

Duopharma Biotech Berhad

Investor Relation Briefing

25 February 2022



Smarter Solutions. Healthier Life.



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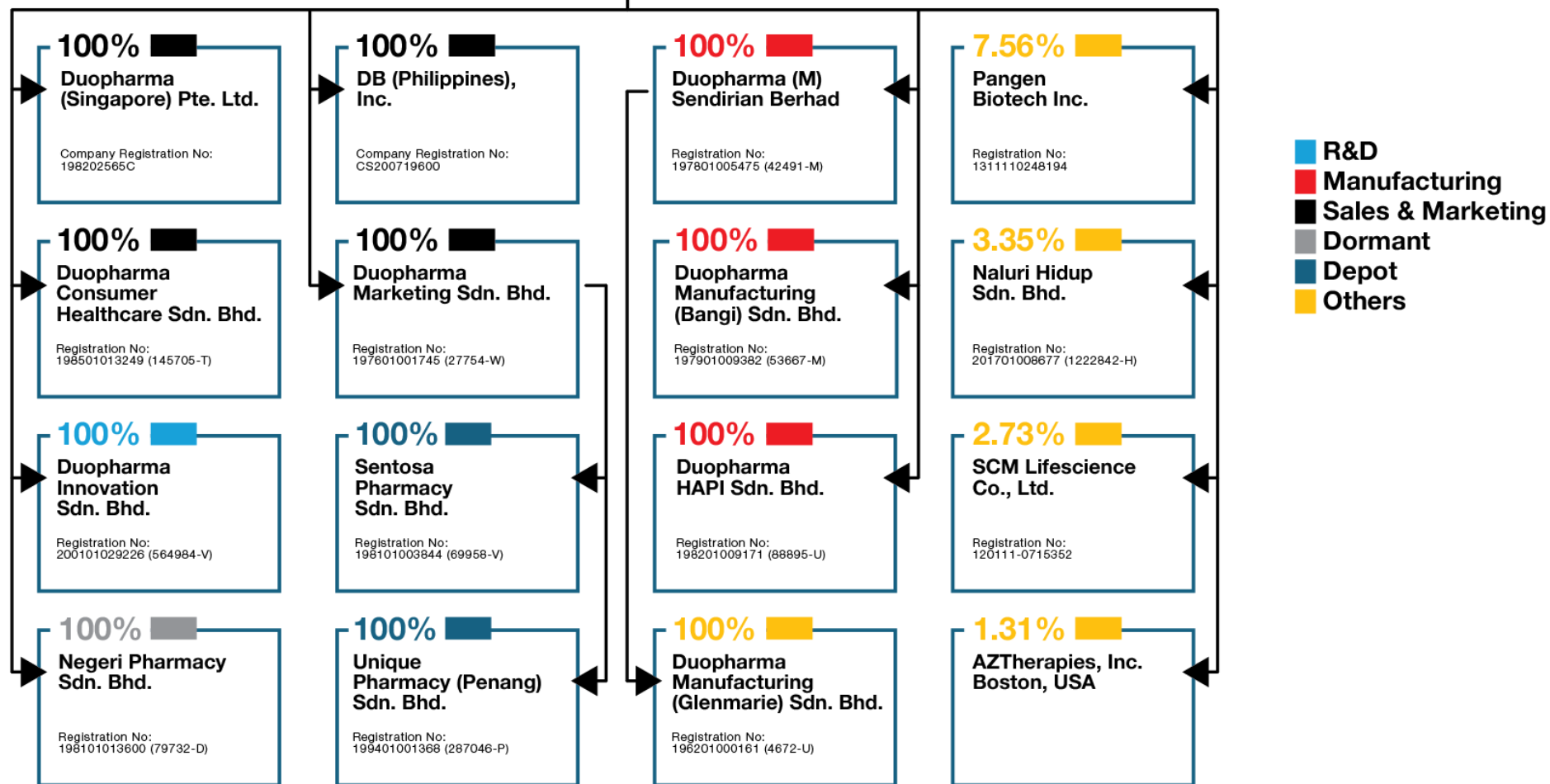
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Corporate Structure

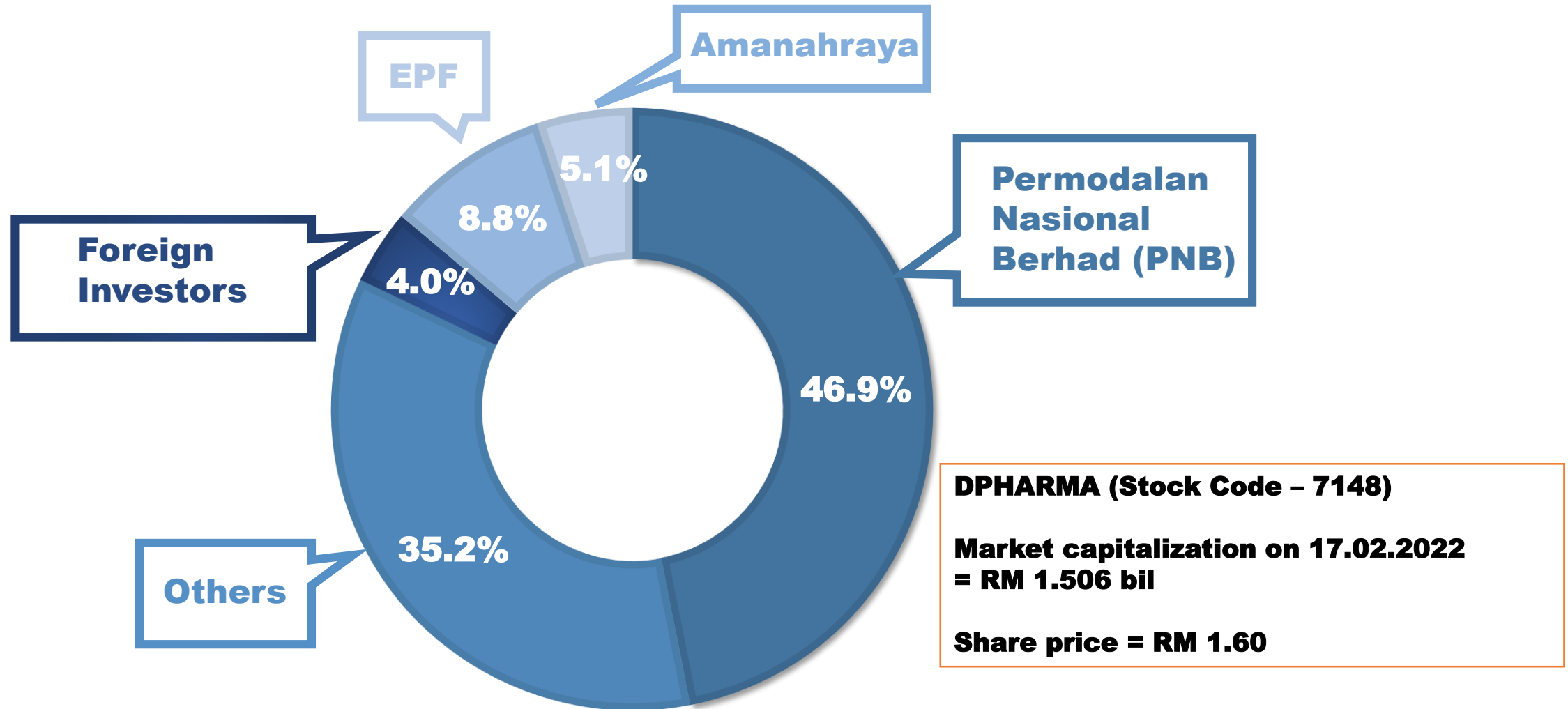


Duopharma Biotech Berhad

Registration No: 200001021664 (524271-W)



Duopharma Biotech's Equity Structure



DATE: AS AT 31 JANUARY 2022

Board of Directors



**Tan Sri Datin Paduka Siti
Sa'diah Binti Sh Bakir**
Non-Independent,
Non-Executive Chairman



**Leonard Ariff Bin Abdul
Shatar**
Group Managing Director,
Executive Director



**Dato' Mohamad
Kamarudin Bin Hassan**
Senior Independent,
Non-Executive Director



**Razalee
Bin Amin**
Independent,
Non-Executive Director



**Zaiton
Binti Jamaluddin**
Independent,
Non-Executive Director



**Dato' Eisah Binti
A. Rahman**
Independent,
Non-Executive Director



**Datuk Nik Moustpha Bin
Hj Nik Hassan**
Independent,
Non-Executive Director



**Datuk Mohd Radzif Bin
Mohd Yunus**
Non-Independent,
Non-Executive Director

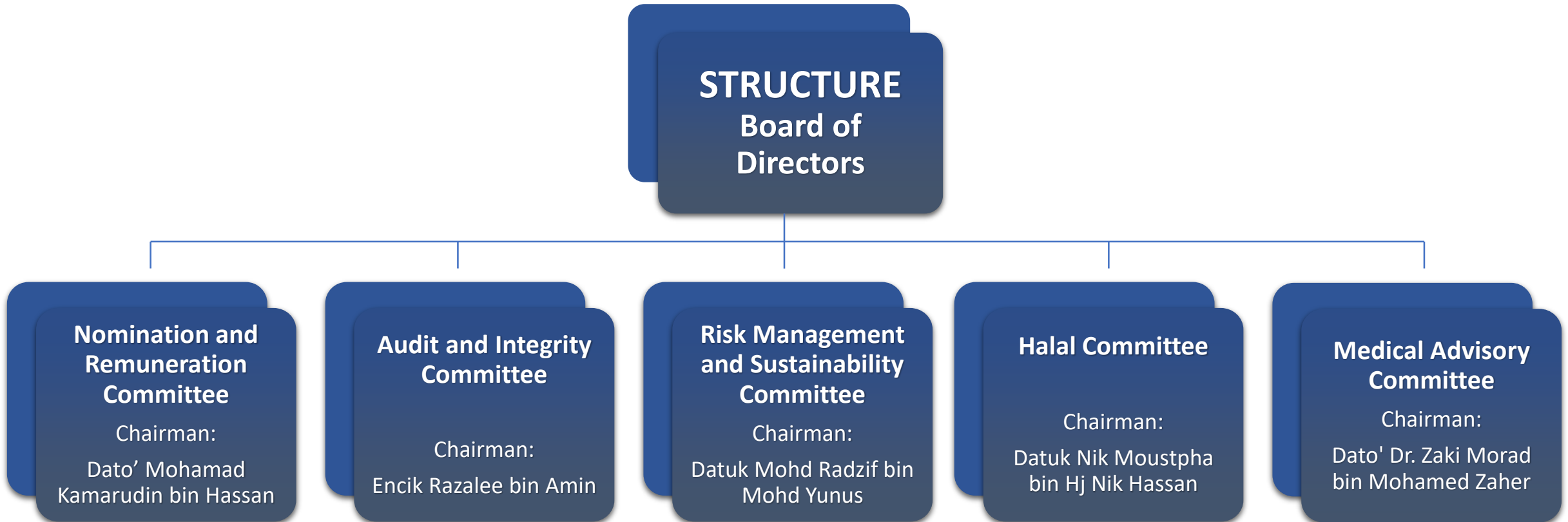


**Dato' Dr. Zaki Morad Bin
Mohamad Zaher**
Independent,
Non-Executive Director



**Amizar
Binti Mizuar**
Non-Independent,
Non-Executive Director

Board of Directors



Group Management Committee



Leonard Ariff Bin Abdul Shatar

Group Managing Director,
Executive Director



Anita Binti Esa

Head, Group Risk Management,
Duopharma Biotech Berhad



Rama Sockalingam Nagappan

Head, Group Internal Audit &
Integrity, Duopharma
Biotech Berhad



Wan Amir-Jeffery Bin Wan Abdul Majid

Chief Operating Officer/Chief
Commercial Officer,
Duopharma Biotech Berhad



Chek Wu Kong

Chief Financial Officer,
Duopharma Biotech Berhad



Ng Su Yee

Chief Technical Officer, Duopharma
Biotech Berhad



Krisnakumara -Reddi

Chief Manufacturing Officer,
Duopharma Biotech Berhad



Ibrahim Hussin Salleh

Chief Legal Officer and Group
Company Secretary,
Duopharma Biotech Berhad



Shamsul Idham Bin A.lahad

Chief Executive Officer, Duopharma
Consumer
Healthcare Sdn. Bhd.

Financial Highlights

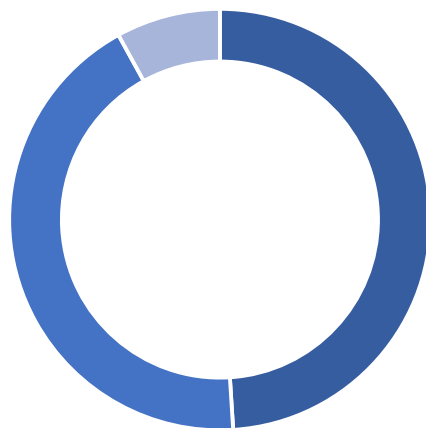


Financial Highlights (cont'd)

(in RM' million)	2018	2019	2020	2021
Non-current assets	469.0	502.6	598.7	670.3
Current assets	367.3	417.2	460.3	493.2
Equities	481.0	529.8	643.8	624.0
Liabilities	355.3	390.1	415.3	539.5
Net gearing	0.30x	0.27x	0.22x	0.43x
Return on Equity	9.9%	10.4%	9.1%	10.5%

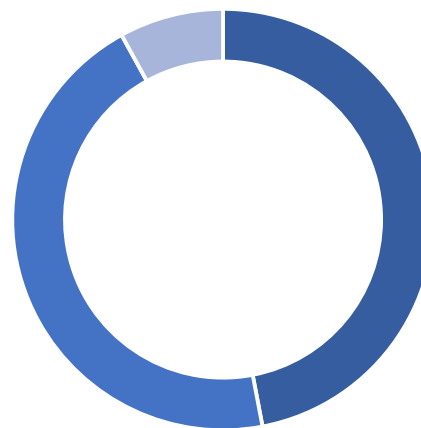
Financial Highlights – Segmental Sales

FY 2019 Revenue : RM 576.46 mil



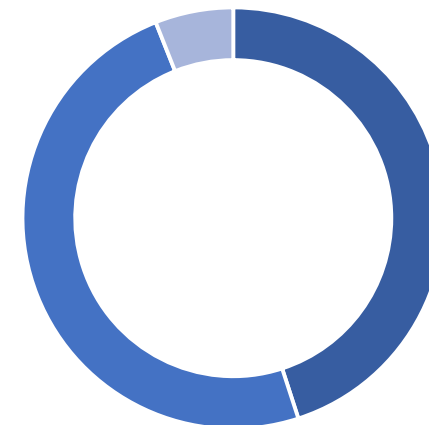
- **Public Sector 49%**
- **Local (Private Sector) 43%**
- **Export 8%**

FY 2020 Revenue : RM 569.90 mil



- **Public Sector 47%**
- **Local (Private Sector) 45%**
- **Export 8%**

FY 2021 Revenue : RM 639.18 mil



- **Public Sector 45%**
- **Local (Private Sector) 49%**
- **Export 6%**

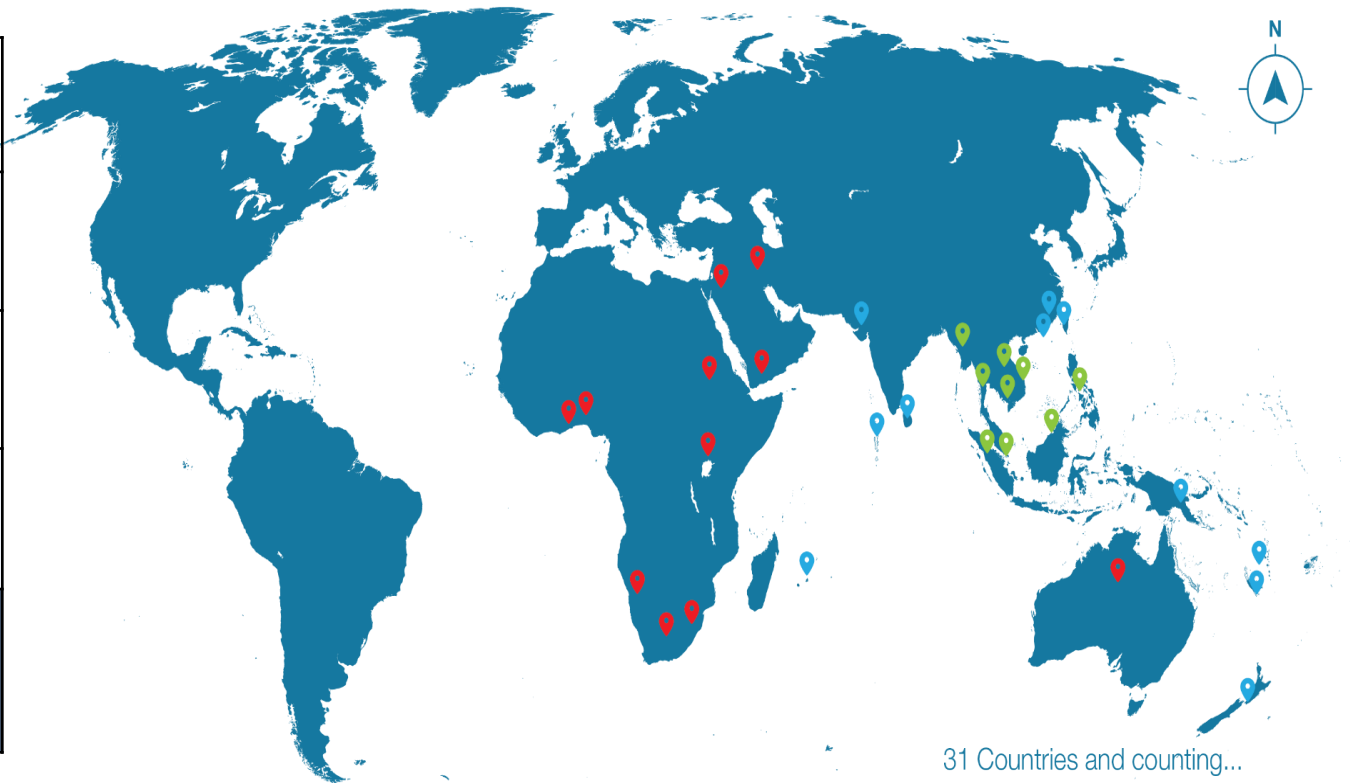
Note:

Duopharma Biotech's top export markets for Financial Year Ended 2021 (% based on export revenue):

- 1.Singapore - 29.0%
- 2.Philippines - 20.0%
- 3.Middle East - 11.7%

Market Presence (International)

Year	ASEAN	Asia Pacific	Rest of World	Total RM'mil
FY 2018	28.6	4.5	7.9	41.0
FY 2019	33.5	4.0	8.4	45.9
FY 2020	33.0	3.4	8.1	44.5
FY 2021	26.9	3.2	10.7	40.8



9 Countries in ASEAN

11 Countries in Asia Pacific

11 Countries in Rest of the World

- On 24 May 2021, Duopharma has completed the Dividend Reinvestment Plan (“DRP”) exercise applicable to the Second Interim Dividend of 6.0 sen per share for financial year ended 31 December 2020.

The payment date was on 21 May 2021 and the New Shares were listed on Bursa Securities on 24 May 2021.

- On 3 May 2021, the Board of Directors had resolved to approve the proposed issuance by the Company of up to 235,443,397 new ordinary shares in Duopharma Biotech Berhad (“Duopharma Shares”) (“Bonus Shares”) on the basis of 1 Bonus Share for every 3 existing Duopharma Shares (“Proposed Bonus Issue”). The Proposed Bonus Issue was approved in a fully virtual Meeting of Members (“MOM”) held on 13 August 2021.

The Bonus Issue has been completed on 8 September 2021 following the listing of and quotation for 234,435,495 Bonus Shares on the Main Market of Bursa Securities.

- On 15 September 2021, Duopharma paid an interim dividend of 0.5 sen per share equivalent to RM 3.53 million in respect of financial year ended 31 December 2021.
- On 15 February 2022, Duopharma declared a second interim dividend of 1.8 sen equivalent to RM 16.95 million for the financial year ended 31 December 2021, where DRP would be applied to this dividend.

Investment in SCM Lifescience

- Acquisition of 5.8% stake in SCM Lifescience, a Korean stem cell firm for KRW 5.5 billion (USD 4.6 million) via Share Subscription Agreement dated 25 October 2018, equivalent to 546,720 shares with an average cost of KRW 10,060 per share.
- In line with our strategy to diversify into biotherapeutics and high-value niche products.
- Technology is applicable in Malaysia.
- Opportunity to have an early stage entry, before it becomes costly later on.
- As Korea recognises biotech technologies, Duopharma Biotech may be able to monetise the technologies.
- Regulation on stem cell in Malaysia to start in 2021; timely to acquire stake in SCM.
- SCM has acquired a 51% stake in Colmmune, an entity with an immuno-oncology global cell therapy cGMP facility, in the United States.
- SCM was listed on KOSDAQ on 17 June 2020. Following the listing, the Company has sold a total of 218,688 shares via on-market trading on KOSDAQ at a total aggregated net selling price of KRW 6,993,577,013 (USD 5.9 million), which averaged out to KRW 31,980 per share.
- Moratorium on the strategic portion of 2.73% of common shares has expired on 25 October 2021.

Investment in Naluri Hidup Sdn Bhd



- As of FY 2021, Duopharma has invested a total of USD 750,000 (USD 250,000 in 2020 via Simple Agreement for Future Equity (“SAFE”) and USD 500,000 in 2021 via Series A funding) in Naluri Hidup, a local pioneer in digital therapeutics.
- Naluri has developed a proprietary application platform called “Naluri App”.
- The “Naluri App” is a digital health platform with a high emphasis on mental healthcare and combines behavioural science, data science, as well as digital design, to offer a holistic health management programme for users.
- The programme is targeted to improve the health of those with risks of chronic conditions such as diabetes, heart diseases, cancer and mental health.
- This allows Duopharma Biotech to not only focus on therapeutics but also behavioral modification to ensure continued wellness for patients.
- Duopharma Biotech is confident that Naluri's concept and platform will be seamlessly integrated into our Specialty and Consumer Healthcare businesses and help to offer premium health packages for our customers.

Investment in AZTherapies Inc.



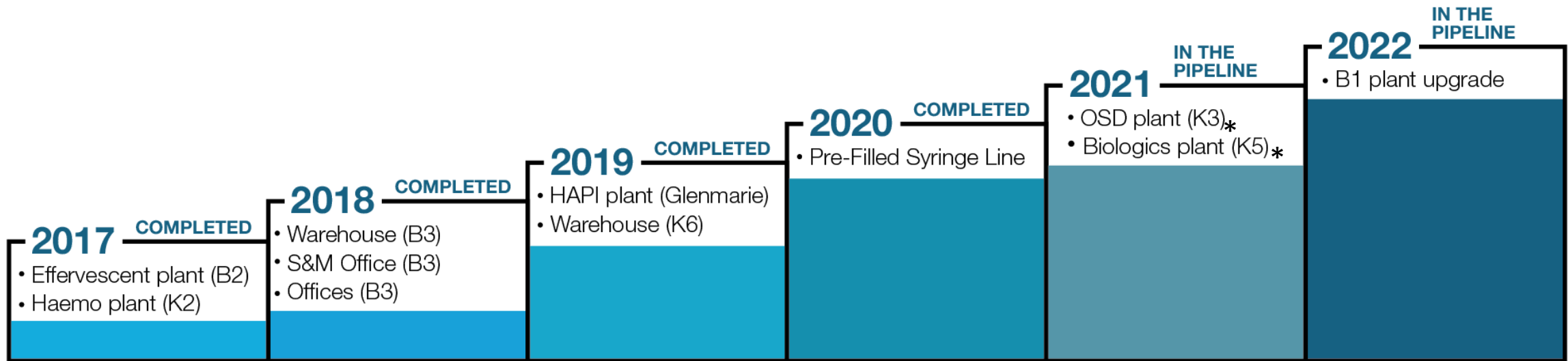
- Acquisition of 740,742 Preferred Stock amounting to USD 5,000,008.50 in AZTherapies Inc (AZT), a private, late-stage clinical biopharmaceutical company based in Boston, USA focusing on treatment of neurodegenerative diseases on 31st July 2020.
- Provides Duopharma low-cost entry to access marketing and manufacturing rights of a novel product for Alzheimer's Disease.
- AZT has completed Phase III trial in December 2020 as planned; and has achieved the endpoints for safety.
- Further studies in Mouse Model is currently on-going. AZT expects to commence discussions with FDA for fast track approval of its product in the next 12 months.
- The company is financially healthy . To further fund the development of its lead product and pipeline products, there is possibility of fundraising round in Q2 2022. However, Duopharma does not have plan to participate in the fund raising exercise.

Manufacturing Strategy 2016 and beyond



Above RM300mil

Estimated capex being spent for the period of 2016 to 2022



*Constructions of K3 and K5 are impacted by pandemic / Movement Control Order implemented by government during the year.

Four-Pronged Strategy



Opportunities



- The Malaysian Government has committed to place focus in growing the strategic and key industries including pharmaceutical industry in its recently announced 12th Malaysia Plan 2021-2025.
- Increase in allocation for healthcare sector in Budget 2022. RM32.4 billion was allocated for the healthcare sector in 2022 compared with RM31.9 billion in 2020.
- Extension of Contract Period of the Supply Agreements for the supply of pharmaceutical and/or non-pharmaceutical products to hospitals, clinics and others under the Government of Malaysia for twenty (12) months, until 31 December 2022.
- The Malaysia Government had accepted the tender offer from Duopharma to supply Insugen-Insulin Recombinant Human Formulations under the Ministry of Health's procurement for a period of three (3) years commencing from 17 December 2021 until 16 December 2024 with a total contract value of RM375 million. This represents approximately a 50% increase from current annual supply

To date, Duopharma and the Malaysia Government are still in the midst of clarifying certain terms of the proposed supply of the products under the letter of award.

- Potential savings of RM10 million upon completion of qualifying assets including K3 by FY2024.



Opportunities (cont'd)



- Commercialization of high value product in niche therapeutic areas such as oncology and bio-therapeutics:
 - 1) Launched Erysaa, an erythropoietin (EPO) biosimilar since April 2019 and awarded a 3-years tender worth RM 37.72 million to supply EPO to the Government of Malaysia.
 - 2) Trastuzumab (Zuhera), an oncology product has been approved.
- HAPI facility is in full operational mode with the manufacturing and supply of our first product, Lebreta.
- We are in the midst of technology transfer of a second product in our HAPI plant. Trial batches have been performed in October 2021 and in the midst of discussion with partner on the results and process optimisation.
- Enhanced demand for immune boosting CHC products e.g. : Flavettes Effervescent and other range of vitamin products.
- On 16 July 2021, Duopharma has been granted the conditional registration for emergency use by the DCA for the COVIL0 Suspension for Injection COVID-19 Vaccine (Vero Cell), Inactivated ("Covid-19 Sinopharm Vaccine") developed by China National Biotec Group Company Limited ("Sinopharm CNBG"). The Covid-19 Sinopharm Vaccine is now widely available at clinics and private hospitals nationwide facilitating appointments and walk-in demand.

However, the Ministry of Health Malaysia ("MoH") has on 13 January 2022 announced the Ceiling Price for Covid-19 Sinopharm Vaccine. The Group is in further discussion with the relevant authorities with regards to the implementation of ceiling price.



Challenges



- Resurgence of Covid 19 pandemic:
 - created huge uncertainties on economy
 - led to global recession
 - impacted demand / consumption in private sector as patients reluctant to visit clinic / hospital
 - potential supply chain disruption as countries closed their borders, impacting deliveries of API
 - escalation of API price and freight cost
- Fluctuating FOREX impacting production costs.
- Increasing cGMP requirements.
- Differences in regional regulations impacting growth of international businesses.
- Expanding product portfolios (prohibitive BE and clinical costs).
- Implementation of Ceiling Price on Sinopharm Vaccine



Accreditations and Awards



- Inclusion in the FTSE Mid 70 Index
- Inclusion in the FTSE4Good Index with ESG Score increased from 2.9 to 3.2
- Excellence Awards (Silver award under less than RM2 billion in market capitalisation category) from National Annual Corporate Report Awards (NACRA)
- Notable Achievement in Environmental Performance at the Prime Minister's Hibiscus Award 2020
- ISO 37001:2016, Anti-Bribery management Systems by SIRIM QAS International Sdn Bhd
- Most Preferred Graduate Employers to Work For (Malaysia's Most Authoritative Campus Employer Branding Award)
- Finalists of the PwC Building Trust Awards 2021
(Link: <http://www.theedgemarkets.com/article/building-trust-awards-rewarding-organisations-building-culture-trust>)

Accreditations and Awards

- **ASEAN Risk Awards 2021 - Winner for Risk Champion (Category 2) & Runner-up (Category Risk Innovation) by Enterprise Risk Management Academy**
(Link: <https://www.aseanriskawards.com/winners-announcement/>)
- **Achievements in Sustainable Business Awards Malaysia – Large Organisation Category:**
 - Overall Winner for the outstanding and comprehensive efforts in corporate sustainability
 - Winner for Business Ethics & Responsibility, Stakeholder Management, UN Sustainable Development Goals
 - Significant Achievement in Water Management, Waste Productivity and Materiality(Link: <https://themalaysianreserve.com/2021/09/24/artmatrix-duopharma-winners-at-sba-2020-2021/>)
- **Anugerah Jihad Bisnes by Dewan Perniagaan Islam Malaysia**
(Link: <https://www.facebook.com/pg/DPIMHQ/posts/>)
- **Sustainability Performance Awards (Corporate Category) 2021 by United Nations Global Compact Network Malaysia and Brunei (UNGCMYB)**
(Link: <https://www.facebook.com/ungcmy.org/photos/a.108034247313686/636764191107353/?type=3&theater>)

THANK YOU

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