



Smarter Solutions. Healthier Life.

Investor Relation Briefing

5 September 2022



Disclaimer



This presentation may contain forward-looking statements by **Duopharma Biotech Berhad** that reflect management's current expectations, beliefs, intentions or strategies regarding the future and assumptions in light of currently available information. These statements are based on various assumptions and made subject to a number of risks, uncertainties and contingencies. Actual results, performance or achievements may differ materially and significantly from those discussed in the forward-looking statements. Such statements are not and should not be construed as a representation, warranty or undertaking as to the future performance or achievements of **Duopharma Biotech Berhad** and **Duopharma Biotech Berhad** assumes no obligation or responsibility to update any such statements.

No representation or warranty (either express or implied) is given by or on behalf of **Duopharma Biotech Berhad** or its related corporations (including without limitation, their respective shareholders, directors, officers, employees, agents, partners, associates and advisers) (collectively, the "**Parties**") as to the quality, accuracy, reliability or completeness of the information contained in this presentation (collectively, the "**Information**"), or that reasonable care has been taken in compiling or preparing the Information.

None of the Parties shall be liable or responsible for any budget, forecast or forward-looking statements or other projections of any nature or any opinion which may have been expressed in the Information.

The Information is and shall remain the exclusive property of **Duopharma Biotech Berhad** and nothing herein shall give, or shall be construed as giving, to any recipient(s) or party any right, title, ownership, interest, licence or any other right whatsoever in or to the Information herein. The recipient(s) acknowledges and agrees that this presentation and the Information are confidential and shall be held in complete confidence by the recipient(s).

No part of this presentation is intended to or construed as an offer, recommendation or invitation to subscribe for or purchase any securities in **Duopharma Biotech Berhad**.

Table of Contents

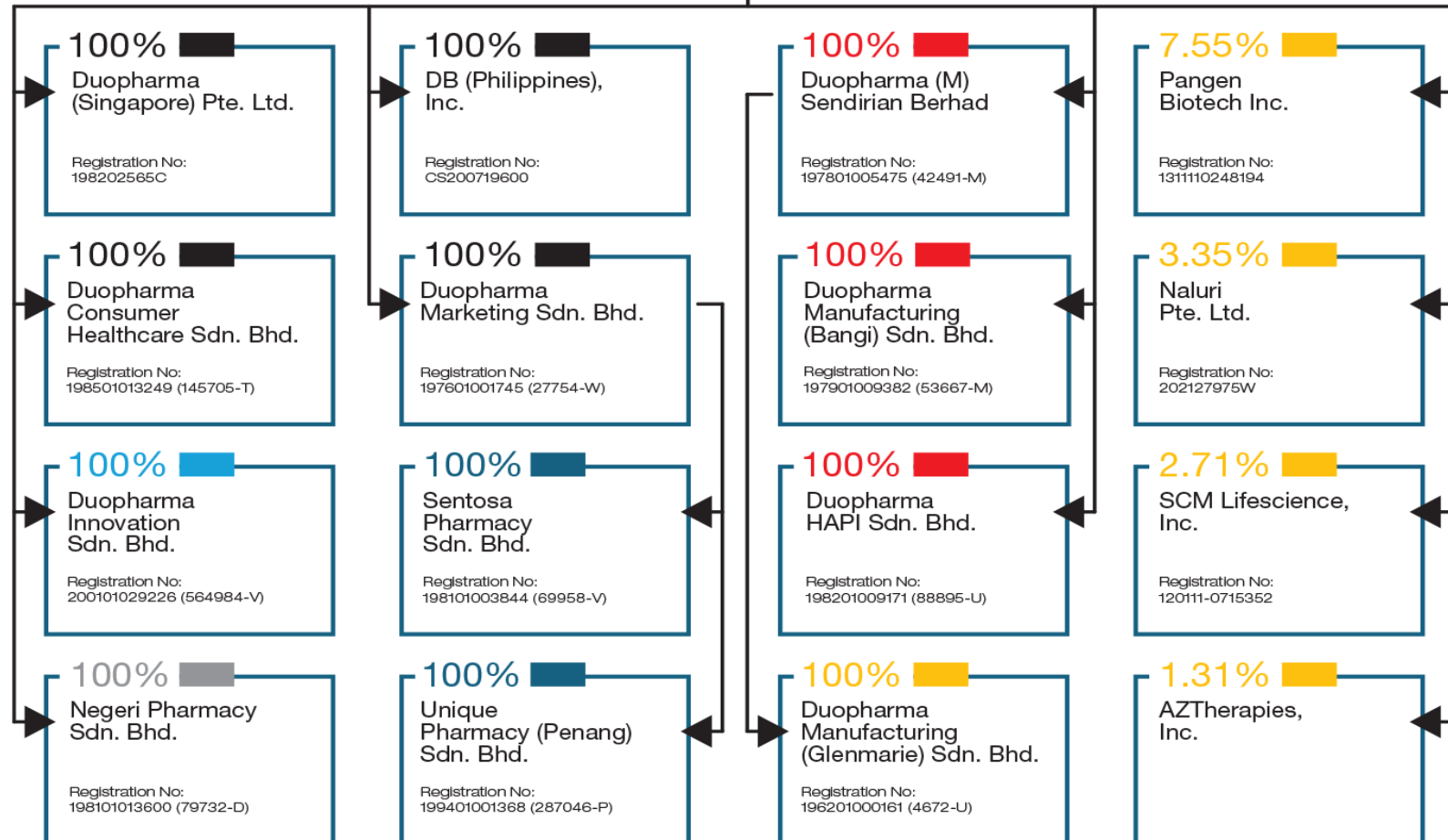
Content	Slide Number
Corporate Structure	4
Equity Structure	5
Board of Directors & Group Management Committee	6-8
Financial Highlights	9-11
Market Presence (International)	12
Corporate Exercises	13
Investments	14-16
Manufacturing Strategy	17
Four Pronged Strategy	18
Environmental, Social, Governance (ESG) Strategy	19
Opportunities	20-21
Challenges	22
Awards	23-24

Corporate Structure



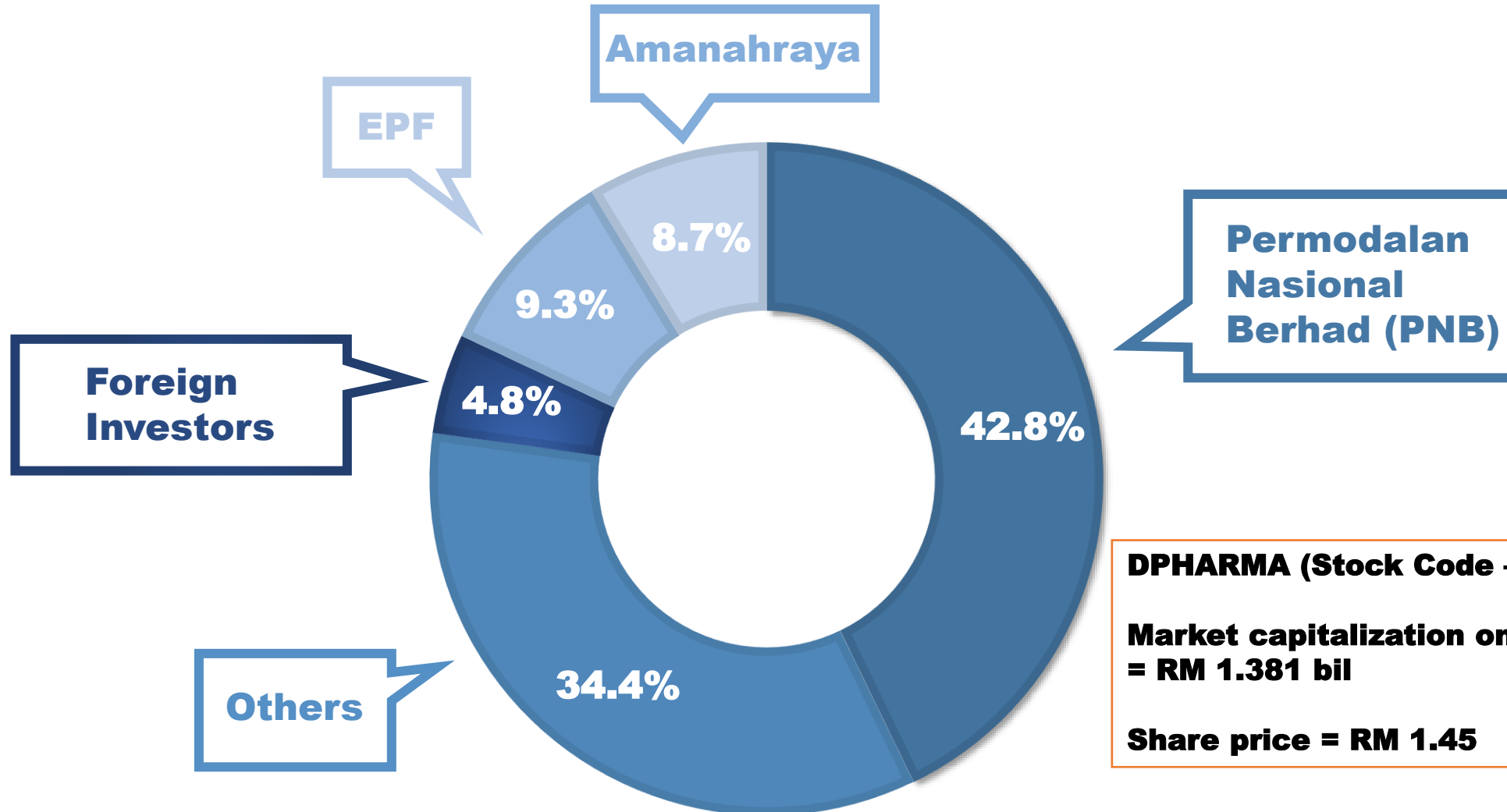
Duopharma Biotech Berhad

Registration No: 200001021664 (524271-W)



- Research & Development
- Manufacturing
- Sales & Marketing
- Dormant
- Depot
- Others

Duopharma Biotech's Equity Structure



DPHARMA (Stock Code – 7148)

**Market capitalization on 18.08.2022
= RM 1.381 bil**

Share price = RM 1.45

DATE: AS AT 31 JULY 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

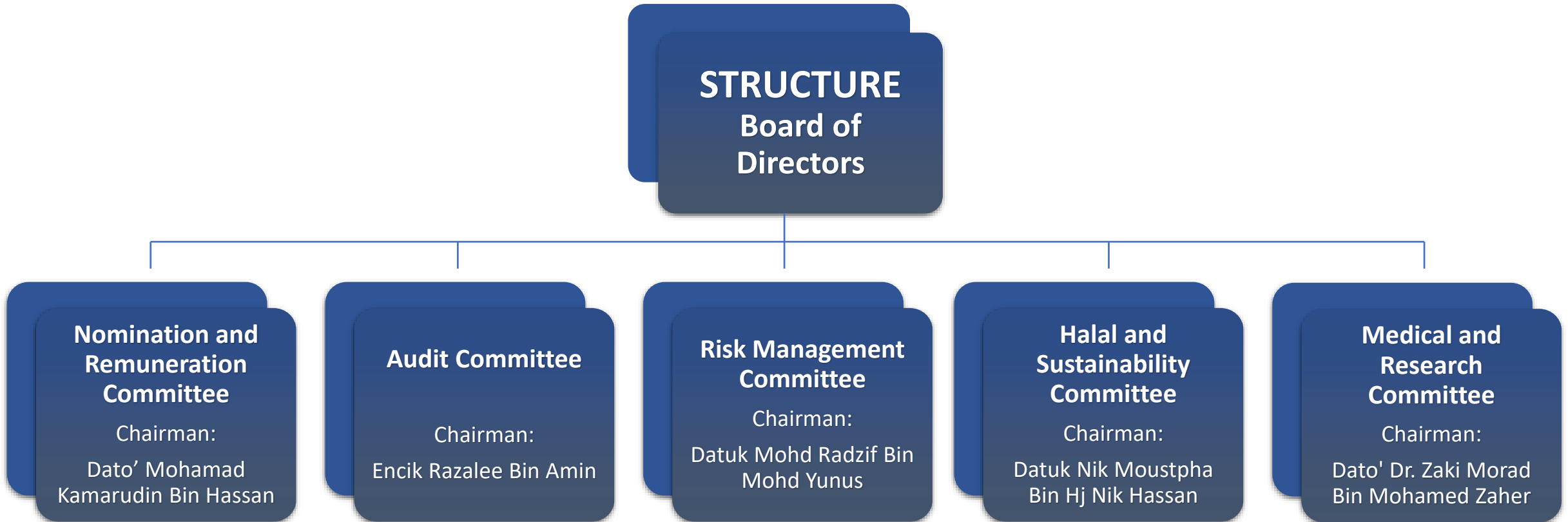


**Dato' Dr. Zaki Morad Bin
Mohamad Zaher**
Independent,
Non-Executive Director



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

Board of Directors



Management of Duopharma Biotech



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



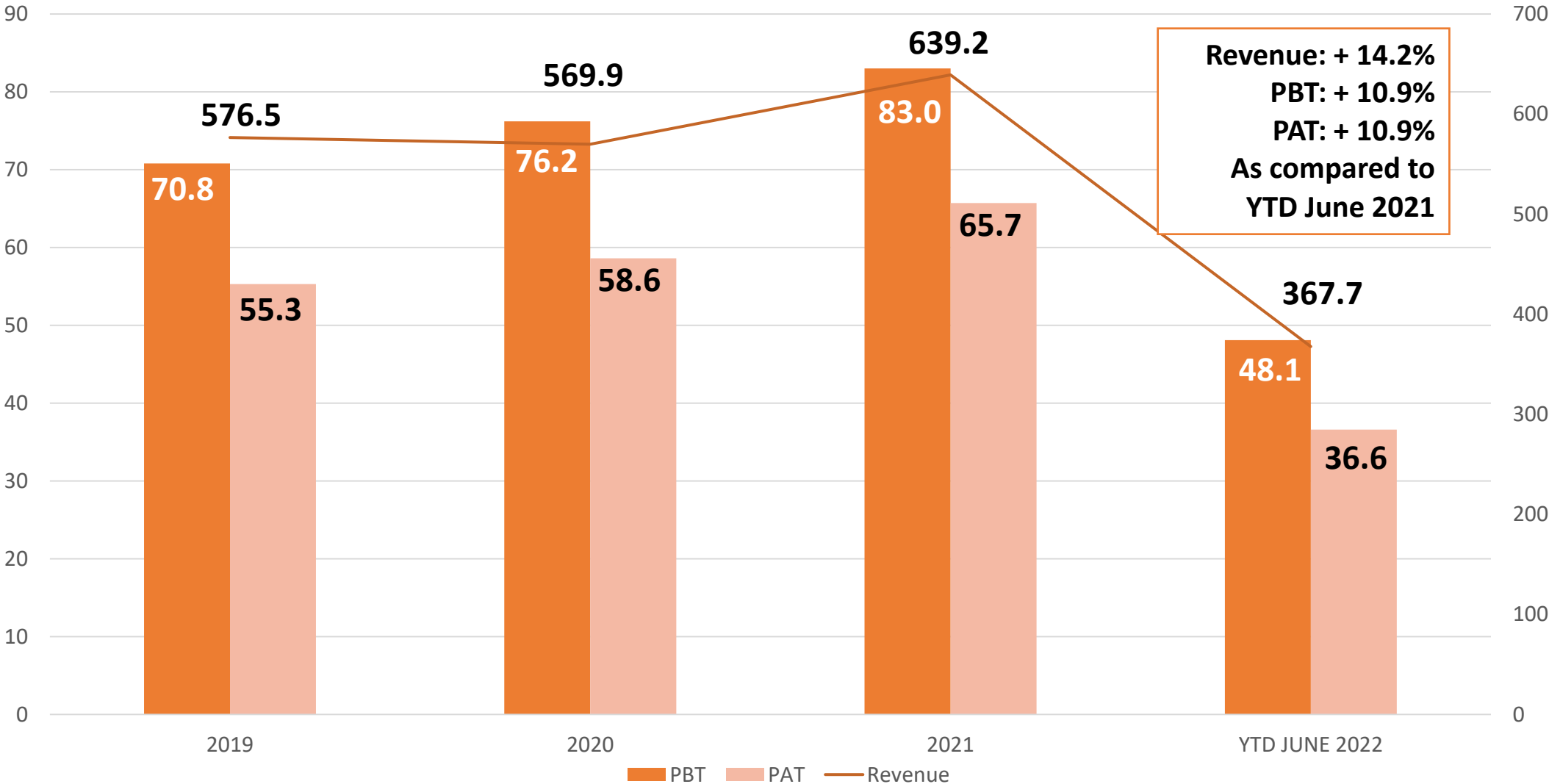
Shamsul Idham Bin A.lahad

Chief Executive Officer, Duopharma
Consumer
Healthcare Sdn. Bhd.

Financial Highlights



RM' million

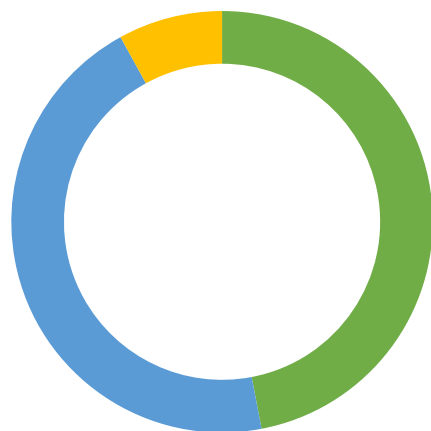


Financial Highlights (cont'd)

(in RM' million)	2019	2020	2021	YTD JUNE 2022
Non-current assets	502.6	598.7	670.3	674.8
Current assets	417.2	460.3	493.2	529.6
Equities	529.8	643.8	624.0	638.1
Liabilities	390.1	415.3	539.5	566.3
Gross gearing	0.50x	0.47x	0.65x	0.65x
Net gearing	0.27x	0.22x	0.43x	0.43x
Return on Equity	10.4%	9.1%	10.5%	5.7%

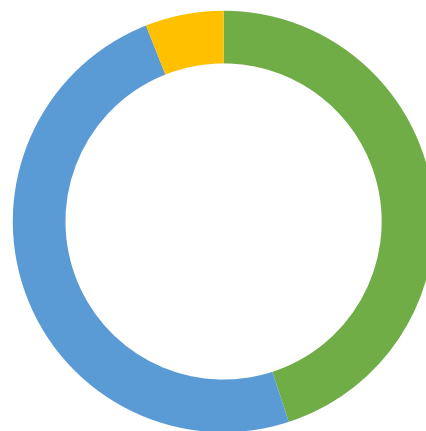
Financial Highlights – Segmental Sales

FY 2020 Revenue : RM 569.90 mil



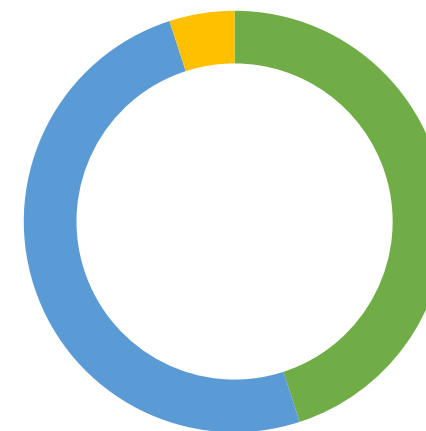
■ **Public Sector 47%**
■ **Local (Private Sector) 45%**
■ **Export 8%**

FY 2021 Revenue : RM 639.18 mil



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

YTD June 2022
Revenue : RM 367.7 mil



■ **Public Sector 45%**
■ **Local (Private Sector) 50%**
■ **Export 5%**

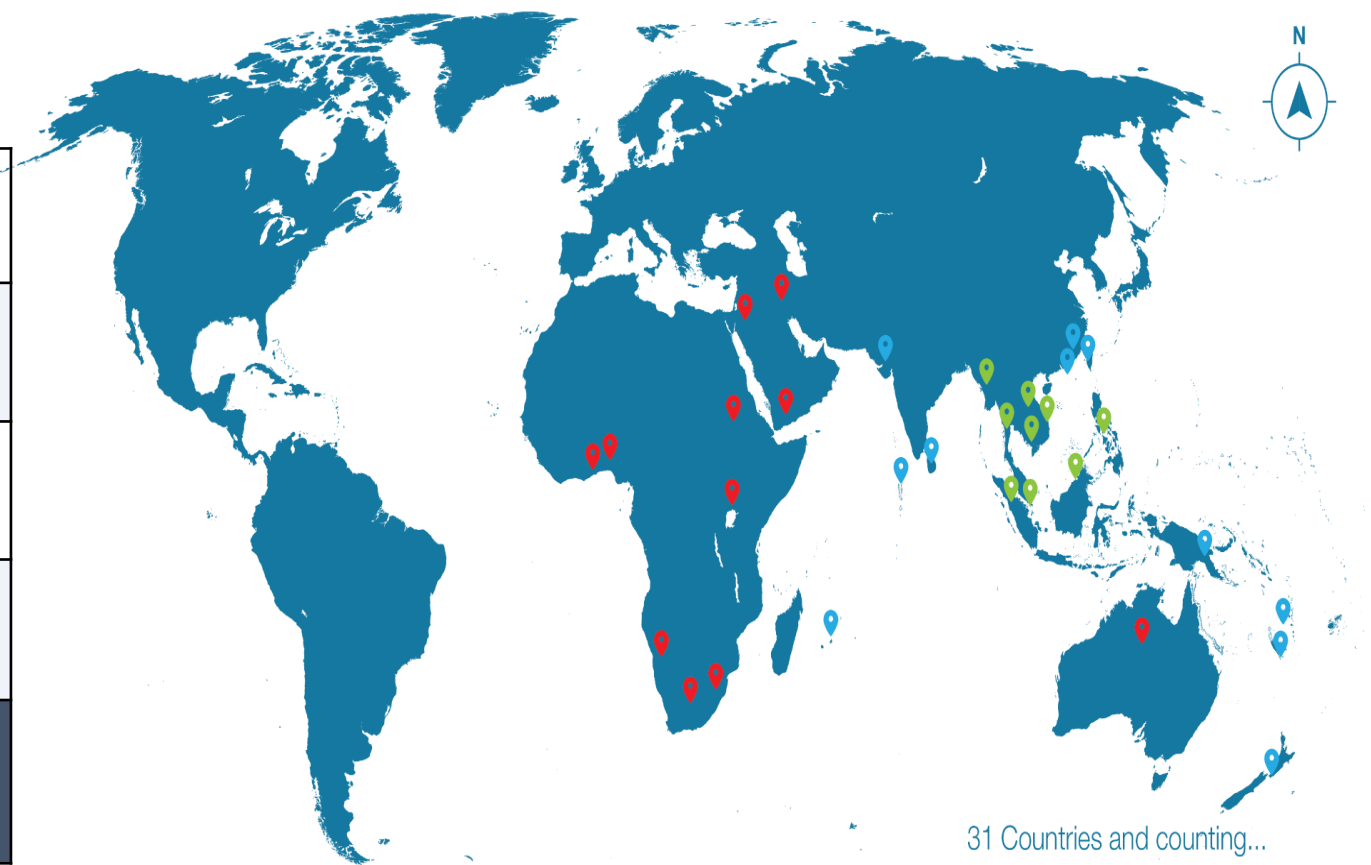
Note:

Duopharma Biotech's top export markets for YTD June 2022(% based on export revenue):

- 1.Singapore - 28.5%
- 2.Philippines - 22.7%

Market Presence (International)

Year	ASEAN	Asia Pacific	Rest of World	Total RM'mil
FY 2019	33.5	4.0	8.4	45.9
FY 2020	33.0	3.4	8.1	44.5
FY 2021	28.4	3.2	10.7	42.3
YTD June 2022	14.1	1.4	2.8	18.3



9 Countries in ASEAN

11 Countries in Asia Pacific

11 Countries in Rest of the World

- On 17 May 2022, Duopharma has completed the Dividend Reinvestment Plan (“DRP”) exercise applicable to the Second Interim Dividend of 1.8 sen per share for financial year ended 31 December 2021.

The payment date was on 13 May 2022 and a total of 10,474,002 new shares have been listed and quoted on Bursa Securities on 17 May 2022.

- On 16 August 2022, Duopharma has declared an interim dividend of 0.5 sen per share equivalent to RM 4.76 million in respect of financial year ending 31 December 2022 (2021: 0.5 sen per share equivalent to RM 3.53 million) based on the enlarged share capital of 952.2 million shares.

DRP will not be applied for this interim dividend.

The entitlement date was on 30 August 2022 and the payment date will be on 14 September 2022.

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 2.71% of common shares (as at 30 June 2022) has expired on 28 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.



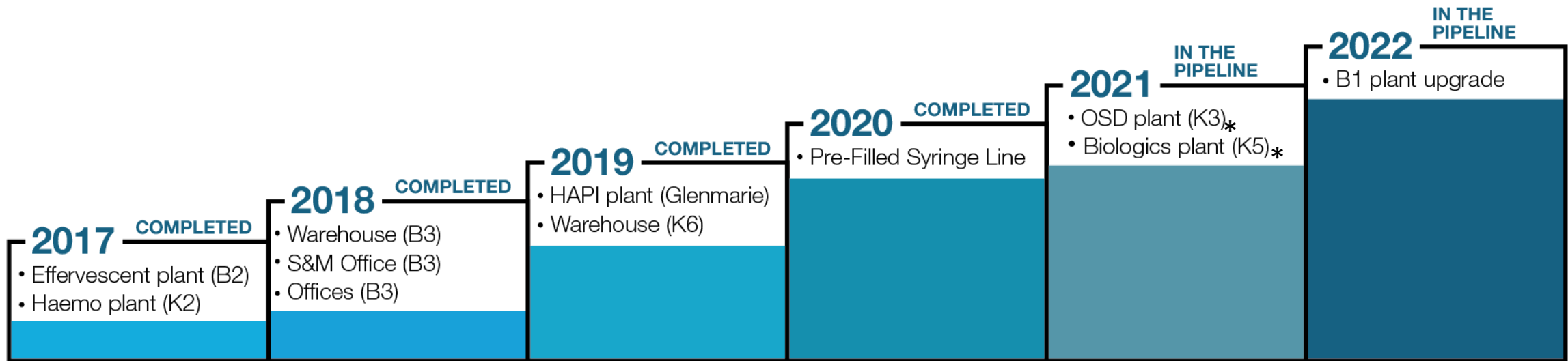
- Acquisition of 740,742 Preferred Stock amounting to USD 5,000,008.50 in AZTherapies Inc (AZT), a private, late-stage clinical biopharmaceutical company based in Boston, USA focusing on treatment of neurodegenerative diseases on 31st July 2020.
- Provides Duopharma low-cost entry to access marketing and manufacturing rights of a novel product for Alzheimer's Disease.
- Completed Phase III trial in December 2020 as planned; and has achieved the endpoints for safety.
- Completed pre-clinical study in rigorous and advanced AD Mouse Model in early 2022.
- 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 result of the AZT's bridging studies is expected to be concluded in Q4 2022. AZT is financially healthy and has commenced works on the future pipelines.

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 in previous years.

Four-Pronged Strategy



Environmental, Social and Governance (ESG) Strategy



- In conjunction with Duopharma's ESG Roadmap, we aspire to achieve :
 - Carbon Neutrality by 2030,
 - Net Zero Carbon Emissions by 2050, and
 - replace 50% of Single Use plastics with Biodegradable plastics within our operations by 2026.
- The “Duopharma Biotech Corporate Culture” was launched on 26 July 2022, made up of four cultural practices and environments that Duopharma desires to create in workplace, namely:
 - Performance Driven,
 - Environment, Social & Governance (ESG) compliance,
 - Innovation, and
 - Global Mindset cultures.

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 twelve (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 29 April 2022 until 28 April 2025 with a total contract value of RM375 million. This represents approximately a 50% increase from current annual supply.
- Potential tax savings of RM10 million upon completion of qualifying assets including K3 by FY2024.
- On 16 July 2021, Duopharma has been granted the conditional registration for emergency use by the DCA for the COVILO 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 widely available at clinics and private hospitals nationwide facilitating appointments and walk-in demand. The Group had suspended sales of COVILO following the unexpected price ceiling gazettelement in January 2022. The ceiling price was revised and gazetted in May 2022 and the Group has resumed sales of COVILO since then.



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 RM37.72 million to supply EPO to the Government of Malaysia.
 - 2) The FDA of Philippines has granted authorization for commercializing Erysaa 4000IU (Epoetin Alfa 4000IU) in the Philippines market on 16 August 2022.
 - 3) 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.
- Relaxation of Covid 19 regulations and the recovery of local and regional trading activities.
- We are in the midst of technology transfer of a second product in our HAPI plant and is pending approval for Change of Manufacturing Site (COS) from NPRA.
- Enhanced demand for immune boosting CHC products e.g. : Flavettes Effervescent and other range of vitamin products.
- Duopharma and US-based foodtech company, The Live Green Co signed a Collaboration Agreement to explore the use of plant ingredients and technology to replace animal, synthetic and ultra-processed ingredients, to meet consumer demand for more sustainable wellness foods and pharmaceuticals.

Challenges



- Residual effect of Covid 19 pandemic, Ukraine's Military Conflict and renewed lockdowns in China.
 - Uncertainties on Endemic-led economic environment
 - Inflationary pressure
 - potential supply chain disruption impacting deliveries of API
 - escalation of API price and freight cost
- Implementation of Ceiling Price on Sinopharm Vaccine.
- Depreciation of Ringgit (MYR) and 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).
- Overnight Policy Rate (OPR) was raised by a further 25 basis points (there was a 25 points raised in May 2022) to a new level of 2.25%.



Accreditations and Awards



- Inclusion in the FTSE Mid 70 Index since 2021.
- Inclusion in the FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index. Currently we are Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell.
- Halal Healthcare Excellence Award from World Halal Excellence Awards 2021 by Halal Development Corporation (HDC) (Link: <https://halalfocus.net/malaysia-whea-2021-awards-presented-by-halal-development-corporation-hdc>)
- Best Marketing Campaign (Flavettes) at Watson HWB Awards 2022
- Excellence Awards (Silver award under less than RM2 billion in market capitalisation category) from National Annual Corporate Report Awards (NACRA)
- ISO 37001:2016, Anti-Bribery management Systems by SIRIM QAS International Sdn Bhd
- HR Asia Best Companies to Work for in Asia 2021 – The Malaysia Edition

Accreditations and Awards

- Finalists of the PwC Building Trust Awards 2021
(Link: <http://www.theedgemarkets.com/article/building-trust-awards-rewarding-organisations-building-culture-trust>)
- 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

Smarter Solutions. Healthier Life.

**DRIVING
ESG INTO
THE HEART
OF OUR
BUSINESS**

