



Smarter Solutions. Healthier Life.

Investor Relation Briefing

15 November 2022



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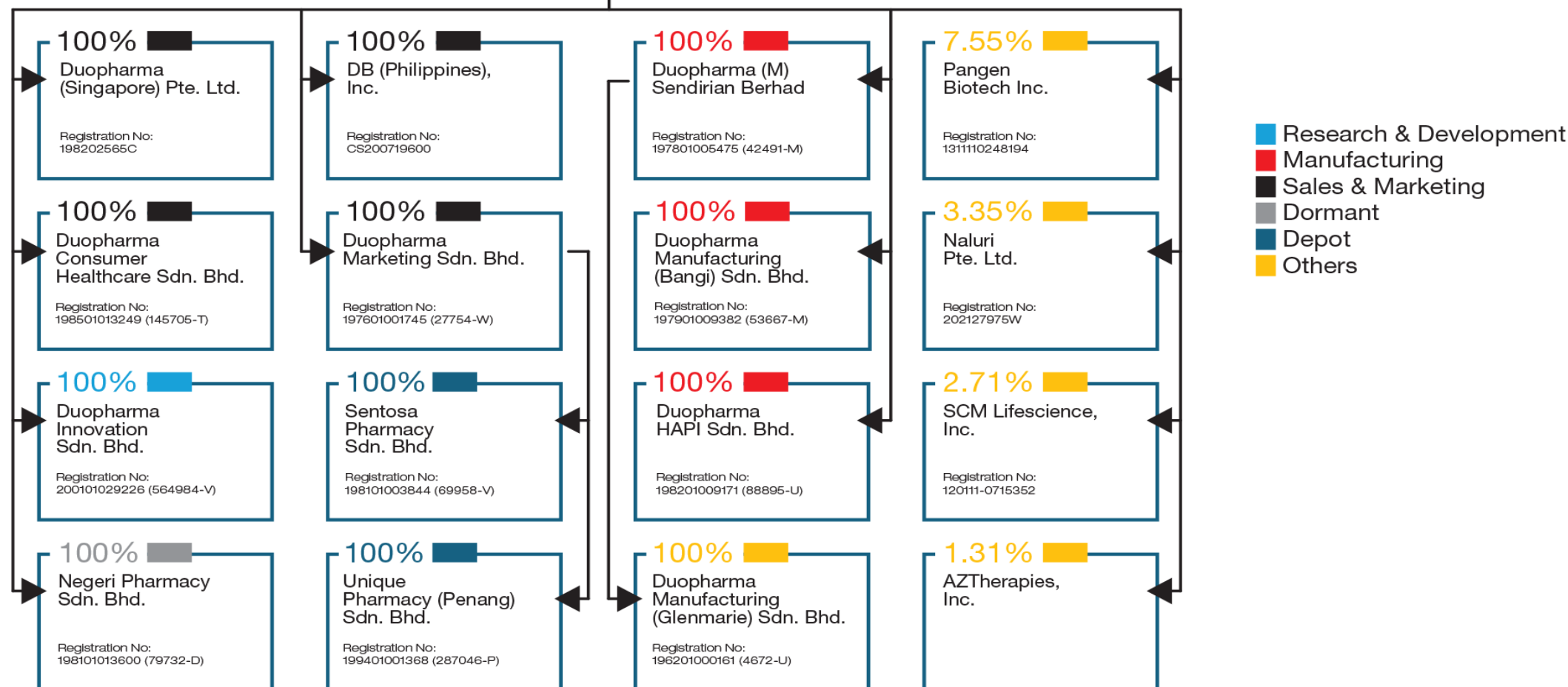
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Corporate Structure

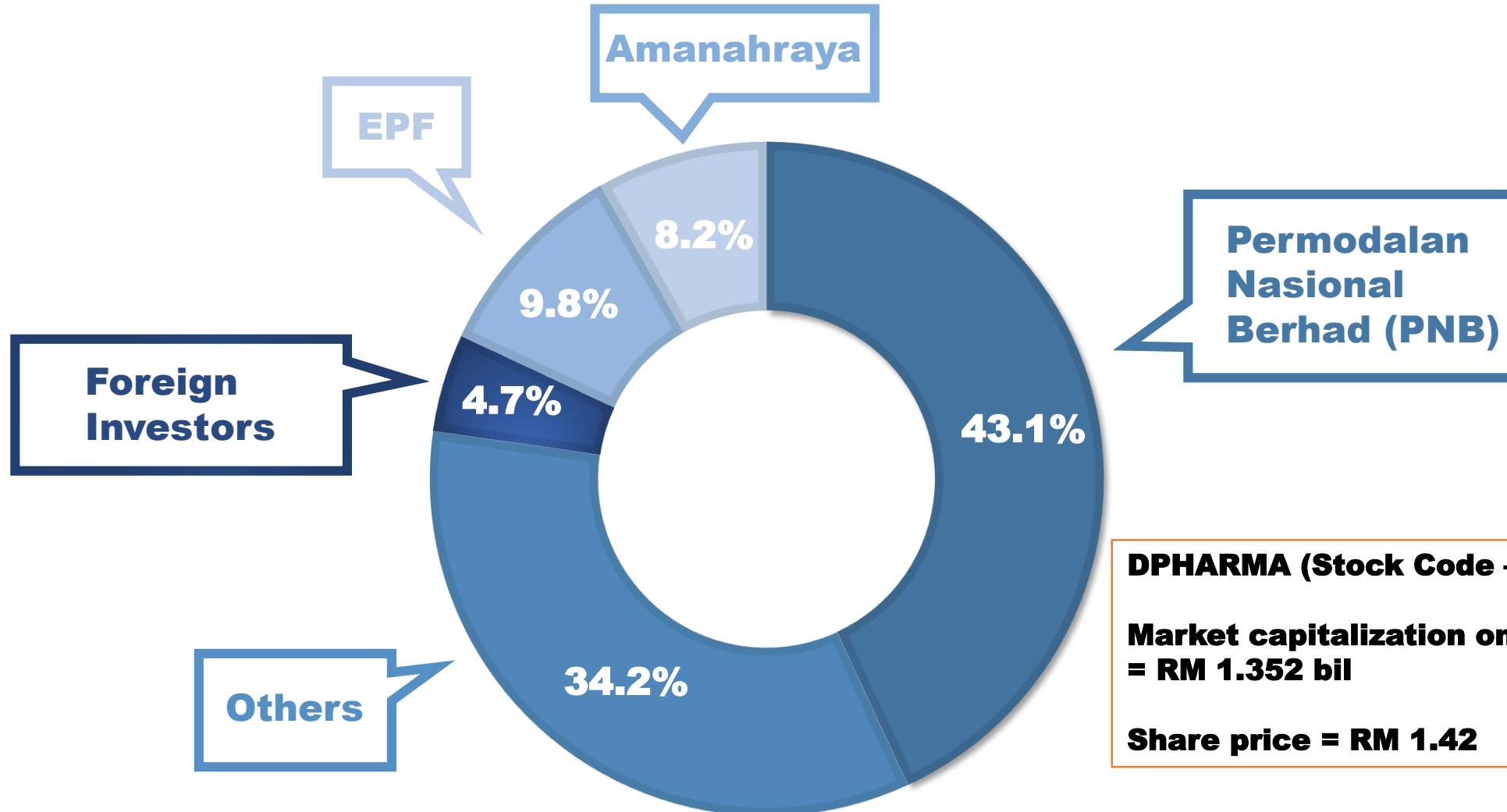


Duopharma Biotech Berhad

Registration No: 200001021664 (524271-W)



Duopharma Biotech's Equity Structure



DPHARMA (Stock Code – 7148)

**Market capitalization on 9.11.2022
= RM 1.352 bil**

Share price = RM 1.42

DATE: AS AT 31 OCTOBER 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

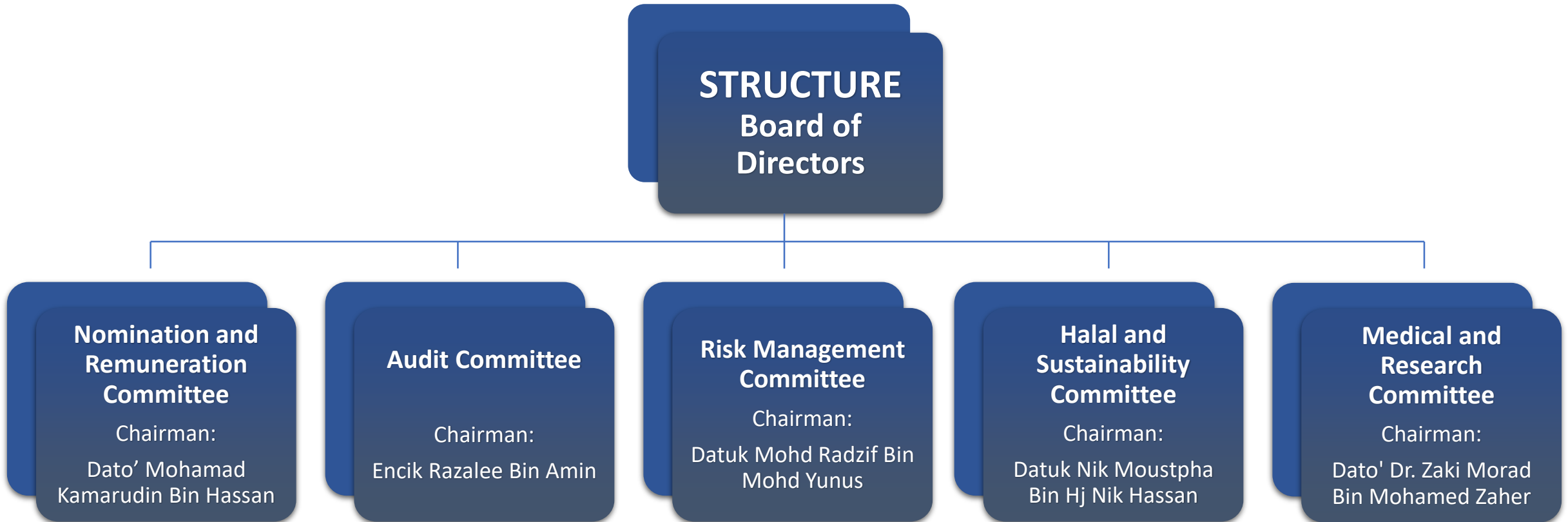


**Dato' Dr. Zaki Morad Bin
Mohamad Zaher**
Independent,
Non-Executive Director



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

Board of Directors



Senior Management Team



DUOPHARMA



Leonard Ariff Bin Abdul Shatar
Group Managing Director



Ibrahim Hussin Salleh
Company Secretary



Anita Binti Esa
Group Risk Management



Rama Sockalingam Nagappan
Group Internal Audit



Dato' Dr. Anas Alam Faizli
Chief Executive Officer, Corporate



Wan Amir-Jeffery Bin Wan Abdul Majid
Chief Executive Officer, Commercial



Ng Su Yee
Chief Technical Officer



Krisnakumara - Reddi
Chief Manufacturing Officer
& Sustainability



Ibrahim Hussin Salleh
Chief Legal Officer



Shamsul Idham Bin A.lahad
Chief Executive Officer,
Consumer Healthcare



Chek Wu Kong
Chief Financial Officer

Financial Highlights

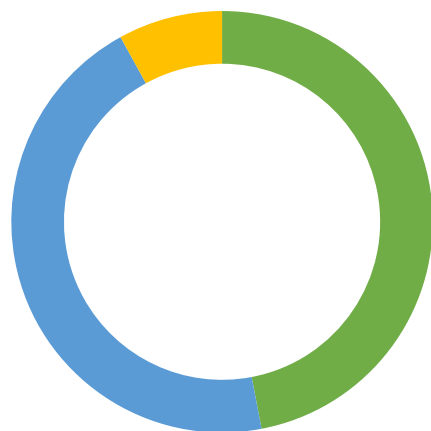


Financial Highlights (cont'd)

(in RM' million)	2019	2020	2021	YTD SEPT 2022
Non-current assets	502.6	598.7	670.3	672.3
Current assets	417.2	460.3	493.2	544.3
Equities	529.8	643.8	624.0	643.9
Liabilities	390.1	415.3	539.5	572.7
Gross gearing	0.50x	0.47x	0.65x	0.66x
Net gearing	0.27x	0.22x	0.43x	0.44x
Return on Equity	10.4%	9.1%	10.5%	8.2%

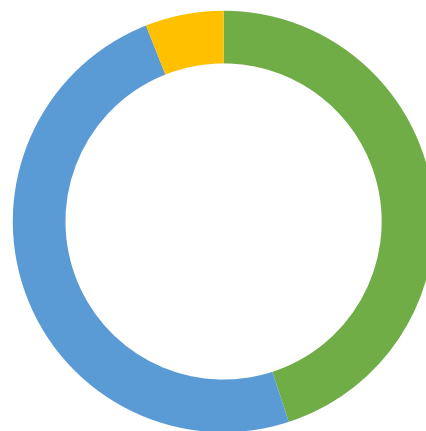
Financial Highlights – Segmental Sales

FY 2020 Revenue : RM 569.90 mil



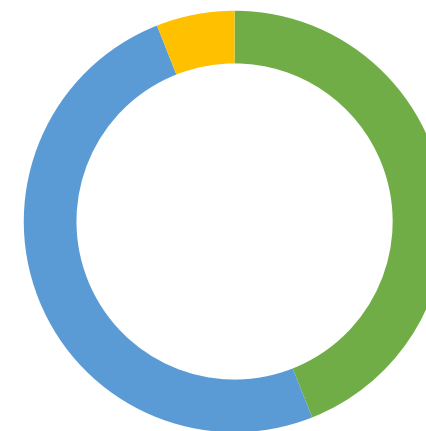
■ **Public Sector 47%**
■ **Local (Private Sector) 45%**
■ **Export 8%**

FY 2021 Revenue : RM 639.18 mil



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

YTD September 2022
Revenue : RM 544.8 mil



■ **Public Sector 44%**
■ **Local (Private Sector) 50%**
■ **Export 6%**

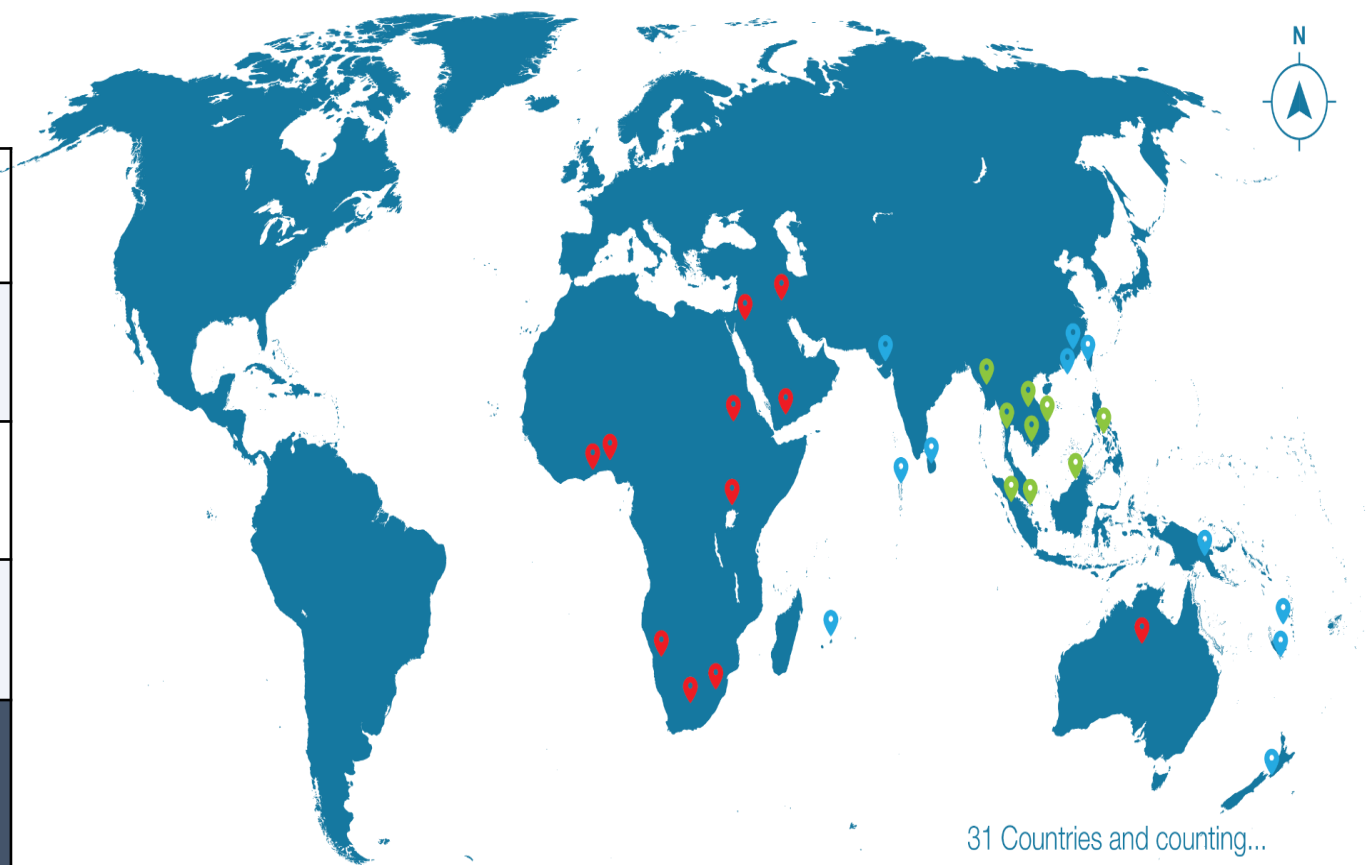
Note:

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

- 1.Singapore - 32.6%
- 2.Philippines - 20.2%
- 3.Brunei - 11.8%

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 September 2022	23.7	2.0	6.0	31.7



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.

The entitlement date was on 30 August 2022 and the payment date was 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, equivalent to 328,023 shares has expired on 25 October 2021.
- On 26 September 2022, Duopharma Consumer Healthcare Sdn. Bhd. has signed a product distribution agreement with SCM to distribute a range of anti-hair loss products (IRORO) in Malaysia.
- Duopharma Group will collaborate with SCM for Phase III clinical trials for Atopic Dermatitis. Joint Clinical Phase III is expected to commence in 2023.

Investment in Naluri Hidup Sdn Bhd



- As of FY 2021, Duopharma Biotech 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.
- Duopharma Biotech has collaborated with Naluri on individual pilot use case study via Renal Care, Oncology Care, and Diabetes franchise.

Investment in AZTherapies Inc.



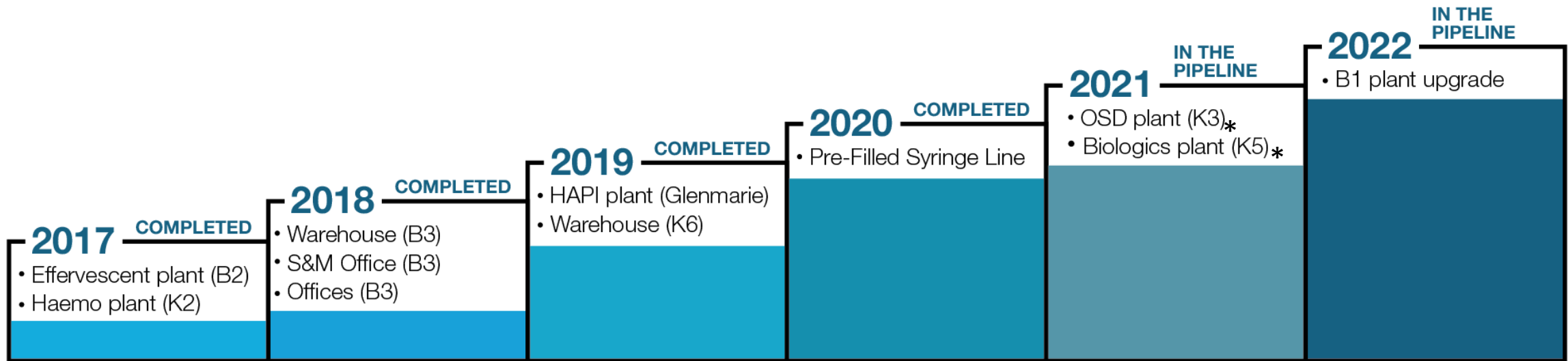
- Acquisition of 740,742 Preferred Stock amounting to USD 5,000,008.50 in AZTherapies Inc (AZT), a private, late-stage clinical biopharmaceutical company based in Boston, USA focusing on treatment of neurodegenerative diseases on 31st July 2020.
- Provides Duopharma low-cost entry to access marketing 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.
- Bridging study for their lead product is on-going and we expect results to be out in December 2022/January 2023.
- Besides the lead product, AZT continues to advance their formulation work with cromolyn and cromolyn analogs to create additional routes of administrations. AZT is also in the process of manufacturing AZT-211 in compliance with GMP.

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 according to the 12th Malaysia Plan 2021-2025.
- Increase in allocation for healthcare sector in Budget 2023. RM36.1 billion was allocated for the healthcare sector in 2023 compared with RM32.4 billion in 2022.
- 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 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.



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 the first product, Lebreta.
- We have obtained approval for Change of Manufacturing Site (COS) from NPRA in October 2022 for HAPI's second product and we are in progress for PV batches and stability studies. Currently, we are also in progress of the technology transfer for our third product.
- The IRORO product range will be available to consumers through e-commerce platforms in Malaysia in the first quarter of 2023.
- Relaxation of Covid 19 regulations and the recovery of local and regional trading activities.
- 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
- Strengthening of United States Dollar (USD) and Fluctuating FOREX impacting production costs and other operational costs.
- 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.

- 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 on 3 November 2022 to a new level of 2.75%.



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)
- HR Asia Best Companies to Work for in Asia 2021 – The Malaysia Edition
- Favourite Eye Moist Drops - Guardian Awards 2022
- MSWG-ASEAN Corporate Governance Award 2021
 - Industry Excellence Award for CG Disclosure – Healthcare
 - Top 100 Companies For CG Disclosure (Rank 25)(Link: <https://www.mswg.org.my/asean-cg-2021>)

Accreditations and Awards

- ISO 37001:2016, Anti-Bribery management Systems by SIRIM QAS International Sdn Bhd
- 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

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

