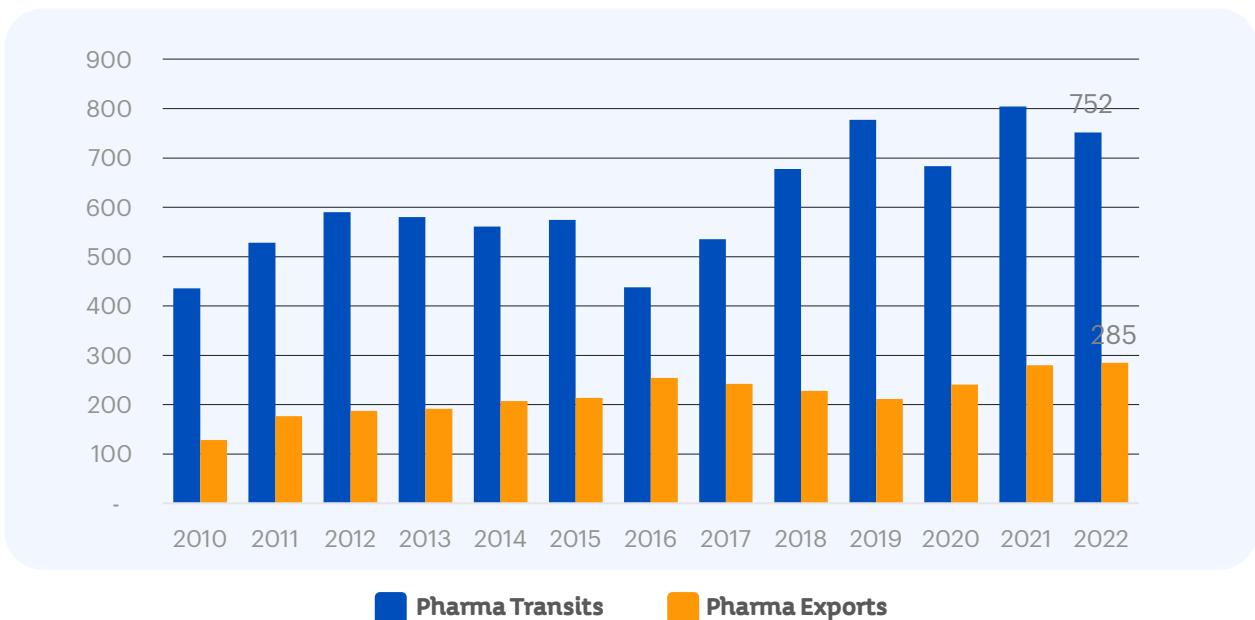
Over the past ten years, the pharmaceutical industry has charted an impressive course of growth, with exports nearly tripling in volume. This resilient business model has firmly established itself as a standout option for companies serving the sector throughout the region.

In 2022, pharmaceutical exports reached an impressive milestone, totaling USD 285 million (excluding medical equipment). This figure represented more than 2% of the country's overall exports. It's a testament to Uruguay's significance as a pivotal distribution hub within the industry.

Notably, in 2022, pharmaceutical transits reached a remarkable USD 752 million, nearly tripling the value of pharmaceutical sector exports. These pharmaceutical transits primarily originate from Europe and the United States, with their ultimate destinations being the large markets of Argentina and Brazil.

This remarkable growth underscores Uruguay's integral role in the pharmaceutical supply chain and its vital connection between global pharmaceutical sources and the thriving markets of South America.

TITLE Pharmaceuticals Exports and Transits 2010-2022 Mill US\$



Prepared by Uruguay XXI based on National Customs Authority (DNA).

1.2 Regional Distribution Centers & Providers

Free Zones



Free Airport

Logistics Operators



Forwarders



Cold chain



Packaging



Various business platforms and specialized service providers are available to cater to the establishment and growth of trade and service hub operations. Within this thriving ecosystem, a comprehensive range of business and support services is readily accessible,

tailored to the specific requirements of companies setting up operations in the country. These services cover the entire logistics chain, ensuring that businesses receive the specialized assistance they need.

1.3 Trading and Procurement

Consolidating trade and procurement operations in Uruguay, whether involving the transit of goods or not, offers a strategic advantage in optimizing tax expenditures related to the purchase and sale of

products. This holds true for both intra-firm trade and procurement activities, encompassing the supply of manufacturing facilities and other entities within the region.

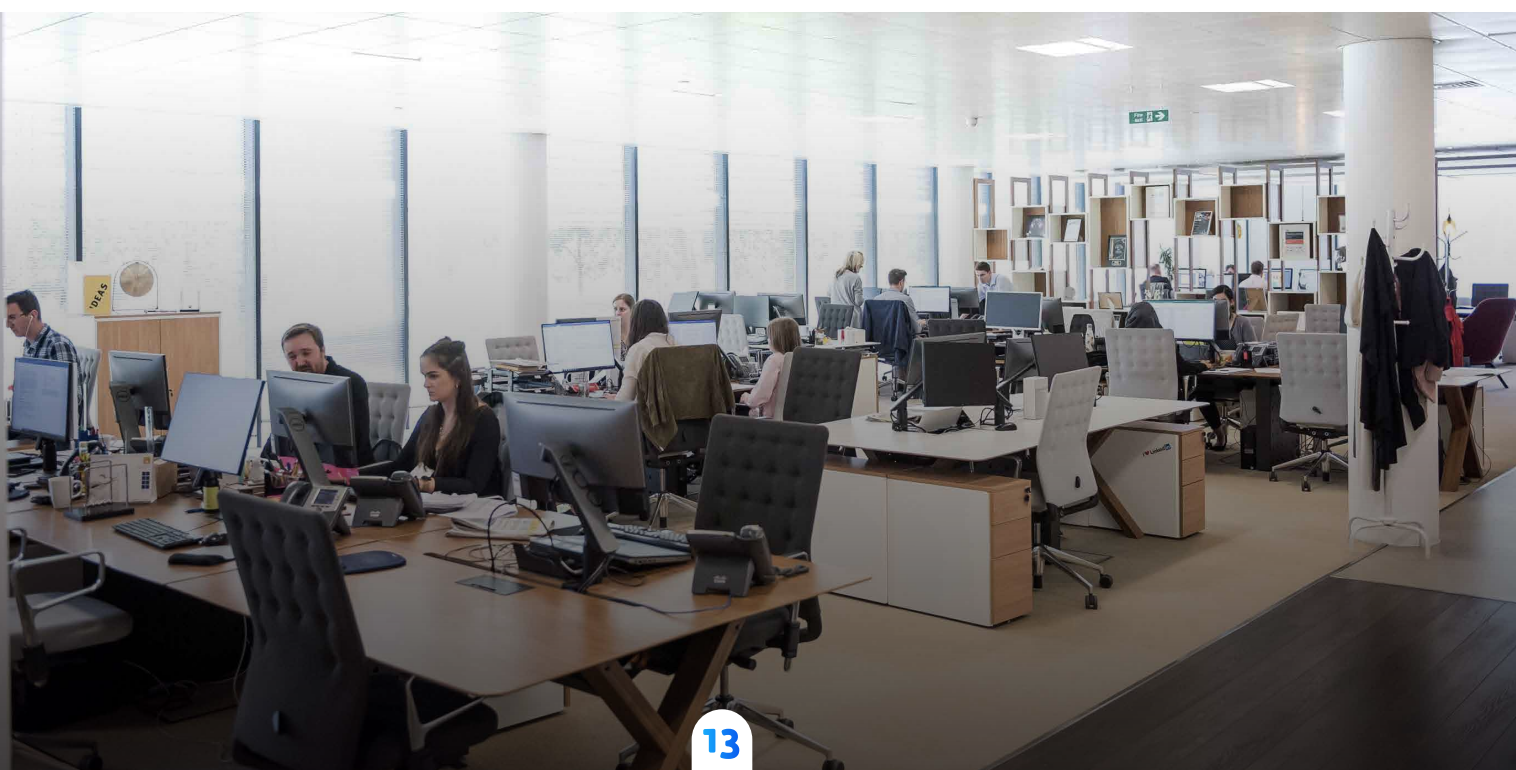
1.4 Headquarters & Shared Services Centers

Uruguay offers advantages for the development of business-related service activities and creates opportunities for establishing captive operations as regional headquarters or service centers (e.g., foreign trade, supply chain, finance and accounting, human resources, customer service, and research and analysis) to support regional and global business.

The country provides a reliable platform for the provision of high-quality services at competitive costs.

These are some of the reasons why multinational companies choose Uruguay to establish their service centers, improving their business processes and regional insertion.

In the pharmaceutical field in particular, several multinational companies with regional distribution centers in Uruguay have chosen to incorporate support and/or commercial service activities while others chose the country to locate their service centers alone.



Success Stories

AstraZeneca

In 2016, AstraZeneca implemented a strategic logistics operation in Latin America Cargo City for the distribution of finished products imported to Argentina and Brazil. The products transit through Uruguay after long-haul sea and air transport to be consolidated and shipped by truck to Buenos Aires and São Paulo. This project delivered important results (e.g., stable travel time, damage and temperature excursion reductions) for which the company was awarded a Distinction in Global Temperature Control and an honorable mention for Best Network Design Strategy at the 2017 LogiPharma Awards.

MERCK

Merck was established in Uruguay in 1996. The company develops logistics, trade and shared services centers led by regional and global managers. The operation has grown steadily, following Merck's development in Latin America, and currently employs 200 people working on all platforms. In terms of logistics, Merck packages and distributes biotechnology products manufactured in Europe, which are shipped to various countries in the region. In terms of business services (Merck Business Services LATAM), the company established a Shared Services Center that includes trade, procurement, M&A, supply chain and regulatory support activities for the region.

Roche

Roche established a Supply Chain Center in Uruguay that coordinates all logistics activities in Latin America by taking advantage of the free airport system of Latin America Cargo City (LACC). This center manages the entire supply chain from the manufacturing plants to all subsidiaries in the region, taking care of a wide range of activities such as order management, invoicing, and customer service. The center is divided into three different departments: Inter-company Operations, Supply Chain and Transportation. Each of them works in alignment with Roche's regional interests and requirements. Currently, 36 people are employed in hub-related positions.

Abbott

Abbott is a global healthcare company devoted to the discovery of new medicines, new technologies and new ways of managing healthcare. Its products range from nutritionals and laboratory diagnostics to medical devices and drug therapies. In 2015 the firm established its regional supply chain office in Uruguay, providing support to the Latin American region in finance, procurement, supply chain and distribution.

2 Manufacturing

Uruguay emerges as a highly appealing location for the establishment of manufacturing facilities geared toward servicing the broader region. These operations seamlessly integrate with regional distribution centers and the centralization of vital services.

A multitude of companies from various sectors choose Uruguay as their base for manufacturing, drawn by the benefits afforded by the temporary admissions regime for input imports. This strategic advantage is further amplified by an export tax rebate program, where pharmaceuticals, in particular, enjoy a 3% rebate.

2.1 Human Health

Within the pharmaceutical industry, the production of drugs for human use commands a significant share, accounting for nearly 80% of the total output.

As of 2022, approximately 40 companies were actively engaged in pharmaceutical manufacturing within the country. Among these, 22 were dedicated exporters, while the remainder exclusively served the domestic market.

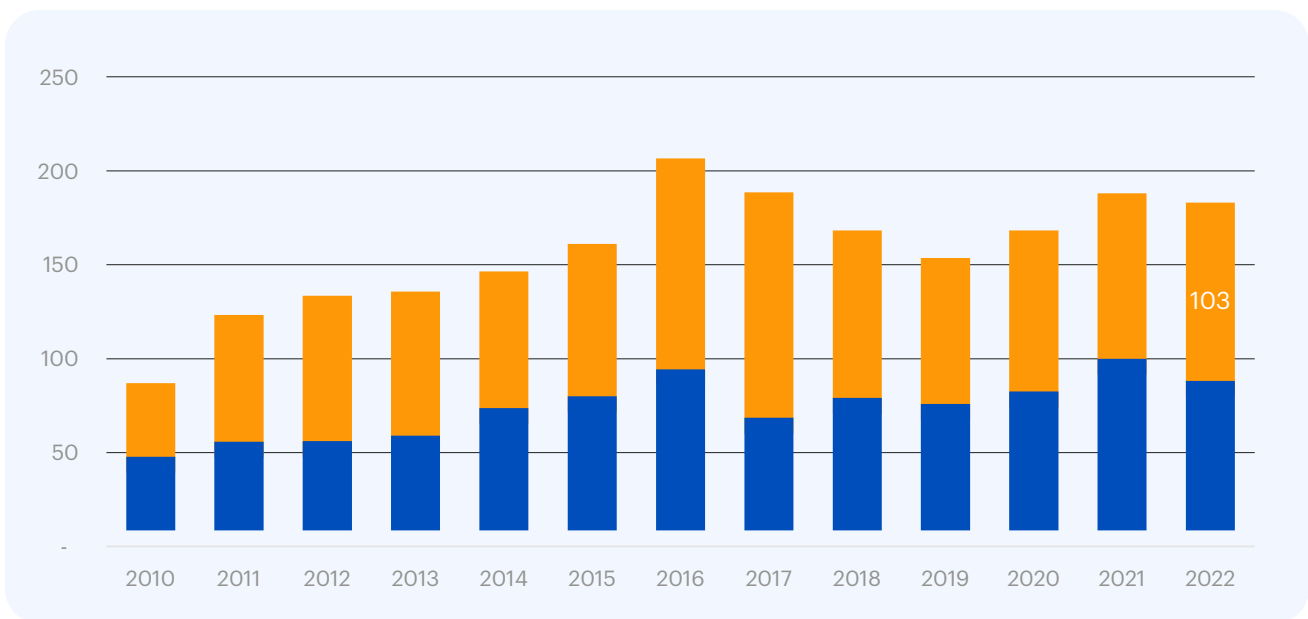
Uruguay's pharmaceutical exports for human use have witnessed notable growth, surging from USD 84 million in 2010 to USD 183 million in 2022, representing 2% of the country's total exports.

South America stands as the primary destination for these pharmaceutical exports.

Over the past three years, the number of exporting companies has been on the rise, notwithstanding the fact that nearly 90% of exports in 2020 were concentrated within the portfolios of just five companies.

The pharmaceutical sector is a significant employer in Uruguay, with nearly 4,000 individuals gainfully employed. Of this workforce, over 3,000 are engaged in roles within exporting companies, underscoring the sector's substantial contribution to the nation's employment landscape.

Pharmaceutical Exports – Human Use (Millions US\$)



■ Exports from customs territory ■ Exports from Free Trade Zones



Megalabs is a pharmaceutical company with 17 plants and six R&D centers in Latin America. In 2011, the company began the process of establishing its campus in the Parque de las Ciencias free trade zone, which consists of a pharmaceutical plant, a development center that carries out R&D projects for the entire region, a quality control sector and a corporate center from where the administrative, financial and technology tasks related to the company's operations throughout Latin America are conducted. These facilities allow Megalabs to continue its consolidation and expansion with an almost unlimited growth capacity and under a stable and reliable legal system.

In Uruguay, Megalabs also expanded its presence through the acquisition of local laboratories such as Celsius, Spedar, Iclos and Haymann. All of them develop manufacturing activities focused not only on the domestic market but also on the regional one.



Virbac Uruguay (until 2010, Laboratorio Santa Elena S.A.) has as its main activity in the country the manufacture, distribution, and export of animal health products. In addition to a production plant, Virbac Uruguay has a research and development center for biological products (vaccines).



Eriochem is a pharmaceutical company dedicated to the synthesis of active pharmaceutical ingredients and the production of liquid and lyophilized injectables. The company was created in Argentina and eventually expanded to produce cancer drugs for Latin America, Asia Pacific, Europe, and North America, including the United States.

In Uruguay, Eriochem performs secondary packaging and analysis of cancer pharmaceuticals for export to several countries. The company has a prefilled syringe plant in the Parque de las Ciencias free trade zone, as well as its administrative and operational offices for the region.



MSD – Prondil S.A. is a biotechnological laboratory specialized in the development and production of vaccines for veterinary use. With a clear export profile (its products are marketed in more than 20 countries in Latin America, Africa, Europe, and the Middle East), Prondil has adopted the most relevant and demanding international standards in the field of biologics (U.S. CFR, Ph. Eur., OIE, WHO and Mercosur's GMPs). Its production plant, located in Montevideo, has state-of-the-art equipment and facilities that guarantee biosafety and environmental care.

1.2 Animal health

In Uruguay, the veterinary pharmaceutical sector predominantly focuses on the manufacturing and distribution of versatile - broad spectrum treatments- products designed for a wide range of applications. These products play a crucial role in serving both the companion animal market and the vital livestock industry, cornerstone of the country's primary production sectors. This includes livestock such as cattle, horses, and sheep, base of the meat and wool industries. Uruguay's animal health industry is primarily driven by 37 companies. These companies encompass a wide spectrum of offerings, ranging from medicines and vaccines to serums and proteins, all tailored for animal use.

As of 2022, this segment provided employment to approximately 1,330 individuals. Notably, only two companies boasted a workforce exceeding 100 employees, with the majority employing between 10 and 30 individuals.

In the same year, 22 companies actively contributed to exports, amounting to a total of USD 102 million. Furthermore, veterinary pharmaceuticals from Uruguay reached over 50 international markets. Over half of these exports found their way to South America, with Brazil, Paraguay, and Argentina serving as the primary destinations.

3 R&D services

Uruguay boasts a well-established innovation ecosystem characterized by globally recognized research groups and a mature technology industry that's dedicated to crafting high-value solutions for global markets.

To bolster production-related activities in the pharmaceutical sector, a dynamic innovation support ecosystem is in place. This ecosystem actively promotes the introduction of new product lines and the execution of innovation projects through partnerships between companies and research groups. These activities span various domains, including biotechnology, diagnostics, clinical research, medical equipment, additives, and are further enriched by the involvement of startups and research collectives that actively contribute to research and development endeavors.

Within this thriving landscape, over 145 dedicated research and development groups have assembled, uniting over 1,000 highly skilled researchers who possess the expertise needed to design processes and products conforming to international quality control standards.

Furthermore, a dynamic biotechnology-based ecosystem plays a pivotal role in advancing innovation, fostering collaborations between enterprises and research entities. This ecosystem has paved the way for the establishment of more than 20 biotechnology-based startups, with a predominant focus on enhancing human health.

Technology Parks & Free Zones



Supporting Institutions



Education Institutions



Research Centers



The country also has a wide network of research institutions and incubators with state-of-the-art technology platforms, as well as qualified human resources at competitive costs.

These organizations include the Institut Pasteur of Montevideo, (IPMon), the Pando Science and Technology Park (PCTP), the

Institute for Biological Research Clemente Estable (IIBCE), the Biomedical Research Center (CEINBIO), the Uruguayan Molecular Imaging Center (CUDIM), the Technological Laboratory of Uruguay (LATU), the Institute of Hygiene and the Research and Innovation Biotechnological Center (CBI+I).

Health & Medicine

ARAVAN LABS

ARDAN
PHARMA

ATGen

biko

ESTERIN

DNAzyme

eolo
PHARMA

FUTURE
BIOME

genlives

Laboratorio
Genotipos
mejores diagnósticos,
mejores decisiones

metaBIX
BIOTECH

NANÜGROW

pills&care

RADBIO

zurgen
LABORATORIO

Cosmetics

Veterinary

Cannabis

CRYOSMETICS®

BentenBiotech

SIQUIMIA

Biolube

GeneXa

germinar

terovet

xeptiva
therapeutics

Available R&D Capabilities

Special regime for entry and exit of biological samples (Decree 392/2011). Digitalized process through the Single Window for Foreign Trade (<https://vuce.gub.uy/mbio2>).

Biopharmaceutical quality control platform (Pasteur Institute of Montevideo - IPMont).

Quality control and chemical characterization laboratories for small molecule drug discovery (UdelaR). Pilot plant for research of GMP-certified batches of small molecule drugs (UdelaR).

Tissue and animal culture platforms for the research of new drugs for cancer, cardiovascular and neurological diseases, among others (IPMont complemented with laboratories of the University of the Republic [UdelaR] and the Clemente Estable Institute of Biological Research [IIBCE]).

Bioinformatics capabilities for both molecular modeling and genomic and metagenomic analysis (UdelaR, IPMont, IIBCE).

Extensive capacity and experience in the development of diagnostic tools (IPMont, UdelaR, IIBCE) and companies producing diagnostic solutions.

Production of recombinant proteins for animal health at different scales (UdelaR, IPMont and private companies).

Vaccine distribution capabilities for the region. GSK uses Uruguay as a hub for the distribution of human vaccines to Argentina, Brazil, Chile, Paraguay, and Uruguay.

A unique nationwide integrated health system combining public and private sectors, ideal for clinical research studies.

Research Lab Biological Safety - P3

Coworking spaces and incubators for the installation and development of startups.

Success Stories



Integer®

Integer Montevideo (formerly CCC Medical Devices) is engaged in the design, development, and manufacture of implantable medical devices to serve primarily the U.S. market. The company currently employs 295 people, 86 of whom are engineers (electrical, software, mechanical and chemical) involved in research and development activities.

In Uruguay, the company has been operating since the 1970s with the production of pacemakers. Until 2014, CCC focused entirely on the development of special electronic and software engineering projects, including prototype

design and development of implantable and non-implantable devices, as well as manufacturing for its customers. In August 2014, CCC was acquired by Greatbatch™, a medical device outsource company supplying components for implantable devices. In 2016, Greatbatch acquired Lake Region Medical™ and rebranded to Integer™.

With the merger of CCC and Lake Region Medical, Integer expanded its capabilities from components to fully integrated systems to better meet the needs of original equipment manufacturers (OEMs).



TRIO

Translational Research In Oncology (TRIO) is a clinical research organization specializing in global oncology trials. The company combines the strengths of an international group of researchers, experienced clinical research professionals and expert laboratory scientists to guide the development of innovative and biologically sound therapies.

Based in Edmonton (Canada), in 2009 TRIO established a regional office in World Trade Center Montevideo (Uruguay), from which the company carries out activities related to the operational development of cancer clinical trials, from inception to data validation. TRIO currently employs 22 scientists with strong backgrounds in oncology, biochemistry, biotechnology, and bioinformatics, among others.



ATGen

ATGen is a leading biotechnology company in Uruguay. It was founded in 2001 as the first spin-off of the Faculty of Science (University of the Republic) with strong links to the national and international academic system, as well as to public and private R&D institutions.

ATGen covers a 700 m² area, including a 330 m² manufacturing area designed with a Biosafety Level 2. Its facilities are cGMP and ISO 13485 certified for the manufacture of recombinant subunit vaccine antigens and in vitro diagnostics for human and veterinary use with the approval of the Ministry of Public Health and the Ministry of Livestock, Agriculture and Fisheries of Uruguay.



DECISION PROCESS



LANDING



AFTERCARE

- CUSTOMIZED INFORMATION AND ASSESSMENT
- AGENDA PREPARATION
- INTRODUCTION TO PUBLIC AND PRIVATE ACTORS
- RECRUITMENT AND TALENT DEVELOPMENT
- POLICY ADVOCACY
- CLUSTER DEVELOPMENT
- ACCESS TO INVESTMENT PROMOTION TOOLS

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