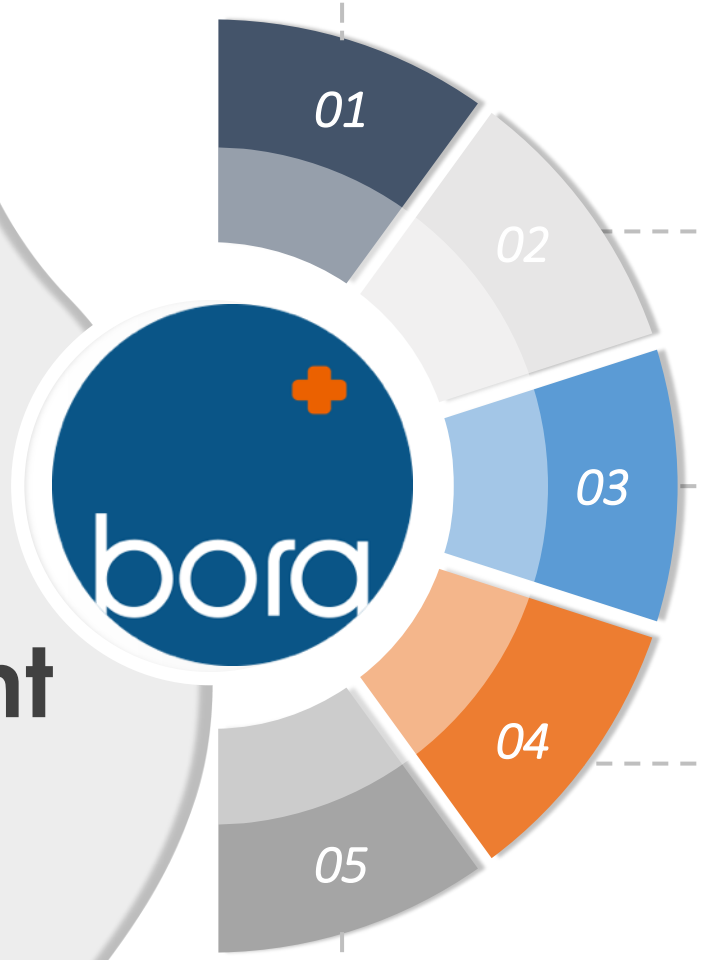
Bora Pharmaceuticals

# Bora Pharmaceuticals Investor Conference

March 2023

# Today to Present




- Company Introduction
- Recent Development & Operational Updates
- Financial Highlights
- FY2023 Strategic Deliverables & Outlook
- Q&As

Bora Pharmaceuticals

# Bora – Largest Pharma CDMO in Taiwan with Global Reach

## 1972
Hoan Pharmaceuticals is established by John Sheng.

## 2002
Bobby Sheng becomes Chairman and CEO of Hoan Pharmaceuticals.

## 2007
Bora Pharmaceuticals is established as a development scale CDMO with headquarters in Taipei, Taiwan.

## 2013
Bora acquires Eisai PICS Tainan facility.

## 2017
Bora's Initial Public Offering (IPO) on the Taipei Stock Exchange (TICKER 6472.TWO).


## 2018
Bora acquires Impax/Amneal's USFDA Zhunan facility.

## 2020
Bora acquires GSK Mississauga facility and establishes a North American Headquarters.

## 2022
Bora acquires Eden Biologics Zhubei facility.
Bora Biologics is established.

## 2022
Bora acquires TWi assets, adding two manufacturing facilities to the network

# Well-structured Portfolio Companies with Dedicated Function


- Bora Pharmaceuticals (Tainan Facility)
- Bora Pharmaceutical Laboratories (Zhunan)
- Bora Pharmaceuticals USA (USA)
- Bora Pharmaceutical Services (Canada)
- Bora Biologics (Zhubei)
- TWi Pharmaceuticals
- 聯邦化學製藥股份有限公司
- 保瑞聯邦股份有限公司

**Global CDMO Operations** | **Global Commercial Operations**

# Dual-Engine Growth Strategy to “Race to the Top”


## Global CDMO Operations

- High growth + cashflow positive business
- Inflation + recession proof industry

## Global Commercial Operations

- Better profits with blockbuster projects
- Direct access to end-market demand

***Improved efficiency to boost profitability***

***Comprehensive dosage forms for global markets***

# Experienced Leadership Team with Proven Track Record

**Bobby Sheng**
*Group CEO & Chairman*
> 25 years of experiences in pharma industry, including M&A, strategy planning and operational management

**Simon Chen**
*R&D VP, Spokesman*

**Alice Wang**
*Group CFO & Deputy Spokesperson*

**Sally Langa**
*Senior VP, S&M CDMO*

**Don Liscombe**
*GM, Bora Pharma Services*

**Tom Chang**
*GM, Bora Pharma Laboratories Inc*

**Jennifer Kuan**
*TW Site of Operations VP, Bora Biologics*

**Goff Baker**
*Quality VP*

**Nick Liu**
*GM, TWi Pharma*

**Henry Kuo**
*GM, Bora Health*

***20+ years of pharmaceutical experience in every function with global exposure***

Bora Pharmaceuticals

# Bora by the Numbers

**50+ Billion NTD** Market Cap*

**1250+** Employees

**100+** Export Countries

**7** Manufacturing Sites

**10 Billion NTD+** FY2022 Revenue

**95%** Revenues outside of Taiwan

**#1** Pharma Manufacturer in Taiwan (by volume) *

*As of Feb 2023

Contributing to Better Health All Over the World

# Recent Developments & Operational Highlights

# Best Year Achieved with Annual Revenue over NT$10bn

**Robust Business Growth**

- **FY2022 revenue of NT$10,494 million, 2nd consecutive year delivering over 100% growth with dual-engine strategy being successfully executed**
  - **Global CDMO Operations continue to be the cornerstone** with total revenue of NT$4,788 million
    - ✓ 17 new customers awarded + 26 new molecules added
    - ✓ Completed US FDA audit for SK, the first Taiwan ophthalmic site to be approved by the US FDA
    - ✓ Bora Biologics set-up to build a presence in the fast-growing biological macromolecules market globally – 11 Projects closed with growing contribution from global CDMO clients and 13 change orders/work orders signed during H2'22 to boost future growth
  - **Global Commercial Sale Operations serve as a catalyst to accelerate the growth with the completion of TWi acquisition**
    - ✓ 5 ANDA submission made + 4 US ANDA approvals received
    - ✓ 5 product launches in the US, including the first-to-market Dexlansoprazole AG
    - ✓ 1 licensing-in & 2 licensing-out deals signed to further boost the potentials

**Long-term Value Creation**

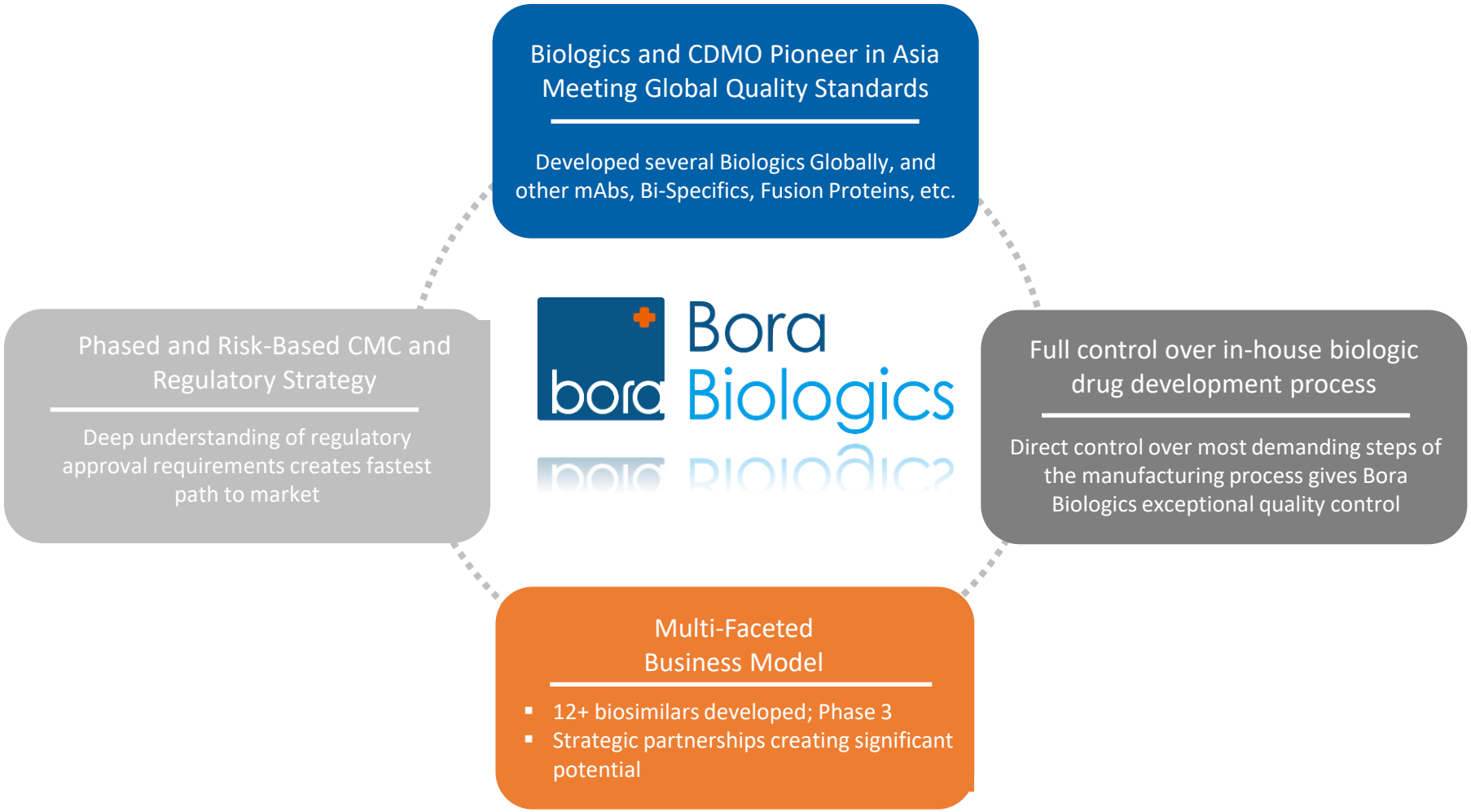
- **Net income of NT$1,401 million, increasing by over 30% for 3 years in a row to achieve the highest EPS of NT$18.52**
  - Dividends of NT$11 per share, which includes cash dividends of NT$8 plus stock dividends of NT$3 and represents approximately 60% payout, set another historic record to maximize shareholders' return
  - Margin profile is expected to be further enhanced with the launch of TWi's self-manufactured Dexlansoprazole in 2023

✓ **Proven track record of delivering sustainable growth being recognized by global professionals**

- The Company is recognized as one of the **High-Growth Companies Asia Pacific 2023** by Financial Times (FT) and the only Taiwan-based pharmaceutical company among the Top 500 from all Asian countries
- Continuous value creation through robust business growth together with the improved profitability leads the Company being part of **MSCI Global Small Cap Index** effective November 30, 2022 and **FTSE Global Equity Index Series Small Cap Index** effective March 17, 2023

# 2 Transformative Transactions in 2022 – Bora Biologic

***Value creation by gaining complex technology in the most cost efficient way***



# Biologic Platform – Making Bora #1 & the Only CDMO Offering Both Small Molecules & Biologics

High Titer Platform starting from Cell Line Development

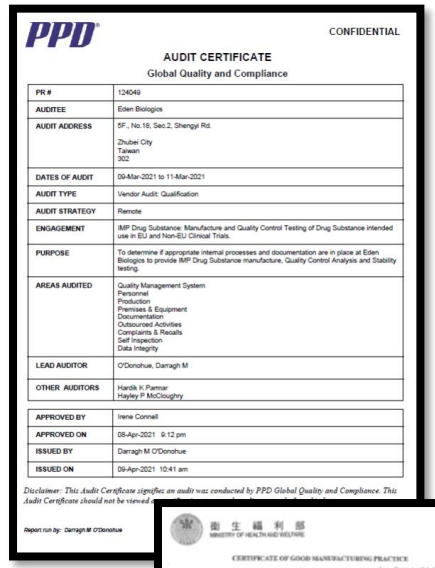
One of the most comprehensive onsite Analytical Labs in the region w/ experience in early protein characterization and meeting innovator ranges

Manufacturability and Quality Policies that are in line with Global Regulatory Standards and meets all regulations

Minimizing Time to IND and BLA & Platform processes are proven

Innovative global clinical trials strategy creates fastest path to market

## EU QP audit (2021)



PPD

CONFIDENTIAL

AUDIT CERTIFICATE

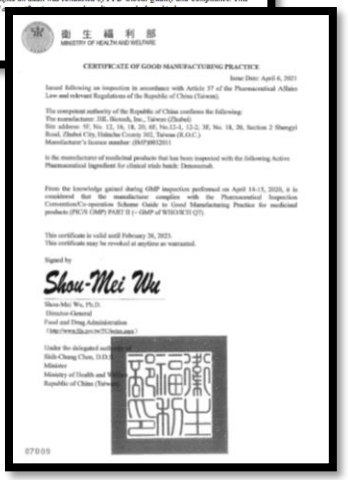
Global Quality and Compliance

| | |
|---|---|
| PR # | 124049 |
| AUDITEE | Eden Biologics |
| AUDIT ADDRESS | 5F., No.18, Sec.2, Shengyi Rd.<br>Zhubei City<br>Taiwan<br>302 |
| DATES OF AUDIT | 09-Mar-2021 to 11-Mar-2021 |
| AUDIT TYPE | Vendor Audit: Qualification |
| AUDIT STRATEGY | Remote |
| ENGAGEMENT | IMP Drug Substance: Manufacture and Quality Control Testing of Drug Substance intended use in EU and Non-EU Clinical Trials. |
| PURPOSE | To determine if appropriate internal processes and documentation are in place at Eden Biologics to provide IMP Drug Substance manufacture, Quality Control Analysis and Stability testing. |
| AREAS AUDITED | Quality Management System<br>Personnel<br>Production<br>Premises & Equipment<br>Documentation<br>Outsourced Activities<br>Complaints & Recalls<br>Self Inspection<br>Data Integrity |
| LEAD AUDITOR | O'Donohue, Darragh M |
| OTHER AUDITORS | Hardik K Parmar<br>Hayley P McCloughry |

| | |
|---|---|
| APPROVED BY | Irene Connell |
| APPROVED ON | 08-Apr-2021 9:12 pm |
| ISSUED BY | Darragh M O'Donohue |
| ISSUED ON | 09-Apr-2021 10:41 am |

*Disclaimer: This Audit Certificate signifies an audit was conducted by PPD Global Quality and Compliance. This Audit Certificate should not be viewed*

Report run by: Darragh M O'Donohue



衛生福利部 MINISTRY OF HEALTH AND WELFARE

CERTIFICATE OF GOOD MANUFACTURING PRACTICE

Issue Date: April 6, 2021

Shou-Mei Wu

## TFDA GMP (2021)

# 2 Transformative Transactions in 2022 – TWi

***Value creation by adding another strong catalyst to fuel the growth***

# Approved ANDAs – Majority are PIVs

**13**

**PIV**

| Product | Indication | Form | Technology | Approval Time | Launch Time |
|---|---|---|---|---|---|
| Donepezil hydrochloride (Aricept) | Dementia | ER tablet | Matrix | 10/2014 | Q1 2015 |
| Guanfacine hydrochloride (INTUNIV) | ADHD | ER tablet | Matrix | 06/2015 | Q2 2015 |
| Megestrol acetate (Megace ES) | Anorexia, Cachexia | Oral suspension | Nanoparticle | 08/2014 | Q3 2015 |
| Bupropion HCl (WELLBUTRIN XL) | Depressive Disorder | ER tablet | Membrane-controlled | 11/2017 | Q4 2018 |
| Cyclobenzaprine hydrochloride (AMRIX) | Muscle relaxants | ER capsule | Pellets | 01/2013 | Q2 2019 |
| Testosterone (Androgel) | Hypogonadism | Gel 1.62% | Topical gel (pump) | 09/2019 | Q2 2020 |
| Choline fenofibrate (TriLipix) | Hypertriglyceridemia | DR capsule | Mini-tablets | 07/2019 | Q3 2020 |
| Terbutaline Sulfate (BRETHINE) | Asthma | Tablet | IR tablets | 06/2020 | Q3 2020 |
| Dimethyl Fumarate (Tecfidera) | Multiple sclerosis | DR capsule | Mini-tablets | 01/2019 | Q4 2020 |
| Metformin HCl (Fortamet) | Diabetes | ER tablet | OROS | 09/2021 | Q4 2021 |
| Testosterone (Axiron) | Hypogonadism | Solution | Topical solution | 10/2021 | Q1 2023 |
| Dexlansoprazole (Dexilant) | Proton-pump inhibitor | DR capsule | Pellets | 09/2022 | Q1 2023 |
| Oxcarbazepine ER (Oxtellar XR)* | Seizures | ER tablet | Matrix | 11/2018 | |

**8**

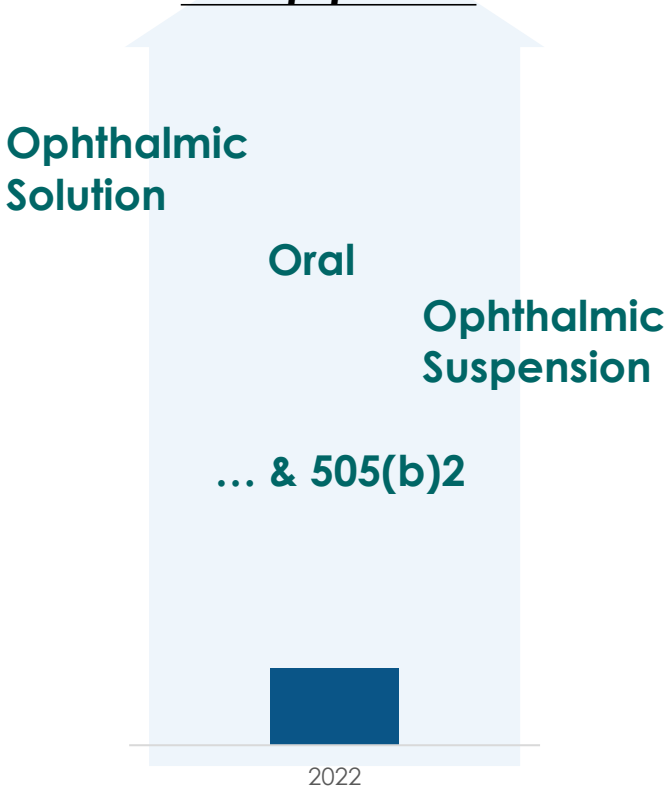
**High-entry-barrier**

| Product | Indication | Form | Technology | Approval Time | Launch Time |
|---|---|---|---|---|---|
| Nifedipine (PROCARDIA XL) | Hypertension | ER tablet | OROS | 04/2014 | Q1 2015 |
| Diltiazem hydrochloride (Cardizem CD) | Hypertension; Angina | ER capsule | Pellets | 08/2018 | Q2 2019 |
| Propafenone HCl (Rythmol SR) | Anti-arrhythmic | ER capsule | Mini-tablets | 06/2020 | Q3 2020 |
| Mycophenolic acid (MYFORTIC) | Immuno-suppressant | DR tablet | DR coating | 11/2021 | Q1 2022 |
| Fluphenazine HCl | Antipsychotic | Tablet | IR tablets | 04/2022 | Q4 2022 |
| Guanfacine HCl | Hypertension | Tablet | IR tablets | 05/2022 | Q1 2023 |
| Dicyclomine HCl (BENTYL) | Irritable bowel syndrome | Capsule | Capsules | 12/2022 | Q1 2023 |
| Diltiazem HCL SR (Cardizem SR) | Hypertension | SR Capsule | Capsules | 03/2023 | |

# More to Come from Robust R&D Pipeline

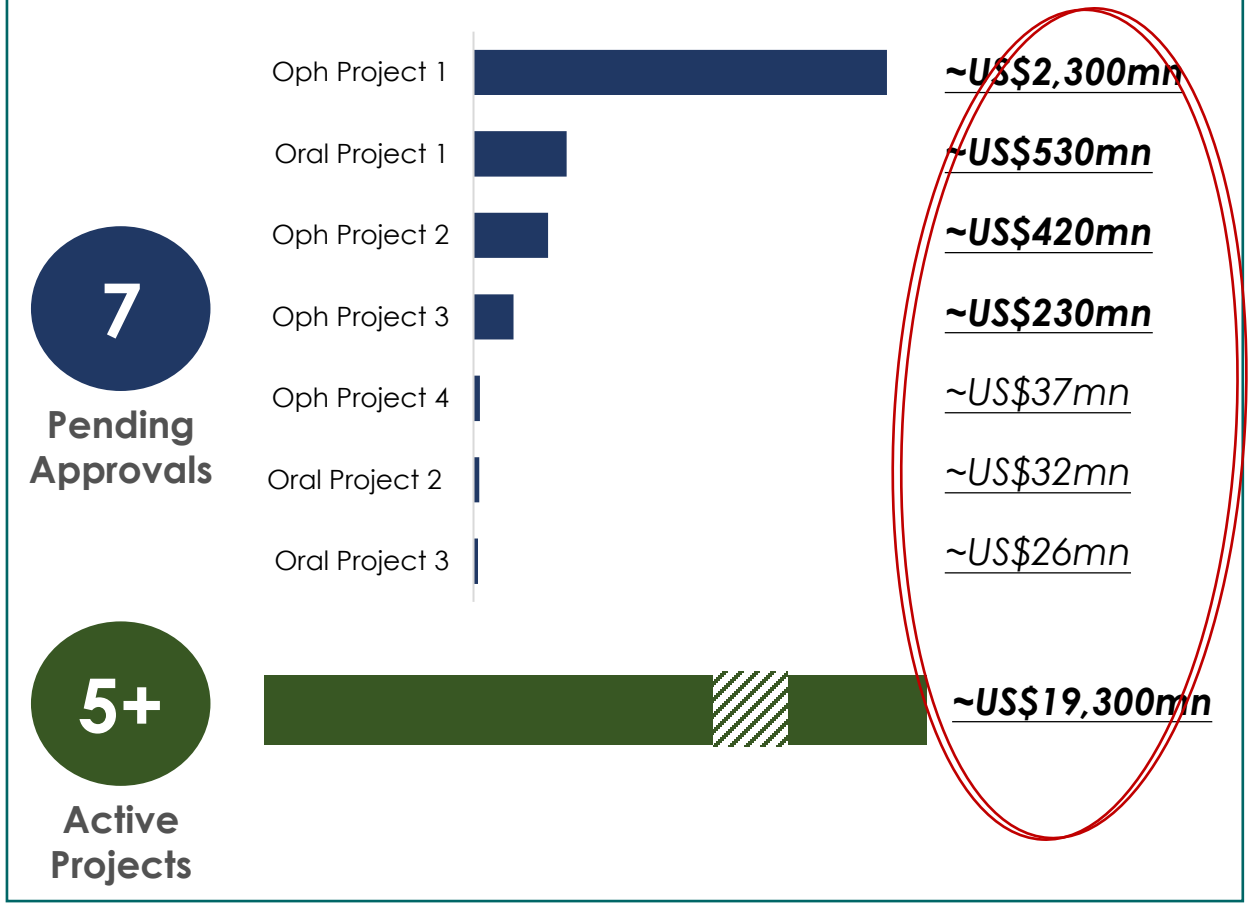
## TWi Sales

***More upside potentials from R&D pipeline***




## TTL Addressable Market Opportunities*

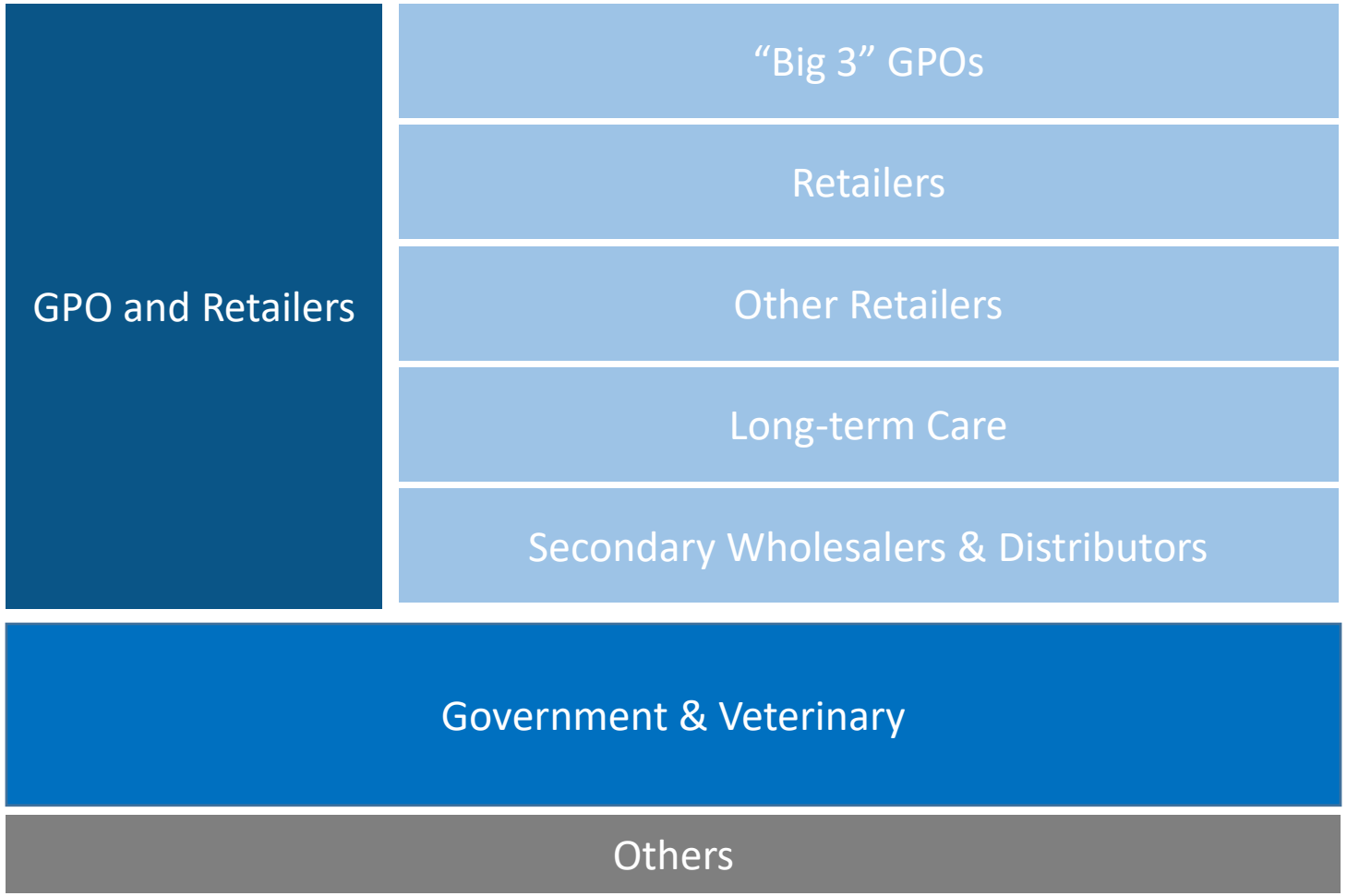
***Market Potential > US$22,000mn***




*Based on IQVIA data as of December 2022

# Superior S&M Recognized by Major Channels in the US

- Accessible to ***~90%*** of the demand in the US through well-connected customers




Ranked ***#1*** in the US for ***New Generic Launches*** November 2022

| | Top 50 Corporations | Contribution Rate |
|---|---|---|
| 1 | TWi Pharma US | 12.21% |
| 2 | Prasco Labs | 8.82% |
| 3 | Qualitent Pharma | 7.10% |
| 4 | Dr Reddy Inc | 6.73% |
| 5 | Viatris Inc. | 5.08% |
| 6 | Apotex Corp | 4.78% |
| 7 | Teva Pharm USA | 4.71% |
| 8 | Cipla USA, Inc. | 4.05% |
| 9 | Johnson & Johnson | 3.42% |
| 10 | Sun Pharma | 3.32% |
| 11 | Heteropharmaceutic | 3.27% |
| 12 | Accord Hlthcre Inc | 2.21% |
| 13 | Novartis | 2.06% |
| 14 | Lupin | 1.66% |
| 15 | Zydus Pharm | 1.53% |
| 16 | Amneal Inc | 1.39% |
| 17 | Strides Pharma | 1.36% |
| 18 | Northstar Rx | 1.22% |
| 19 | Hikma Pharm | 1.16% |
| 20 | Ascend Labs | 1.13% |
| 21 | Auromedics Pharma | 1.12% |
| 22 | KvK-Tech | 1.10% |
| 23 | Alvogen | 1.06% |
| 24 | Braintree Labs Inc | 0.92% |
| 25 | Alembic Pharm | 0.91% |

*Source: Raymond James, U.S. FDA, Wolters Kluwer, IQVIA*

# More Synergies to be Realized through Integration

**Efficiency Improvement for Synergies of Operations**

## *Short Term*

- ✓ Move products to the most efficient site -> 6 TWi products are under TT study at Zhunan site
- ✓ Reduce redundant operating costs -> Centralizing packaging of TWi products in Zhunan Site
- ✓ Remove low margin contributing (working capital consuming) products -> PAC to be terminated by the end of Mar'23
- ✓ Optimize R&D pipeline -> Pipeline selection meeting kicking off across different functions with support from sites
- ✓ Get SK pass USFDA audit + fine tune SK org to support CMO business -> Successful USFDA inspection and EIR received in Dec'22

**Revenue Growth with More Diversified Portfolio**

## *Mid Term*

- Accelerate portfolio expansion via M&A or partnership for Branded, OTC, and Biologics
- Diversify product portfolio
- Synergize CDMO business by leveraging commercial sale networks
- Expand sales in Taiwan and China
- Invest in business systems to further enhance the operating/managerial efficiency

**Best in Class**

## *Long Term*

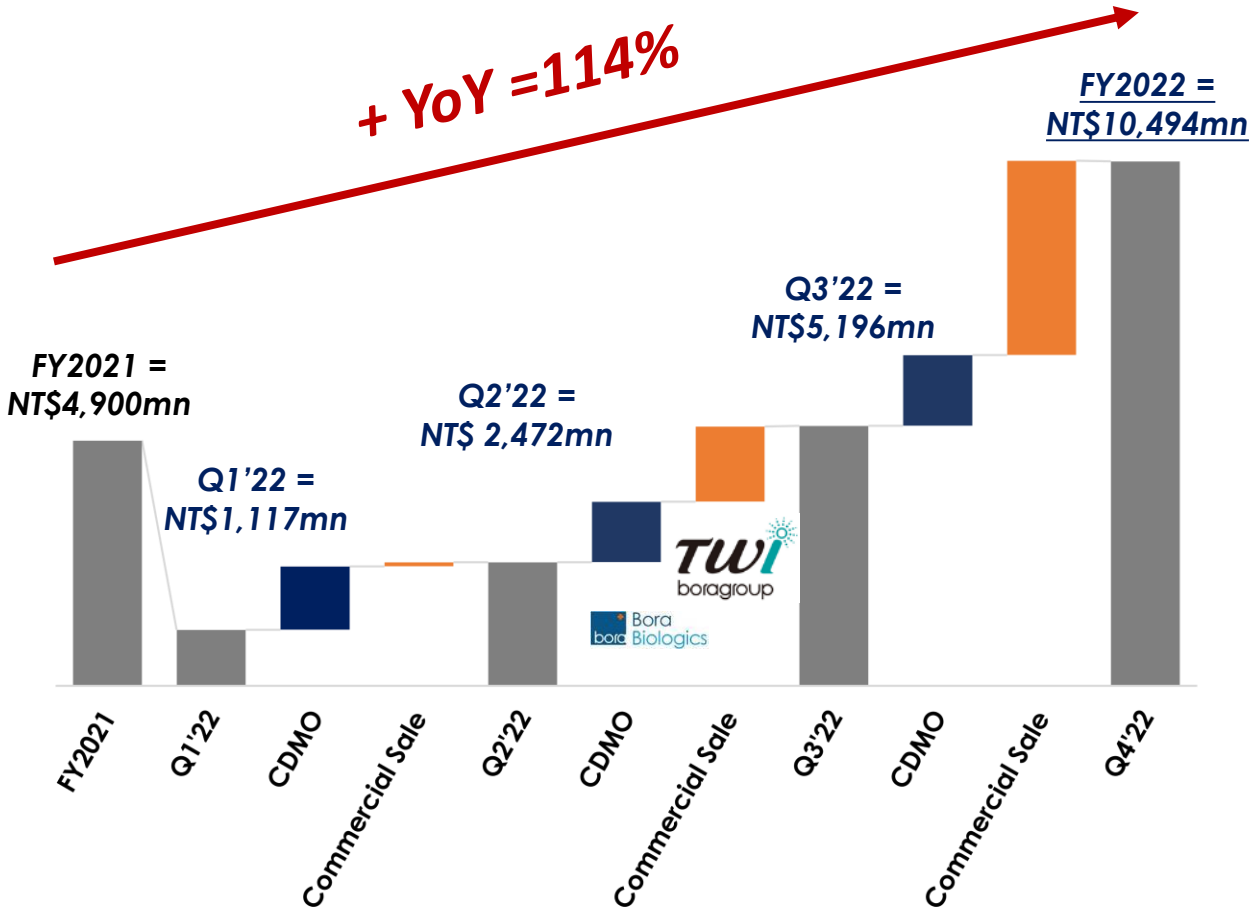
- Create sustainable growth with well-diversified portfolio
- Expand into more overseas markets with meaningful market presence
- Become a truly global pharmaceutical company

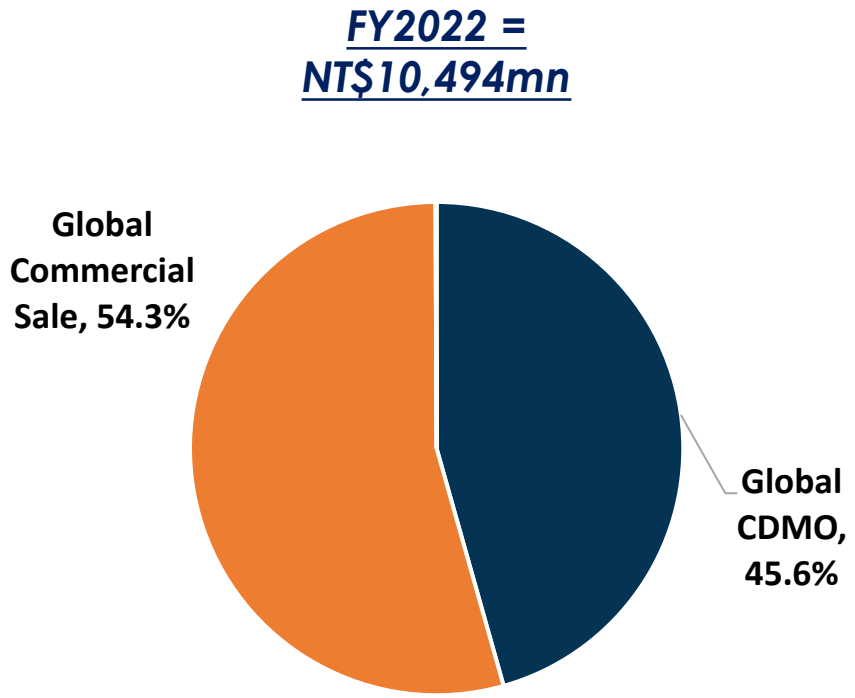

Contributing to
Better Health All
Over the World

# Financial Highlights

# Strong Growth Catalysts Continue to Set New Record

## FY2022 Quarterly Revenue Breakdown and Key Growth Drivers



# … and Drive the Most Remarkable Year

## Financial Highlights

| Key Financials (in NTD millions, except for EPS) | FY2021 | FY2022 | YoY % |
|---|---|---|---|
| **Revenue** | **4,900** | **10,494** | **114%** |
| COGS | (3,228) | (7,582) | |
| **Gross Profits** | **1,672** | **2,913** | **74%** |
| *GM %* | *34%* | *28%* | |
| Operating Expenses | (626) | (991) | |
| **Operating Income** | **1,046** | **1,922** | **84%** |
| *OPM %* | *21%* | *19%* | |
| Non-OPEX | | | |
| Financial costs | (54) | (109) | **103%** |
| Net of other gain/loss | 32 | 27 | **-16%** |
| Net Income Before Tax | 1,024 | 1,840 | **80%** |
| **Net Income** | **750** | **1,402** | **87%** |
| **EPS (NTD)** | **10.04** | **18.52** | **84%** |

***Consolidation of TWi starts from Sep 1st, 2022***

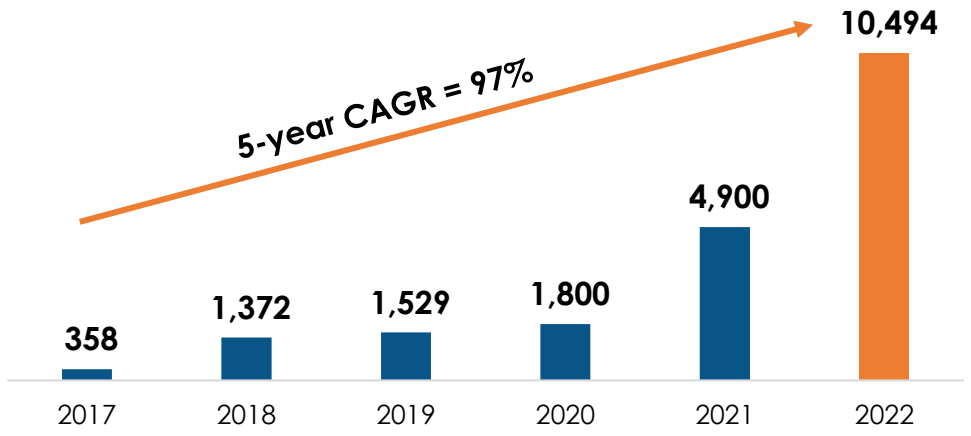
- Licensed-in PAC GM <10%
- AG DLS – royalty + outsourced COGS
- Year-end plant shut-down in Q4

Mainly due to the inclusion of TWi starting from Sep 1st, 2022

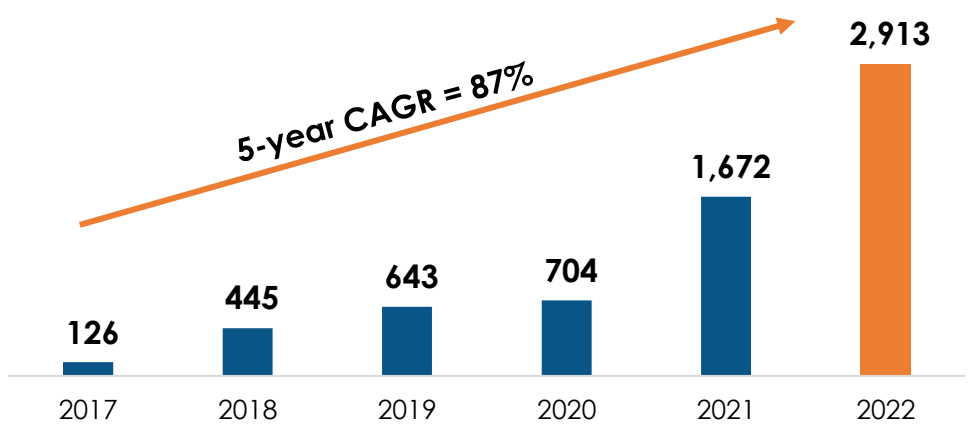
Increased interest-bearing debt due to the drawn-down of the syndication loan

# Bora Group's Rapid Growth Backed by Strong Financials

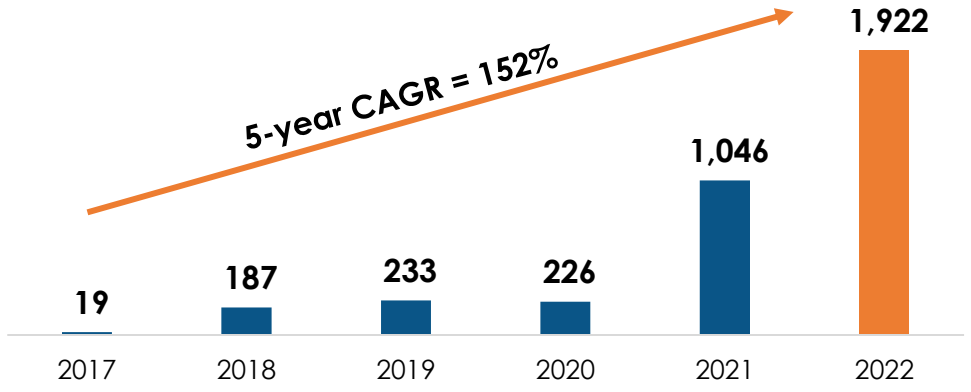
## Revenue (NT$'mn)



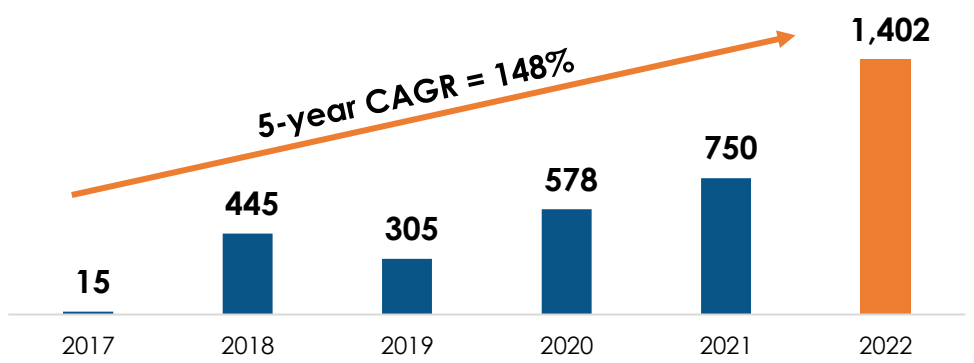

## Gross Profits (NT$'mn)



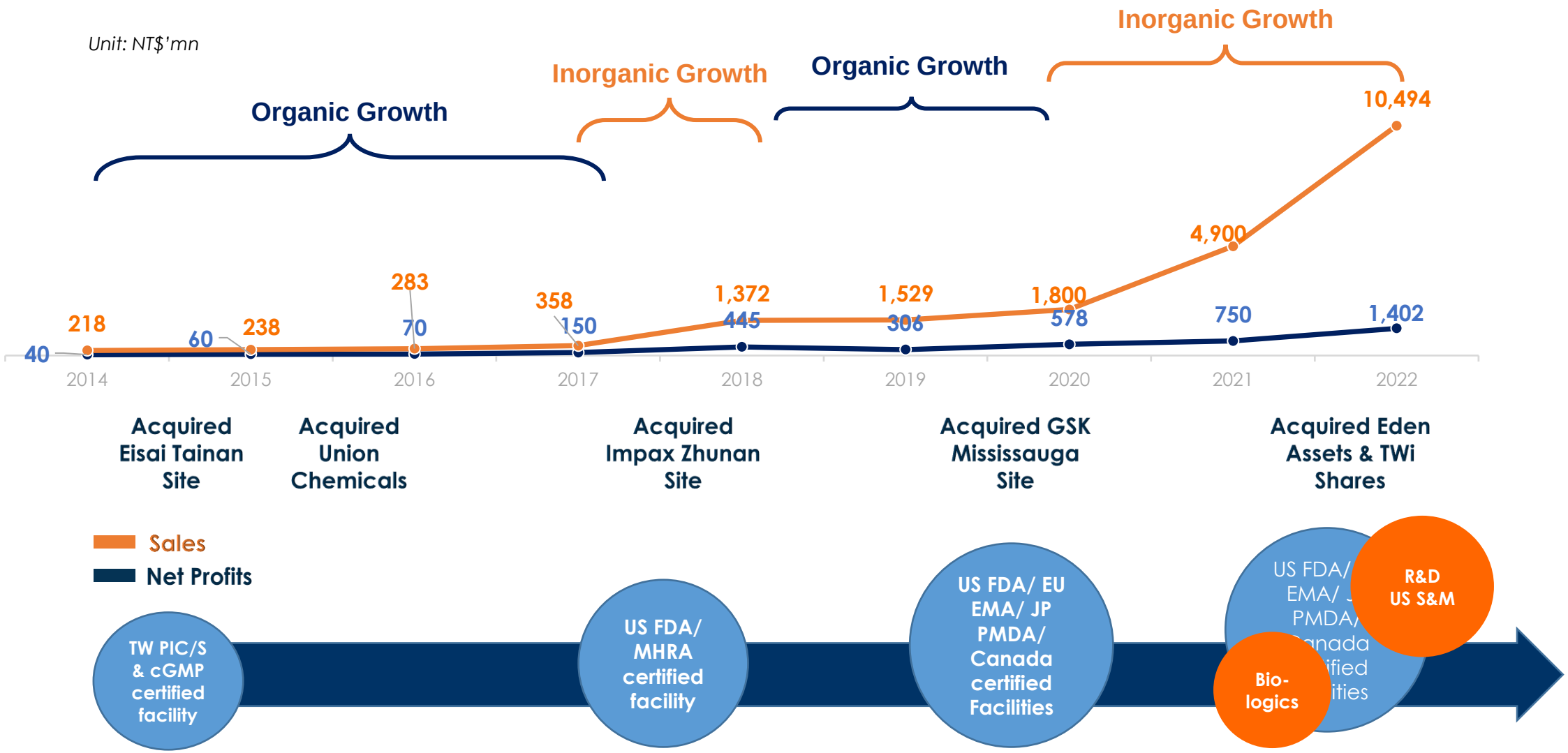

## Operating Income (NT$'mn)



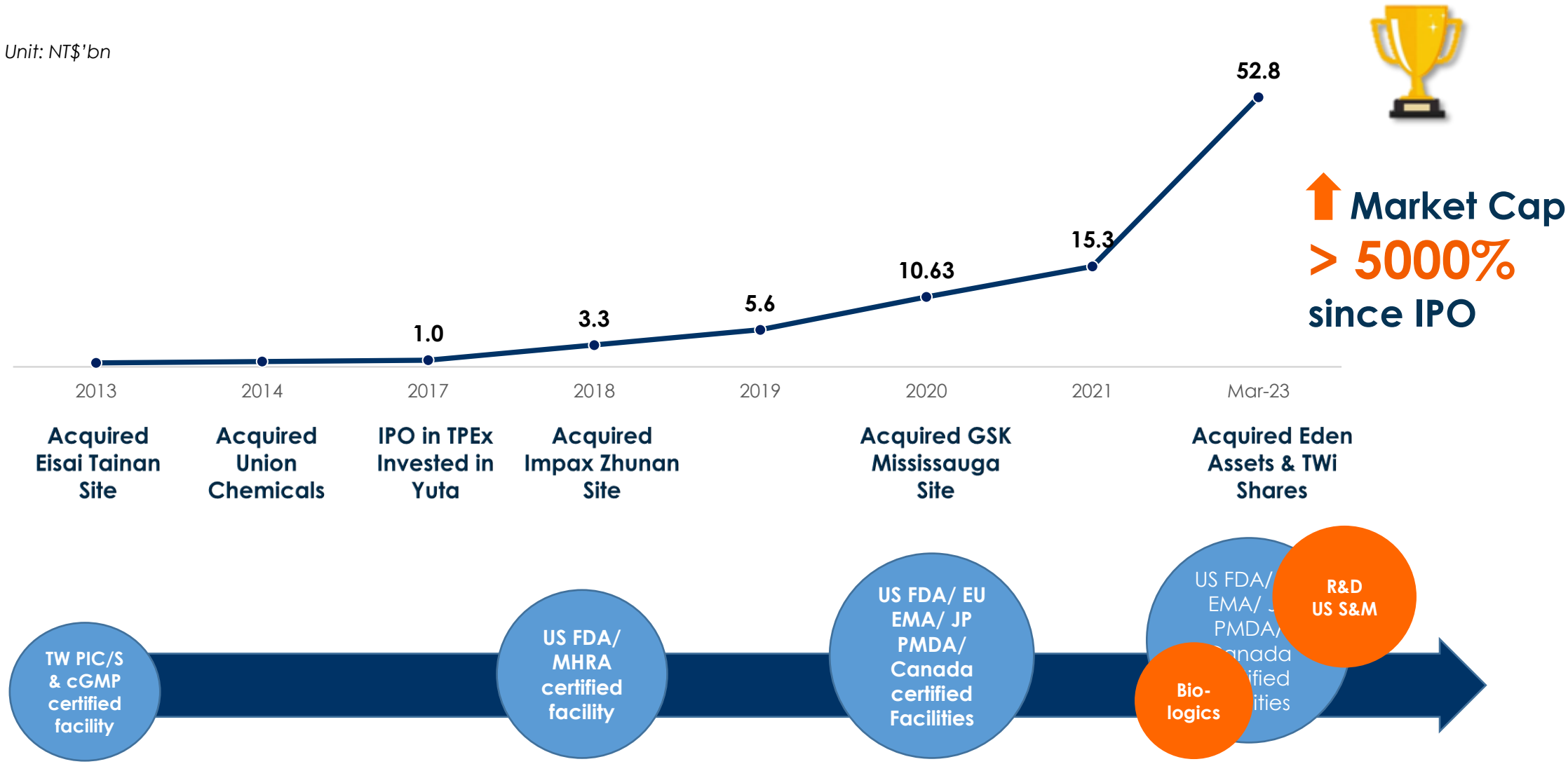

## Net Profits (NT$'mn)



# … Driven by both Organic & Inorganic Growth



# Creating Substantial Value for All Shareholders




bora
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Better Health All
Over the World
Strategic Deliverables
& Future Outlook

# Well-defined Strategic Deliverables to Fuel FY2023 Outlook

| | Global CDMO | Global Commercial Sale |
|---|---|---|
| **Further expand business opportunities by capitalizing existing platforms** | - 10+ new CDMO customers<br>- 10+ new molecules for global CDMO<br>- To support existing customers' expansion plan consistently | - 5+ new launches for the US market<br>- To expand out-licensing to ex-US countries |
| **Continuously invest in portfolio & technology for sustainable growth** | - Dedicated team to support clinical development & advanced manufacturing<br>- Investment in R&D CAPEX, equipment, and new technology | - 3+ US ANDA submissions<br>- 3+ US ADNA approvals<br>- 3+ licensing partnership deals |
| **Efficiently execute the M&A integration to realize the synergies** | - Production integration between different sites in Taiwan<br>- Expansion of Bora Biologics all-type biologics CDMO and SK ophthalmology CDMO business | - Integration between newly-acquired TWi and Bora Health to accelerate the growth of all product lines, including brand/generic, and CHC |

- Current economic situation creates more opportunity to acquire high value assets for both global CDMO business as well as more catalysts for global commercial sale

# Bora Group as the Leading Taiwan-based Pharma Company Fueled by Dual-engine Strategy with Global Reach

保瑞集團
Bora Group

- Largest CDMO pharma company in Taiwan with well-established infrastructure
- Duel-engine growth strategy covering the major fast-growing segments in global pharma industry with competitive edge
- State-of-the-art manufacturing facilities, approved by most of the advance regulatory authorities, supplying 100+ countries globally
- Superior execution of delivering the M&A synergies to maximize shareholders' value
- Competent and experienced leadership team with proven track record of driving success globally


# Contributing to Better Health All Over the World