

Duopharma Biotech Berhad

MIRA's "MIDs GEMS" LIVE WEBINAR

15 June 2020



Smarter Solutions. Healthier Life.



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Table of Contents



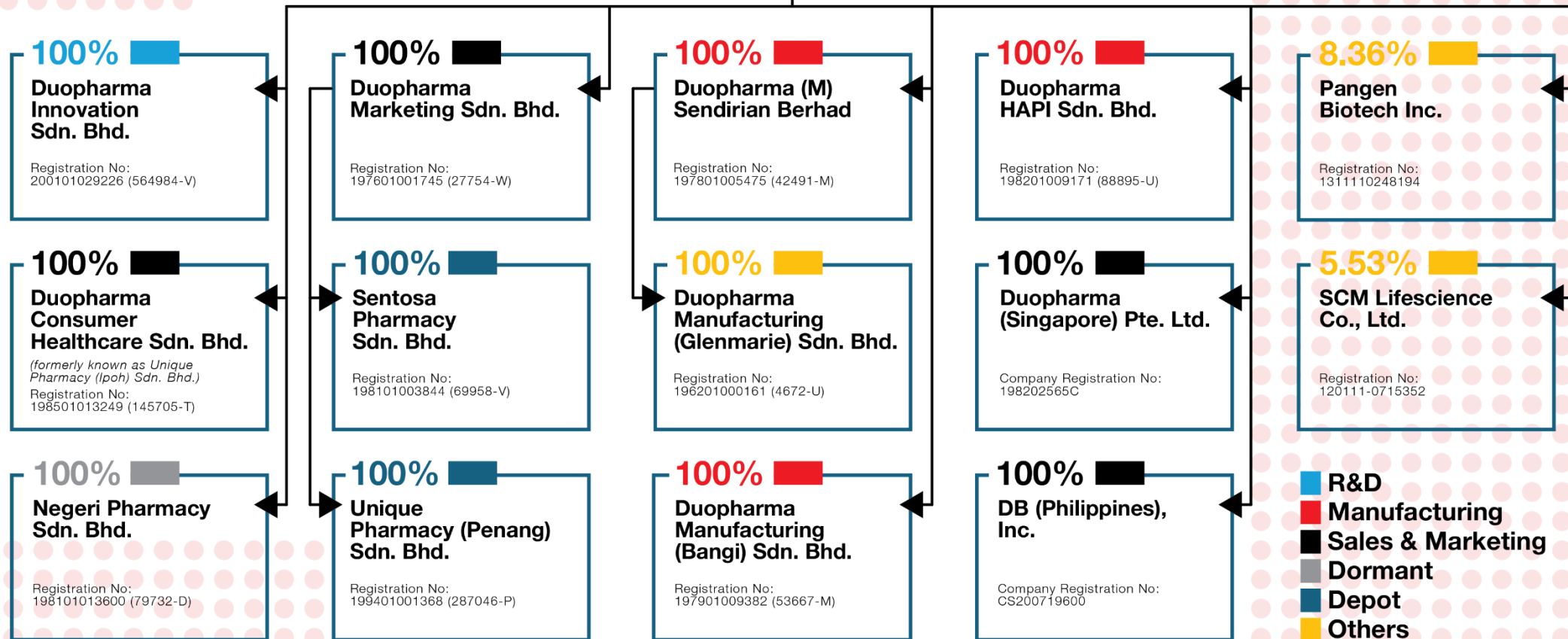
Content	Slide Number
Corporate Structure	4
Equity Structure	5
Board of Directors & Group Management Committee	6-8
Financial Highlights	9-12
Duopharma Biotech's Investments	13-14
Duopharma Biotech's Manufacturing Strategy	15
Duopharma Biotech's Four Pronged Strategy	16
Opportunities	17
Challenges	18

Corporate Structure

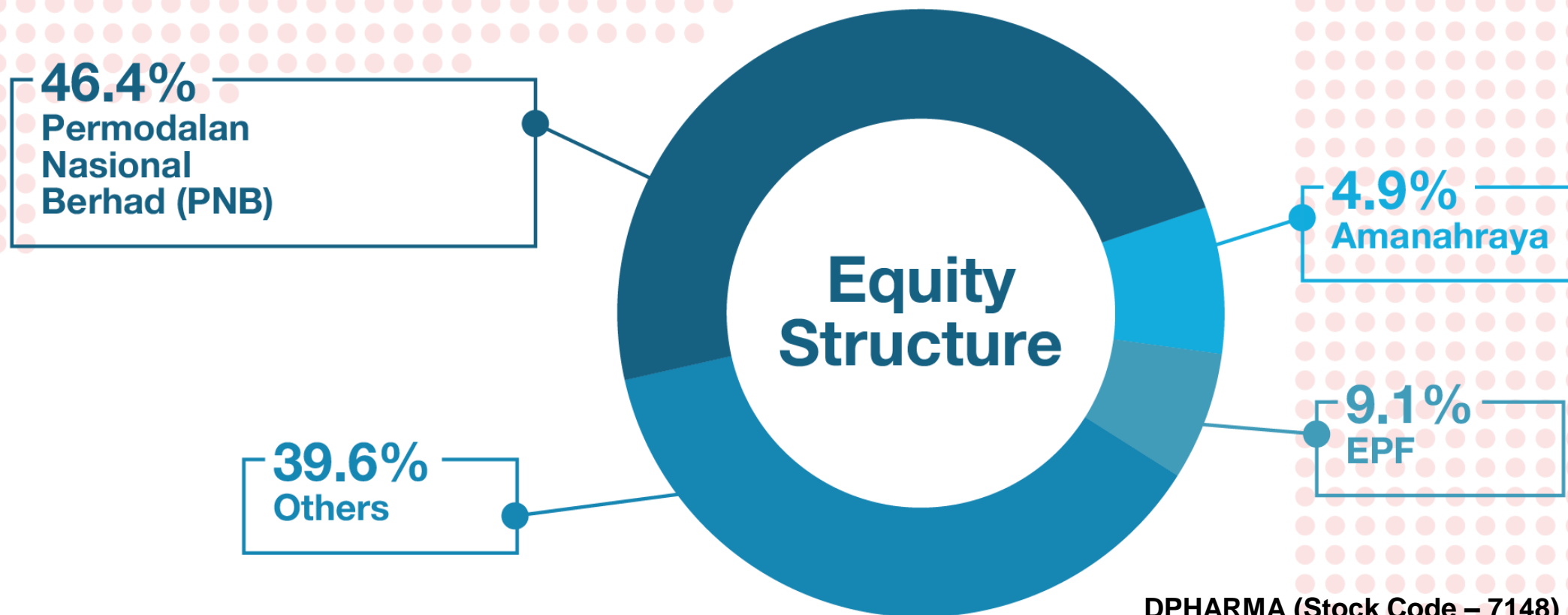


Duopharma Biotech Berhad

Registration No: 200001021664 (524271-W)



Duopharma Biotech's Equity Structure



DPHARMA (Stock Code – 7148)

Date: As at 30 April 2020

Market capitalization on 11.06.2020 = RM 1.14 bil
Share price = RM 1.67

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



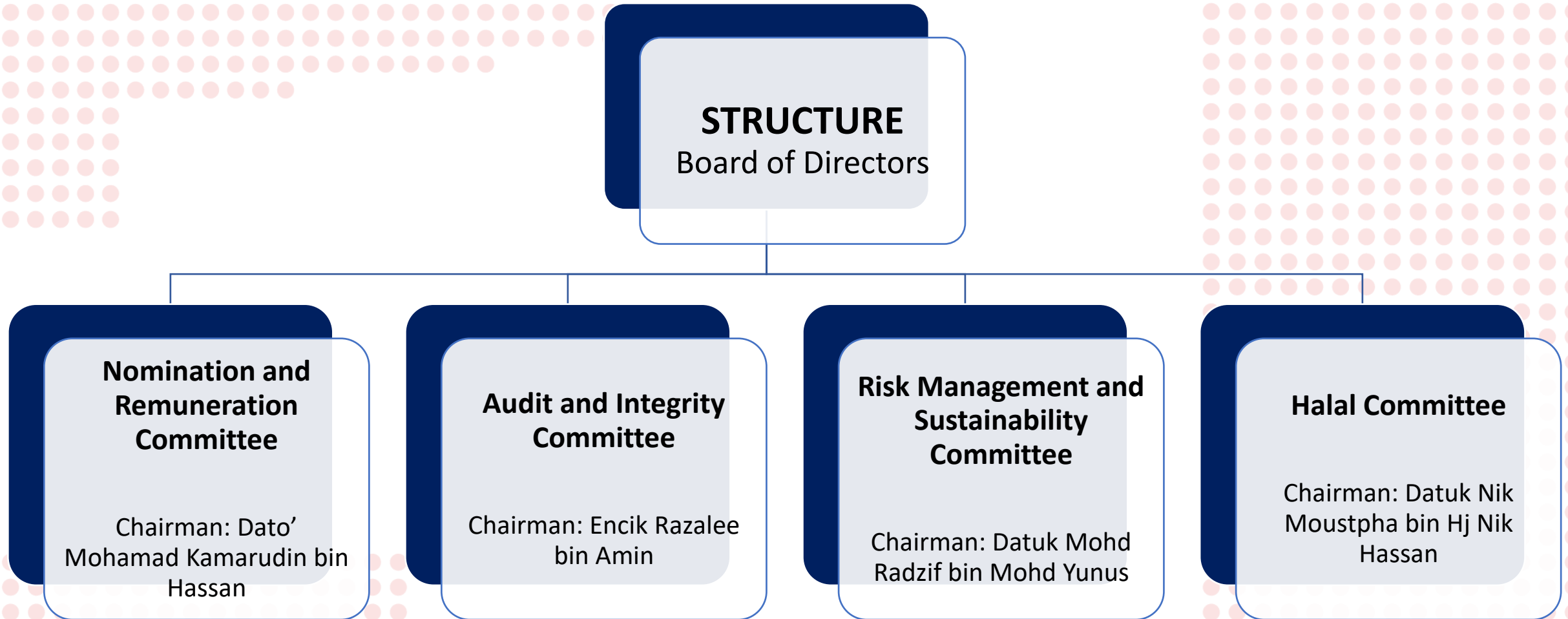
Datuk Nik Moustpha Bin Hj Nik Hassan
Independent,
Non-Executive Director



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



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



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



Billy Urudra
Chief Development 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

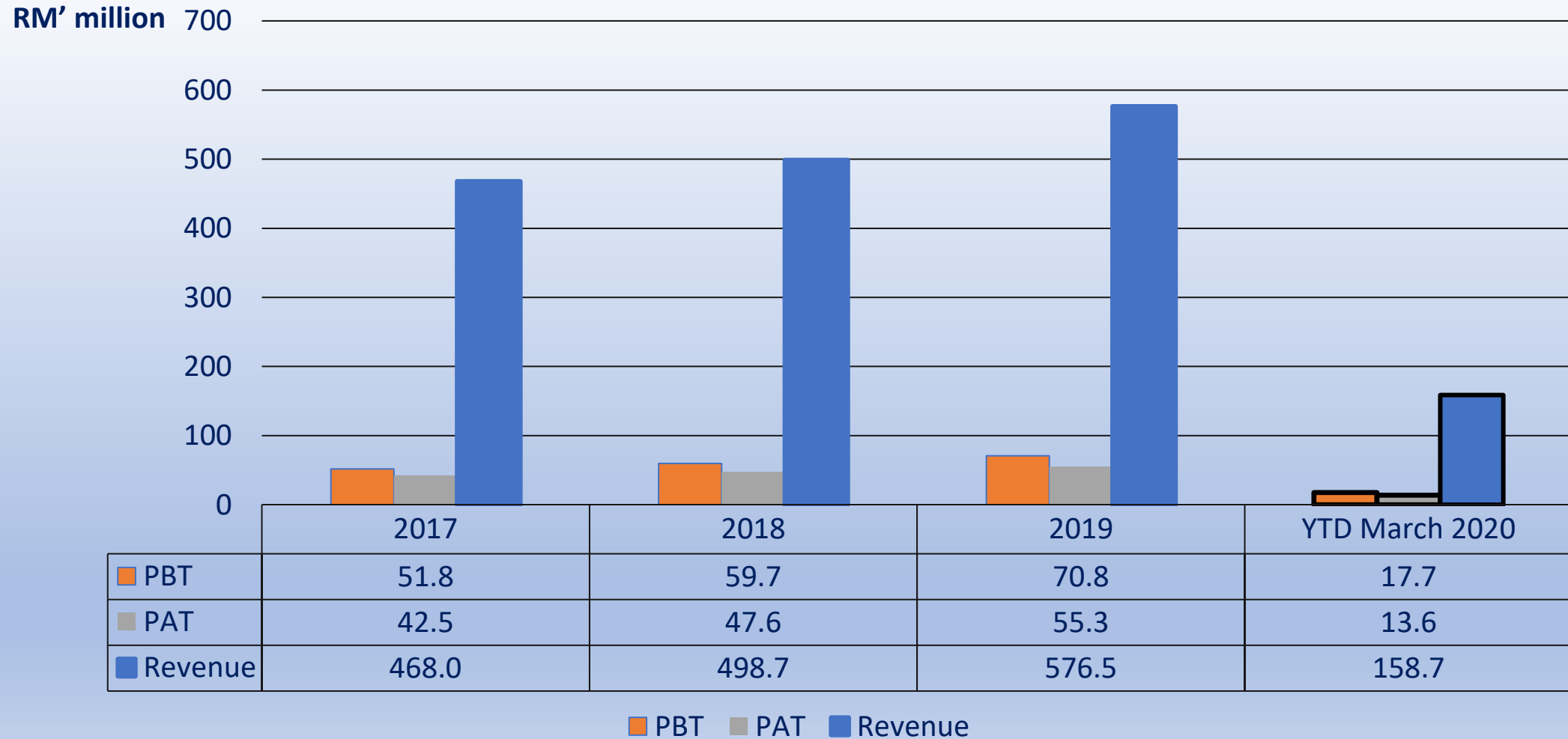


Ibrahim Hussin Salleh
Chief Legal Officer and Group
Company Secretary,
Duopharma Biotech Berhad



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

Financial Highlights

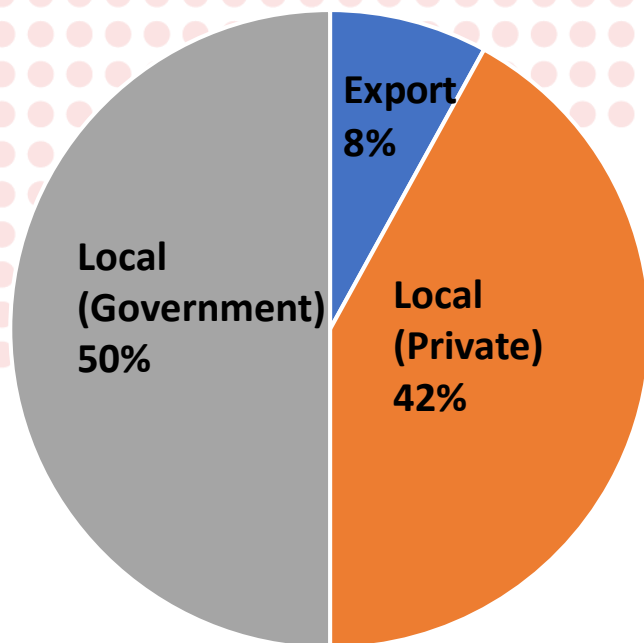


Financial Highlights

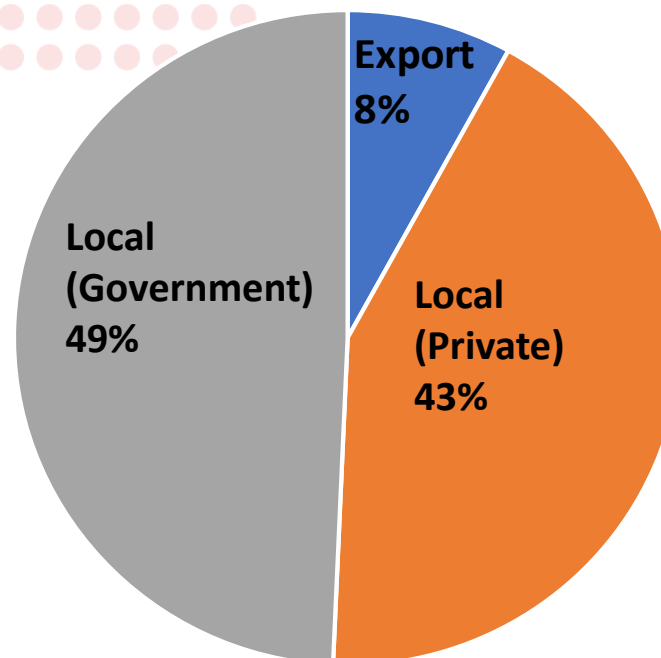


(in RM' million)	2017	2018	2019	YTD March 2020
Non-current assets	348.6	469.0	502.6	507.3
Current assets	356.6	367.3	417.2	452.2
Equities	479.9	481.0	529.8	541.0
Liabilities	225.4	355.3	390.1	418.5
Gearing	0.27x	0.51x	0.50x	0.51x
Return on Equity	8.8%	9.9%	10.4%	2.5%

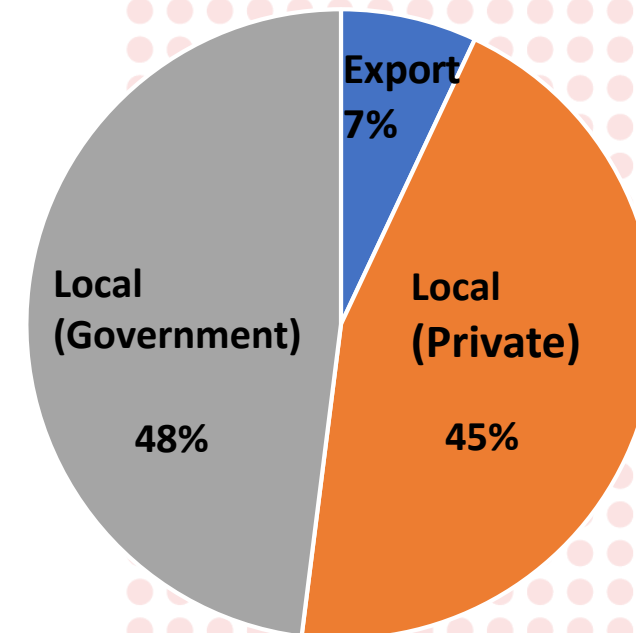
Financial Highlights – Segmental Sales



FY 2018 Revenue :
RM 498.72 mil



FY 2019 Revenue :
RM 576.46 mil



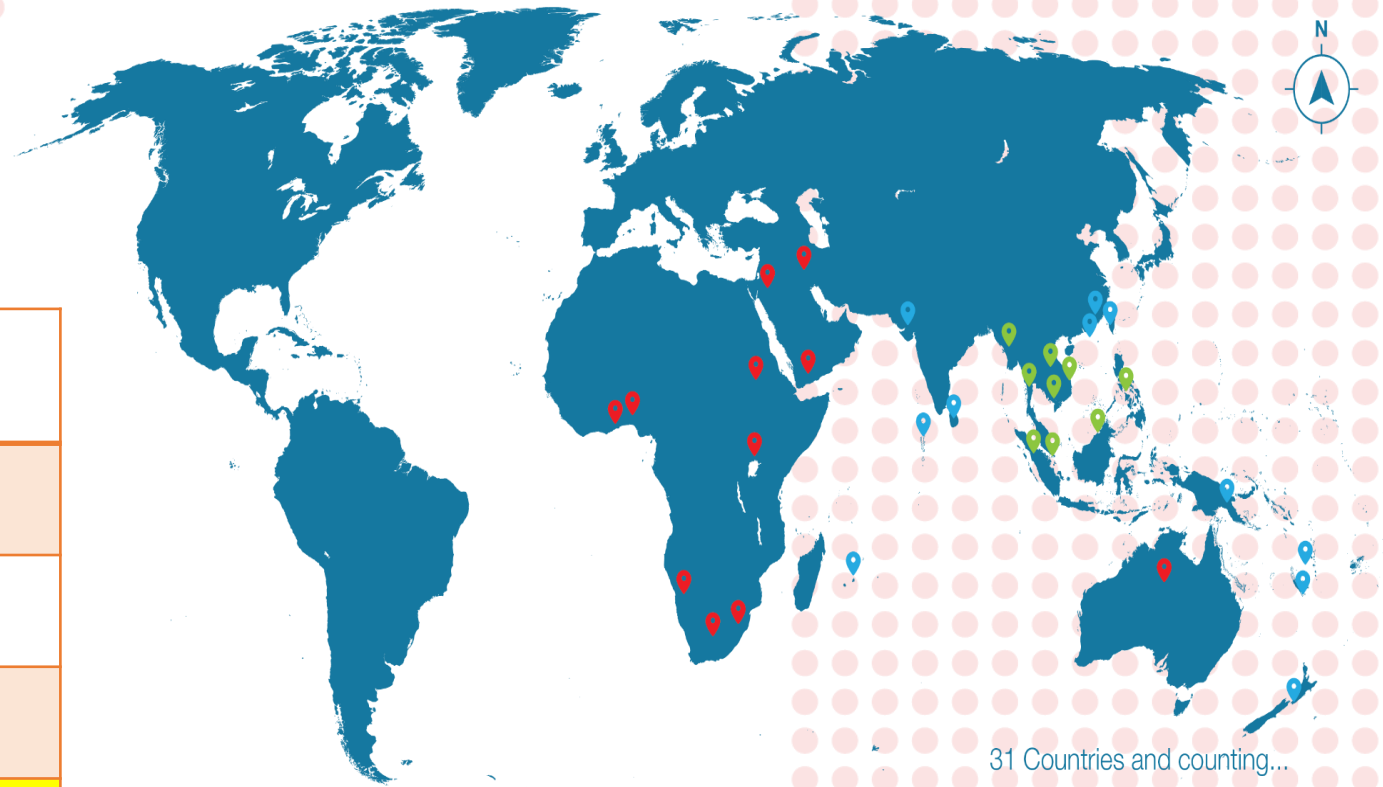
YTD March 2020 Revenue :
RM 158.71 mil

Note:

Duopharma Biotech's top export markets for YTD March 2020 (% based on export revenue):

- 1.Singapore - 29.1% (RM3.0mil)
- 2.Philippines - 20.6% (RM2.1mil)
- 3.Brunei - 17.1% (RM1.8mil)

Market Presence (International)



Year / RM'mil	ASEAN	Asia Pacific	Rest of World	Total
FY 2017	26.6	4.4	6.4	37.4
FY 2018	28.6	4.5	7.9	41.0
FY 2019	33.5	4.0	8.4	45.9
YTD March 2020	9.0	0.8	0.6	10.4

Investment in SCM Lifescience



- Acquisition of 5.8% stake in SCM Lifescience, a Korean stem cell firm for RM 20.24 million (KRW 5.5 billion) via Share Subscription Agreement dated 25 October 2018.
- 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 will be listed on KOSDAQ in Korea on 17 June 2020.

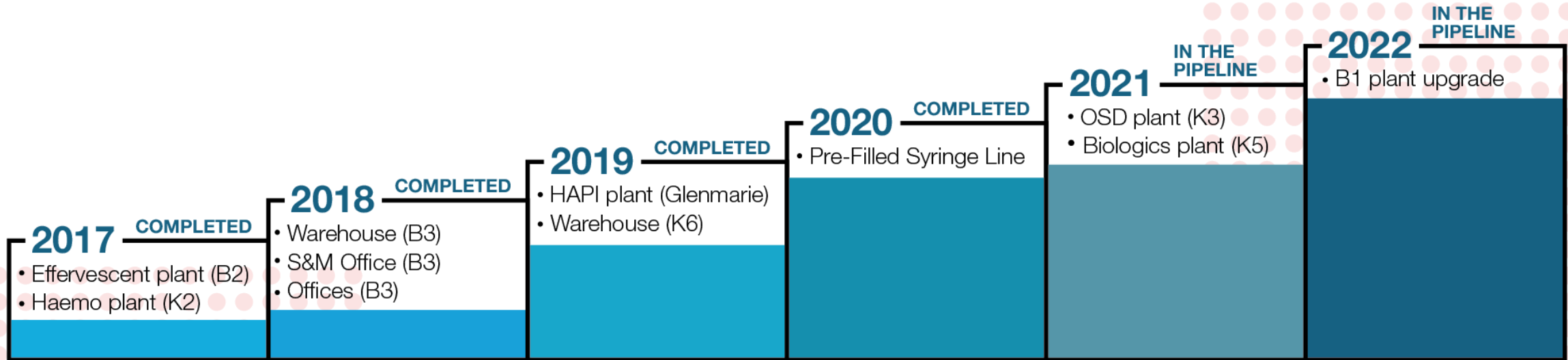
Investment in Naluri Hidup Sdn Bhd



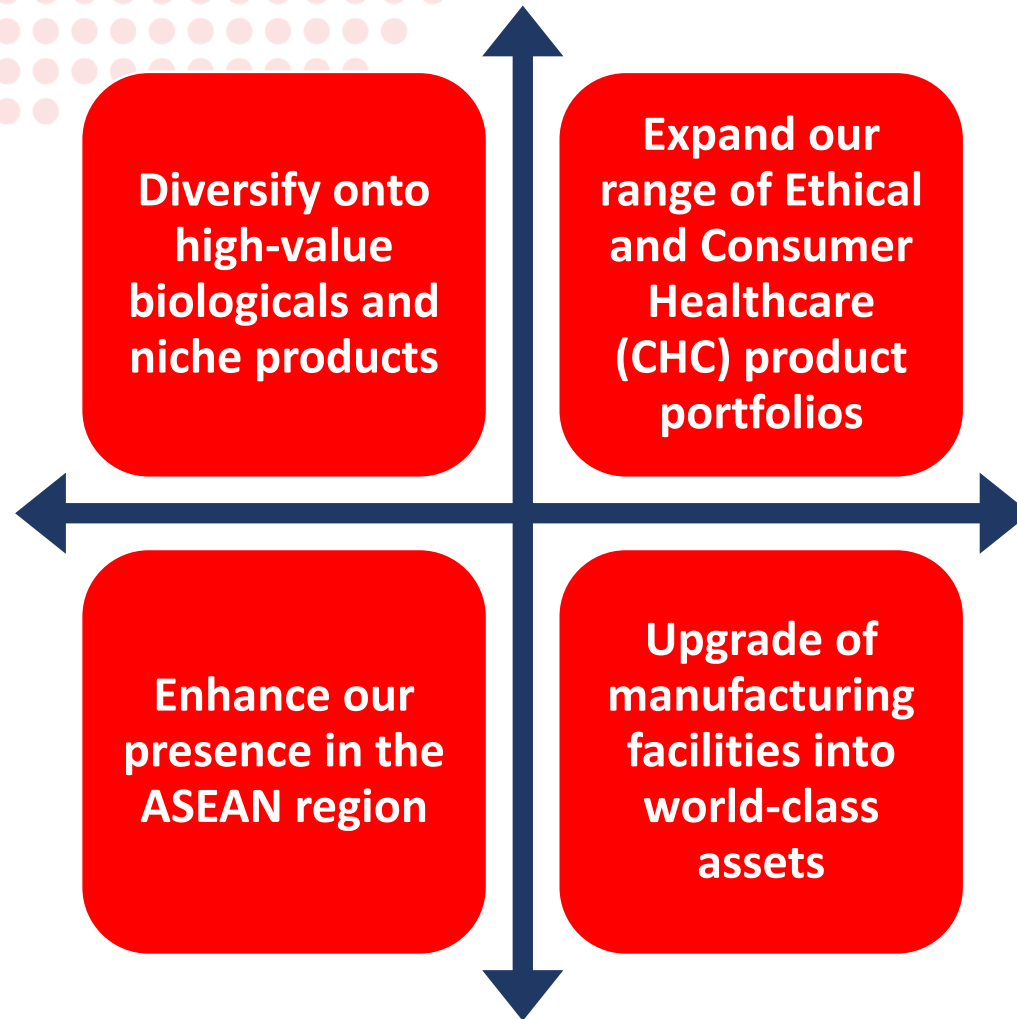
- Invested USD 250,000 in Naluri, a local pioneer in digital therapeutics.
- Naluri has developed a proprietary application platform called “Naluri App”.
- The “Naluri App” is a digital health platform, which combines behavioural science, data science, as well as digital design, to offer a holistic health 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.

Above RM300mil

Estimated capex being spent for the period of 2016 to 2022



Four-Pronged Strategy



Opportunities



- Increase in allocation for healthcare sector in budget 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 five (25) months, until 31 December 2021.
- Extension of supply of human insulin formulations for one (1) year, until 31 December 2020.
- Commercialization of high value product in niche therapeutic areas such as oncology and bio-therapeutics:
 - Erysaa, an erythropoietin (EPO) biosimilar, has been approved by National Pharmaceutical Regulatory Agency (NPRA) on 31 January 2019 and successfully launch in April 2019. Able to bid for government tender worth RM 10 – 15 million.
 - Trastuzumab (Zuhera), an oncology product has been approved.
- HAPI facility has commenced production of PV batches.
- Enhanced demand for immune boosting CHC products e.g. : Flavettes Effervescent and other range of vitamin products.



Challenges



- Outbreak 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
- “Ringgit-ise” current short term USD loan which form around 35% of our total loan portfolio.
- Strengthening USD resulting in higher cost of imported raw materials and unrealized forex losses on our borrowings in USD in our loan portfolio.
- Increasing cGMP requirements.
- Differences in regional regulations impacting growth of international businesses.
- Expanding product portfolios (prohibitive BE and clinical costs).



THANK YOU

