

Advanced Therapeutics within Everyone's Reach

Celltrion – Celltrion Healthcare Merger Investor Presentation

August 17, 2023



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01

Merger Overview

Merger Background

“

Evolution into a
Leading Global Biopharma
from Biosimilar to Novel Drug

”

Integrate and Deploy
Group's Resources for
Large-scale Investments

**Maximize Market Share via
Product & Cost Competitiveness**
Based on Vertical Integration of
R&D, Production and Sales

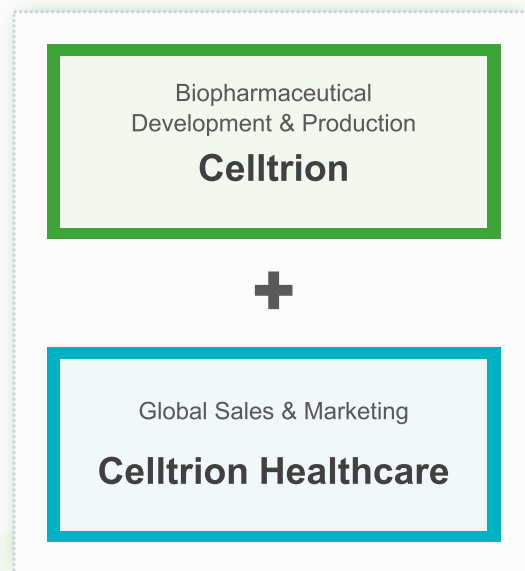
Reinforce Trust from
Investor Community through
Enhanced Transparency

Celltrion Group Corporate Governance Enhancement Plan

✓ Merger Plan by Phase

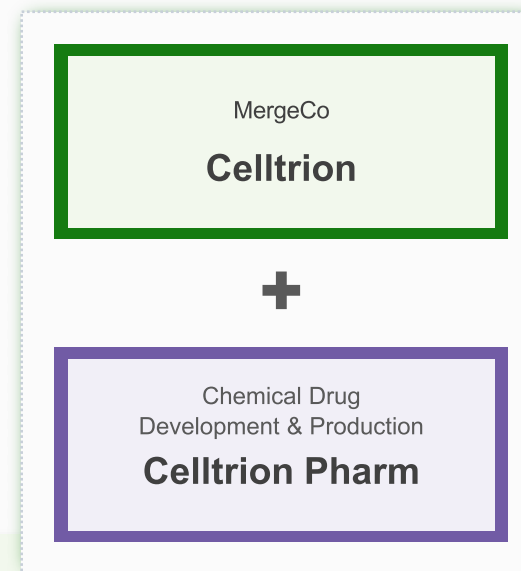
Expanding Presence in the Biopharmaceutical Market

Phase 1: Merger of Bio Business



Becoming a Fully-integrated Global Biopharmaceutical Company

Phase 2: Merger of Chemical Business



Celltrion Group Corporate Governance Enhancement Plan (Cont'd)

Phase 01

Expanding Presence in the Biopharmaceutical Market

- ✓ Expansion of biosimilar product portfolio and novel drug approval(Zymfentra¹⁾) in the US
- ✓ Need for enhanced cost structure and competitiveness to increase market share and profitability
- ✓ Integration of group's resources for large-scale investments

Phase 02

Enhancing Synergies between Bio & Chemical Businesses

- ✓ New product development targeting global markets and revenue diversification
- ✓ Expansion of high value-added portfolio including ADC and peptides
- ✓ Expansion of CMO business utilizing cGMP facilities

* Note: 1) The brand name for Remsima SC® in the US

“ **Evolution into a Leading Global Biopharma
through Phased Merger** ”

Merger Overview

Key Milestones¹⁾



Overview

Celltrion, Inc. (“Celltrion”) to merge with Celltrion Healthcare Co., Ltd. (“Celltrion Healthcare”) via issuance of Celltrion shares to Celltrion Healthcare shareholders

● Surviving entity: Celltrion, Inc. / Merged entity: Celltrion Healthcare Co., Ltd.

Merger Ratio

0.4492620 shares of Celltrion common stock per **1** share of Celltrion Healthcare common stock

● Merger price per share: Celltrion **KRW148,853**, Celltrion Healthcare **KRW66,874**

● Calculation method²⁾: (1-month avg. closing price³⁾ + 1-week avg. closing price³⁾ + last closing price) / 3

Appraisal Rights Exercise Price

● Reference price for the appraisal rights: Celltrion **KRW150,813**, Celltrion Healthcare **KRW67,251**

● Calculation method⁴⁾: (2-month avg. closing price³⁾ + 1-month avg. closing price³⁾ + 1-week avg. closing price³⁾) / 3

※ Exercise period: Oct. 23, 2023 ~ Nov.13, 2023

Independent Special Committee

The merger approved by the board after review by the special committee consisting of outside directors from both companies

● Support the board’s decision-making through independent and objective review of all merger-related matters

※ Items reviewed: (1) General matters (e.g., Potential infringement of shareholder interest); (2) Merger filings and investment risk factors; (3) Financial statements of the MergeCo; (4) Merger ratio; and (5) Merger rationale

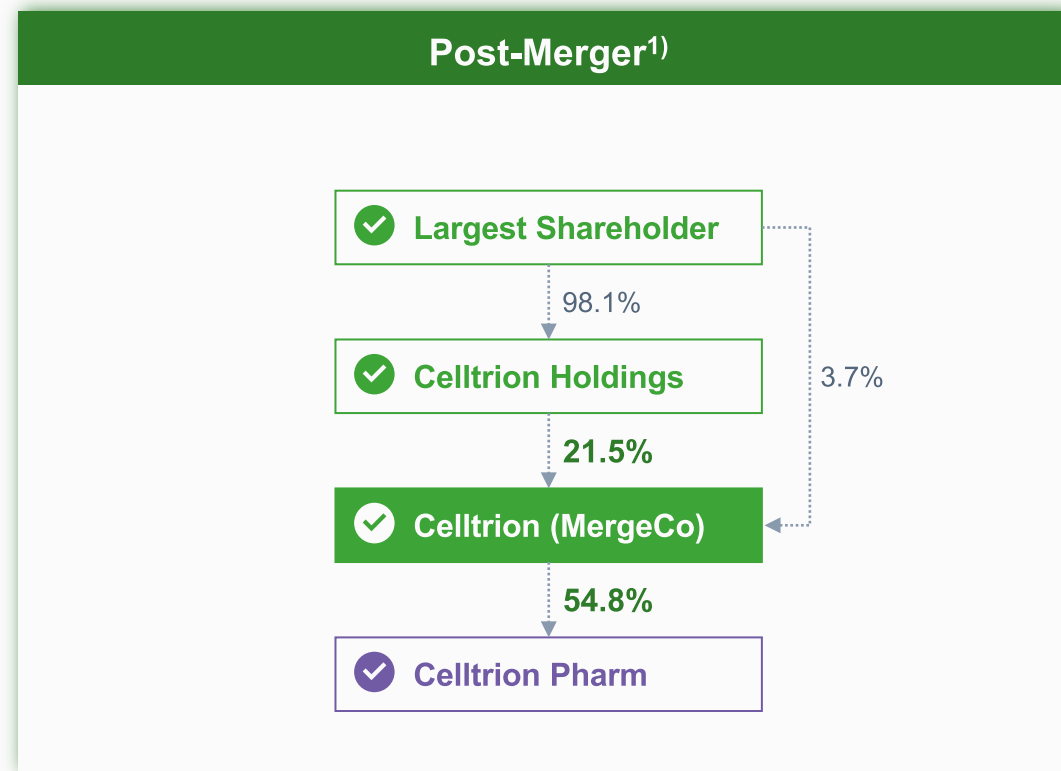
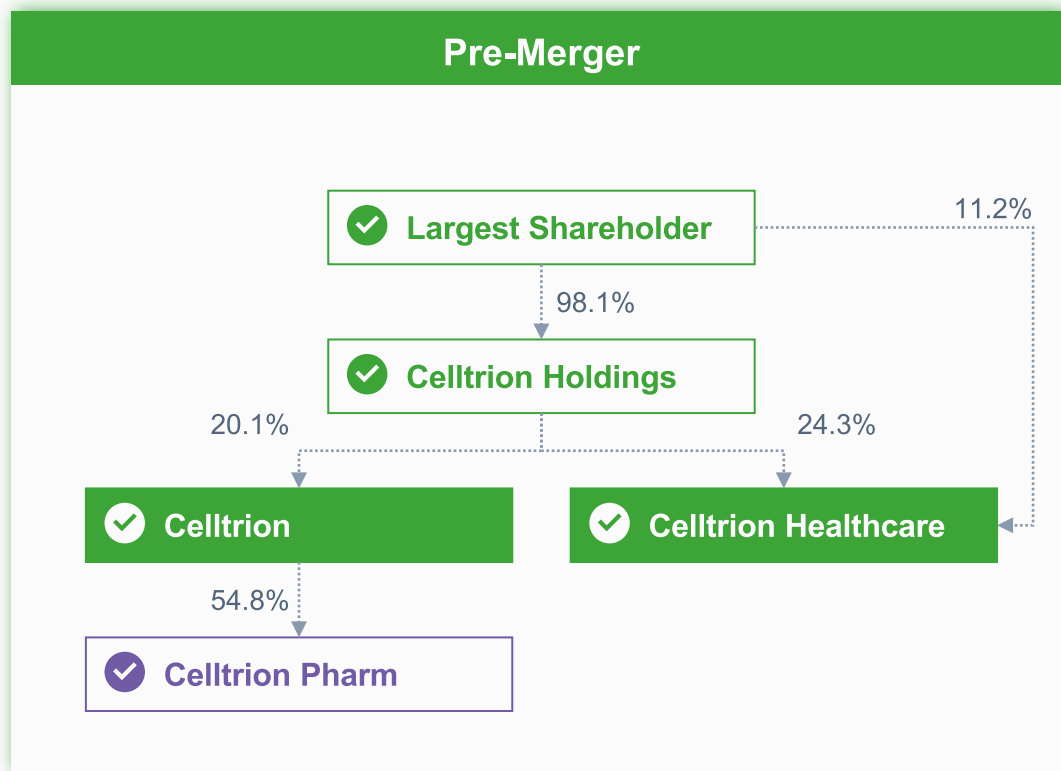
* Note: 1) The above timeline is subject to change depending on the effective date of the securities registration statement

2) In accordance with Enforcement Decree of Financial Investment Services and Capital Market Act Article 176-5 clause ① sub-paragraph 1

3) Average closing price is calculated by volume-weighted arithmetic average of closing prices over the respective period (In accordance with Enforcement Decree of Financial Investment Services and Capital Market Act Article 176-5)

4) In accordance with Enforcement Decree of Financial Investment Services and Capital Market Act Article 176-7 clause ③ sub-paragraph 1

Post-Merger Ownership Structure



* Note: 1) Assumed no appraisal right exercised for the purpose of calculating the above post-merger ownership %

“ **Strengthening Capabilities and Synergies
via Streamlined Group Structure** ”

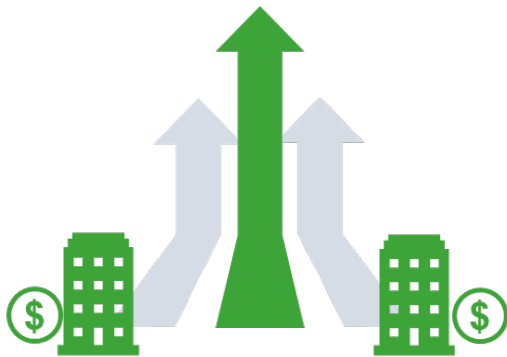


02

Merger Rationale

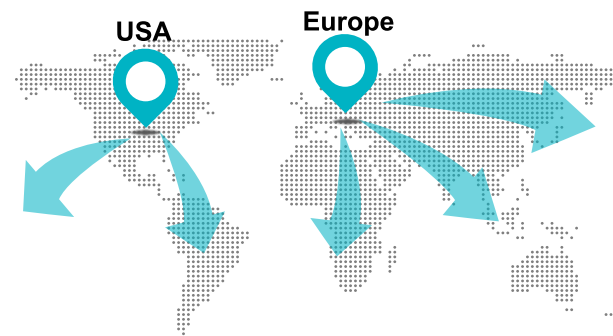
Merger Rationale Summary

Large-scale Investment in Strategic Focus Area



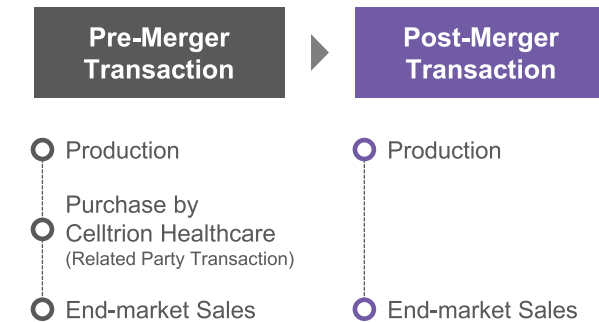
Large-scale investments in **strategic focus areas** such as novel drug, M&As and in-licensing by utilizing **integrated group resources**

Aggressive Sales Strategy based on Enhanced Cost Competitiveness



Aggressive sales strategy to **expand global footprint and maximize market share**
underpinned by enhanced cost competitiveness

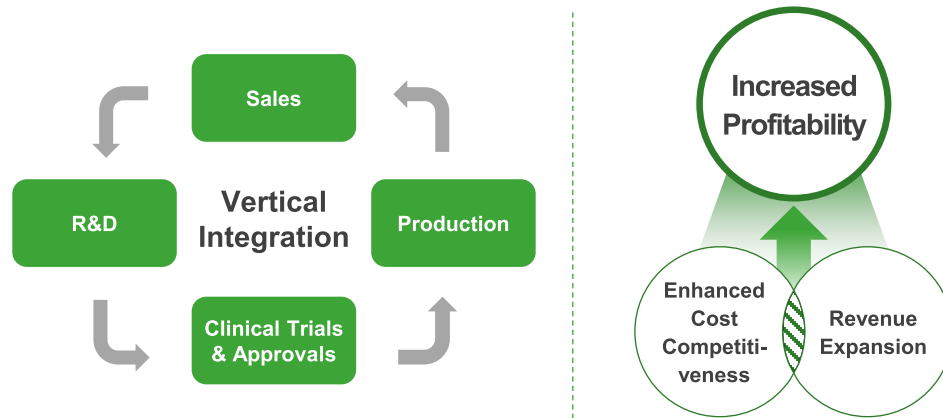
Enhance Transparency by Simplified Transaction Structure



Reinforce trust from **investor community** through **enhanced transparency** via **streamlined transaction structure**

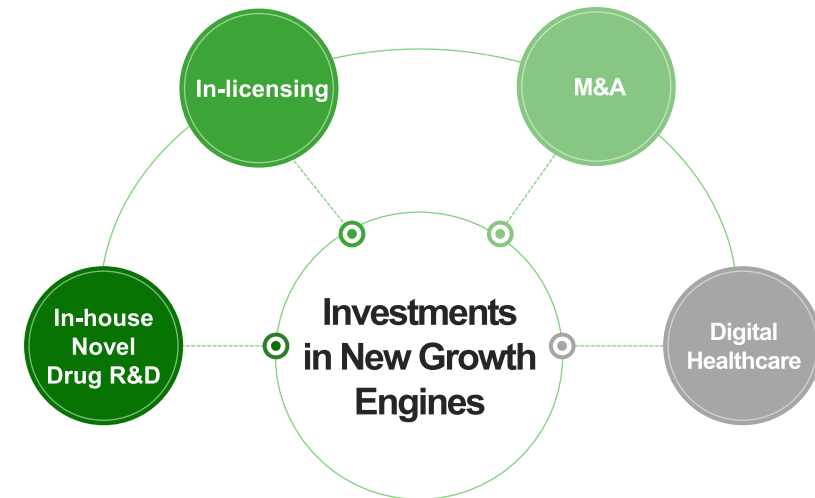
01. Large-scale Investment in Strategic Focus Area

Secure Integrated Group Resources via Vertical Integration



- **Enhance cost competitiveness** by vertically integrating R&D, clinical trials & approvals, production and sales
- **Launch differentiated products** and **maximize revenue** by swiftly addressing unmet needs via increased Sales-R&D collaboration
- **Increase profitability** based on streamlined organizational structure

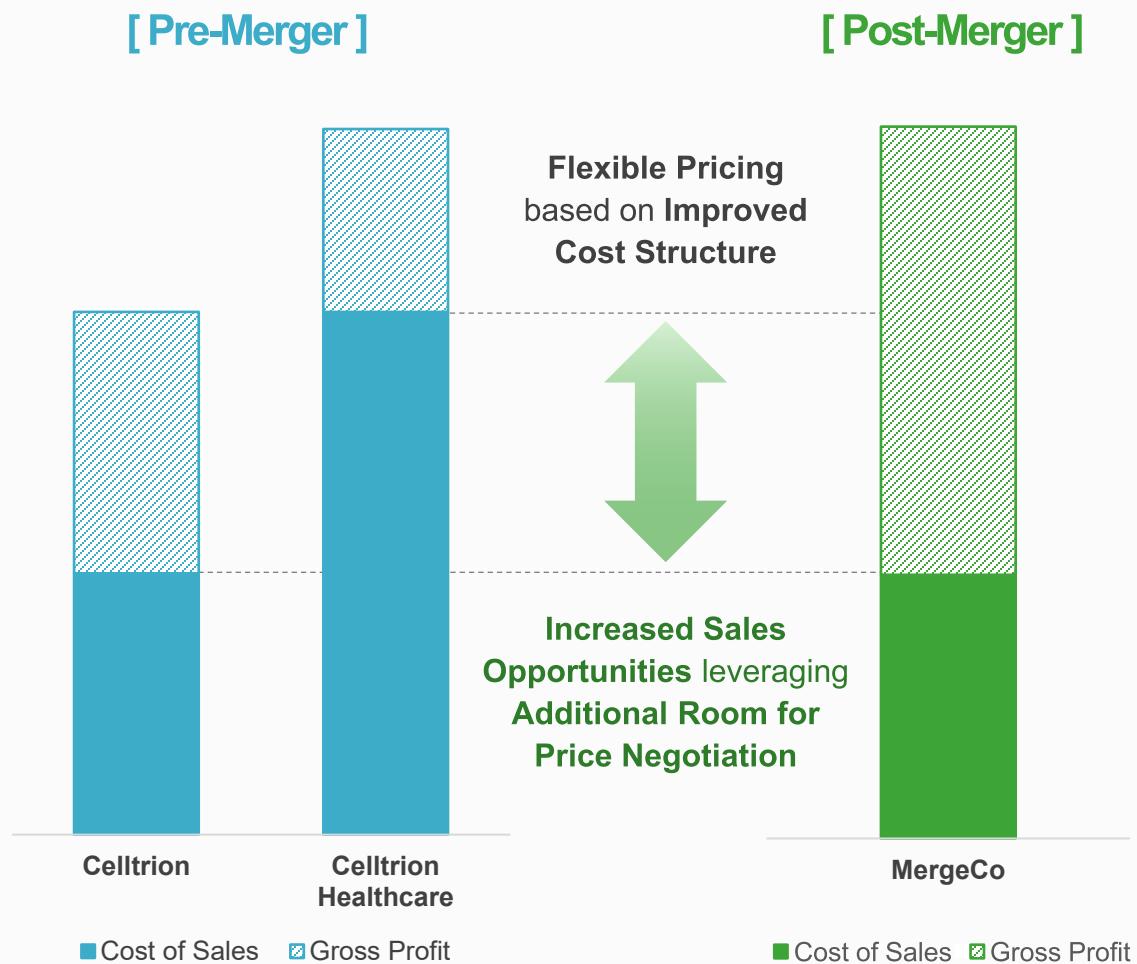
Deploy Integrated Group Resources for Large-scale Investments



- **Large-scale investments for novel drug and new modality R&D** utilizing integrated group resources
- **Strategic investments** in in-house R&D, in-licensing, M&A, etc.
- Secure **new drug pipeline** and launch **new business initiatives** in a timely manner

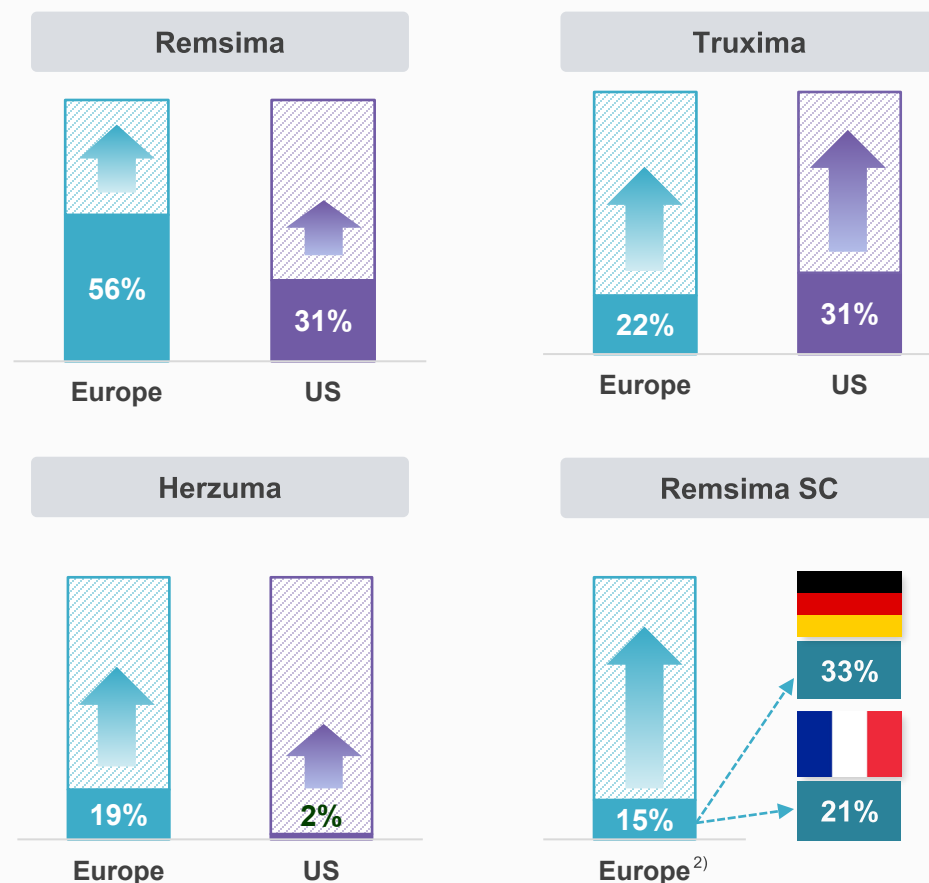
02. Maximize Market Share Based on Enhanced Cost Competitiveness

➤ Pre-Merger & Post-Merger Cost of Sales Ratio (illustrative)



➤ Maximize Market Share through Competitive Pricing

✓ 1Q23 Market Share by Key Product / Region¹⁾

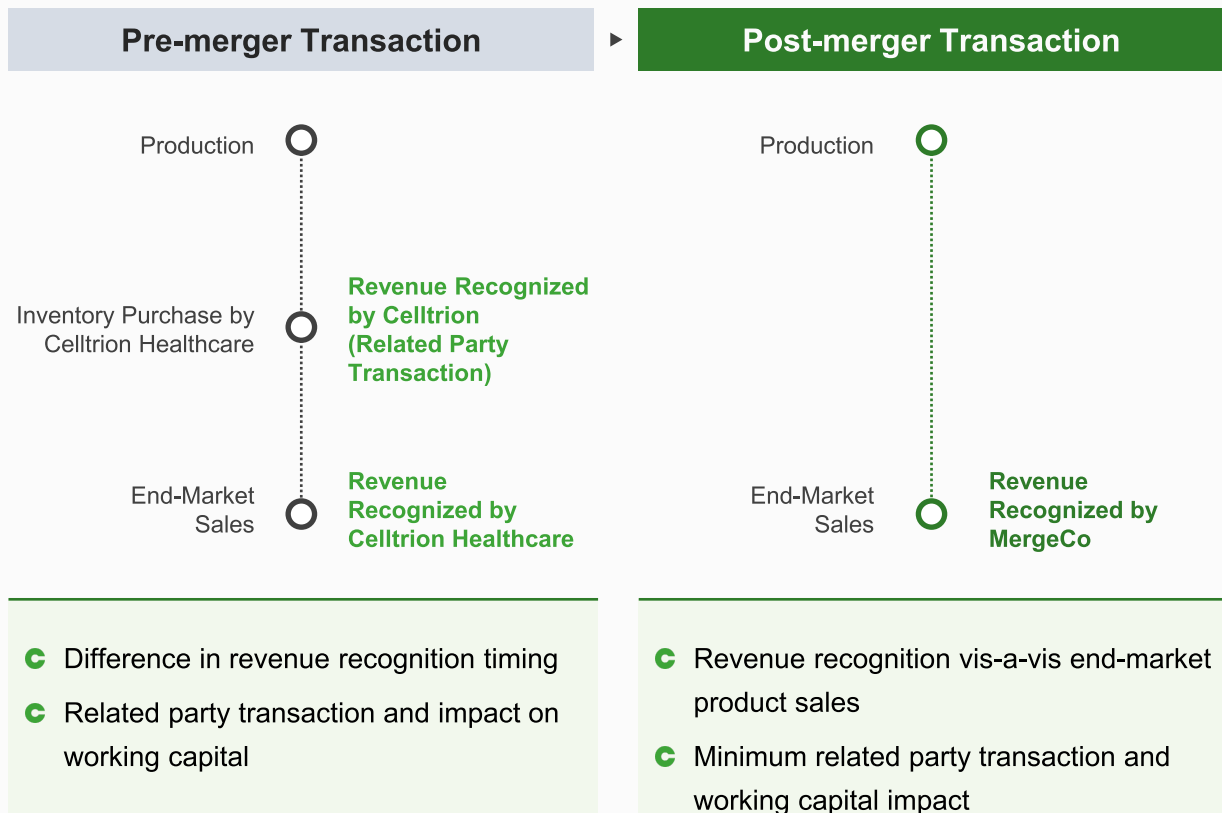


* Note: 1) IQVIA, Symphony Health; based on prescription volume

2) The market share is based on the combined volume of European countries Remsima®SC has been launched

03. Enhance Transparency by Simplified Transaction Structure

Simplified Transaction Structure



* Note: 1) Procurement cost → Production cost

Elimination of Related Party Transactions

Improved Earnings Visibility through
Removal of Differences in Revenue Recognition Timing

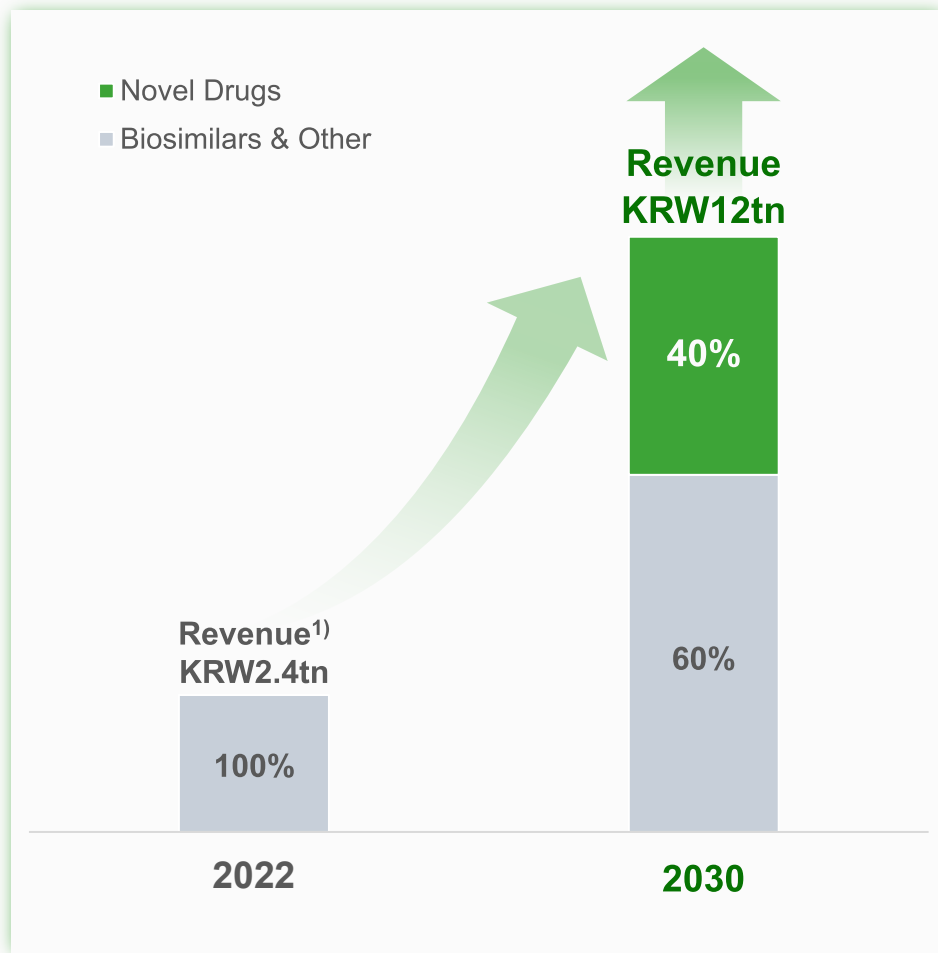
Improved Cost Structure through
Change in Inventory Recognition¹⁾

Reinforce Trust from Investor Community
through Enhanced Transparency

03

Celltrion Group Vision

“ Ascend as a Top-tier Global Pharma with Best-in-Class Biosimilar & Novel Drug Capabilities ”



01. Biosimilar Pipelines

- Commercialize a total of 22 products by 2030
- Target a broad range of therapeutic areas with differentiated formulation, administration routes and dosage



02. Novel Drug Pipelines

- Successful US market entry of Zymfentra²⁾ via proactive marketing initiatives
- 40% target for 2030 revenue from novel drugs via proprietary R&D and in-licensing deals
- Bolster novel drug pipelines through M&A and other initiatives



03. Sales & Production Strategy

- Broaden market presence across emerging countries while establishing an extensive global direct distribution network
- Achieve supply chain stability via expansion of manufacturing facilities and further internalizing the production process



04. Digital Healthcare

- Invest in areas synergistic with Celltrion's assets and capabilities
- Opportunities in analysis, diagnosis and telemedicine
- A wide range of applications in drug development, precision medicine, remote diagnosis, and chronic disease treatment

* Note: 1) Combined revenue of Celltrion Healthcare and Celltrion's ex-biosimilar revenues.
2) The brand name for Remsima SC® in the US

01. Increasing Market Presence via Biosimilar Expansion & Product Differentiation



1

Secure **competitiveness** in the US market and **establish a global brand** through various **marketing strategies**, including product bundling



2

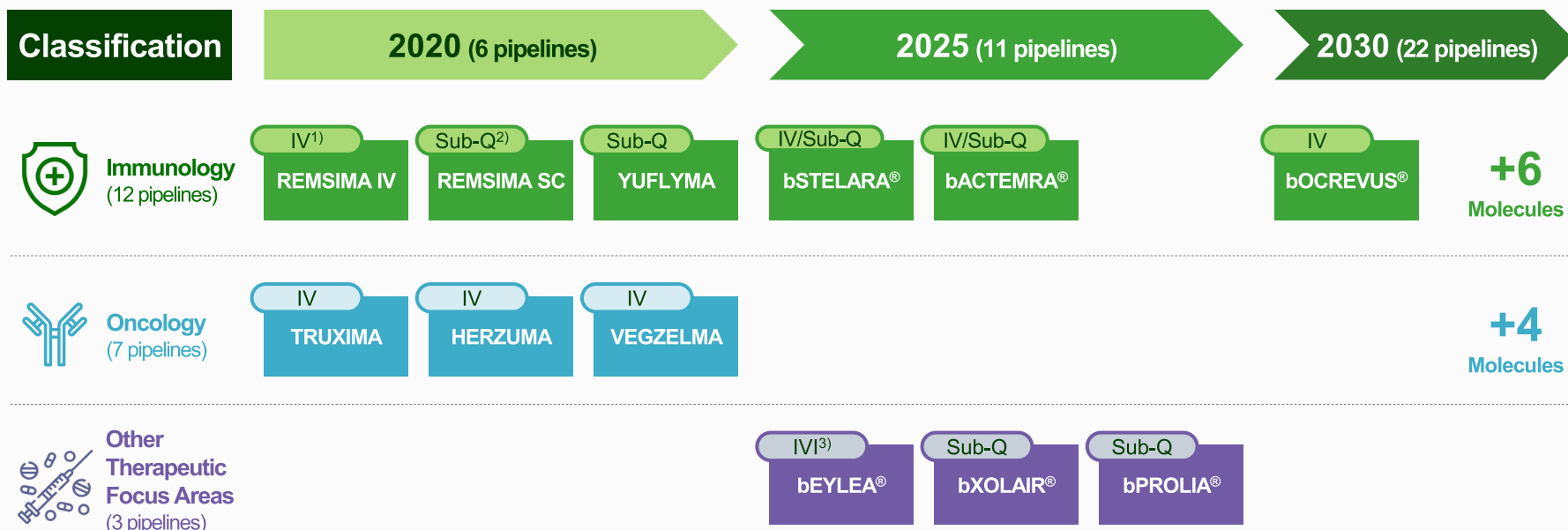
Pursue a distinctive differentiation strategy to secure **robust competitive edge** by **introducing new formulation, dosage and administration**



3

Showcasing **world-class pipeline development capabilities** by successfully **commercializing 22 products** by 2030

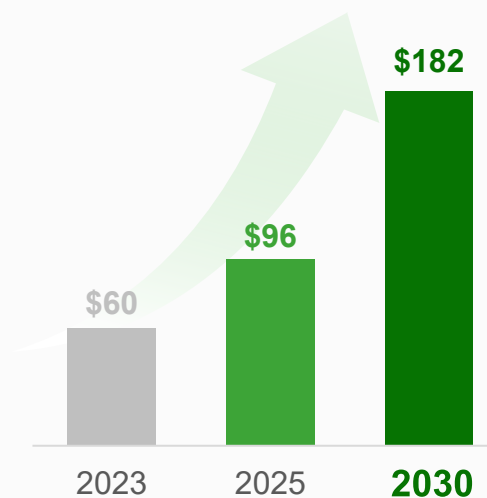
> Biosimilar Timeline



* Note: 1) Intravenous injection
2) Subcutaneous injection
3) Intravitreal injection

> Target Pipeline Market Size¹⁾

[US\$ bn]



* Source: IQVIA
* Note: 1) Combined sales of 22 original products in the pipelines

02. Transcending the Realm of Biosimilars to Emerge as an Innovator



✓ ADC (Antibody-Drug Conjugate)

Advancing biobetter development by addressing unmet clinical needs in promising therapeutic targets (risk minimization)



✓ mRNA Platform

Internalizing a competitive platform on par with global vaccine companies by developing an mRNA platform



✓ Bi-specific · New therapeutic Antibody

Developing synergistic antibodies that complement the company's existing in-house pipelines



✓ Exploring New Modalities

Broadening the spectrum of treatment options by diversifying therapeutic modalities, including oral formulations and oncolytic virus for cancer therapy



Accelerating novel drug development by leveraging leading antibody technology



Applying novel drug platform technology to biosimilar development



Actively pursuing synergy opportunities through M&A from the second half of 2023

Zymfentra¹⁾ Approval in the US (Oct 2023(E))

Clinical Trials for In-house Novel Drugs (2024~)

Licensing + M&A



High Potential for Becoming a Blockbuster



Continuous Enhancement of In-house R&D Capabilities



Portfolio Diversification & Securing New Growth Engines

* Note: 1) The brand name for Remsima SC® in the US

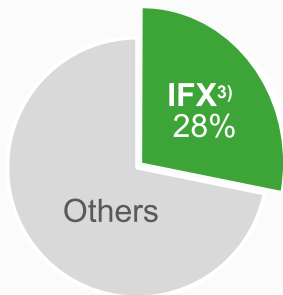
02. Zymfentra to Emerge as a Highly-Profitable Blockbuster Novel Drug

- Infliximab, **the most prescribed IBD¹⁾ treatment** proven over 20 years, has accumulated an extensive dataset proving its efficacy and safety
- Plan to expand patient universe from traditional TNF-a²⁾ market to **entire IBD treatment domain**

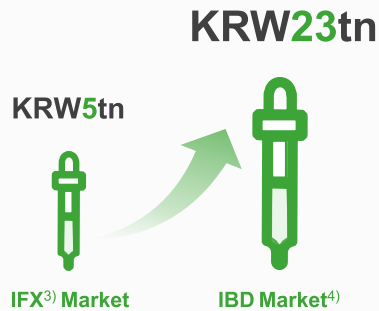
- **~3x higher price point of SC formulation** vs. IV formulation
- **Low rebates** expected for the non-competitive novel drug

- **Introduction of subcutaneous formulation of existing products accelerated sales growth** in the US thanks to patient convenience and satisfaction
- **77% of European patients** who switched to Infliximab SC reported **satisfaction⁷⁾**

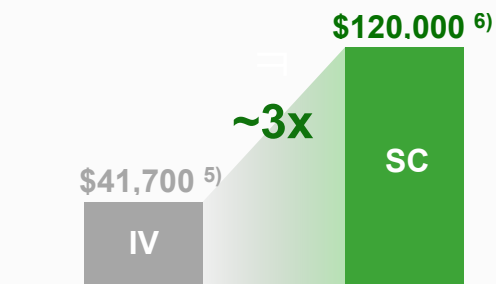
IFX³⁾ Prescription Share Among IBD Treatments (2022)



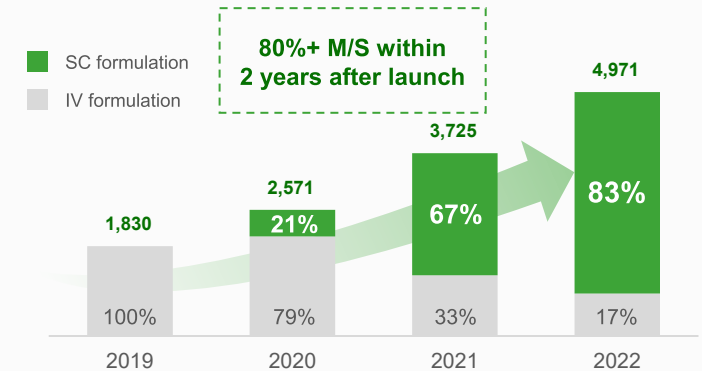
Target Market Expansion



Average Annual Treatment Cost by Formulation for IBD treatments



Case Study) US Darzalex[®] Sales⁸⁾ (US\$ mm)



* Source: IQVIA

* Note: 1) Inflammatory Bowel Disease

2) Tumor Necrosis Factor – Alpha

3) Infliximab

4) IBD market is inclusive of TNF inhibitors, Interleukin, JAK inhibitors, Entyvio[®] and Zeposia[®]

* Source: Drugs.com, buyandbill.com

* Note: 5) Average annual treatment expense of 2 IV drugs (Remicade[®], Entyvio[®]) among IBD treatments

6) Average annual treatment expense of 4 SC drugs (Humira[®], Simponi[®], Stelara[®], Skyrizi[®]) among IBD treatments

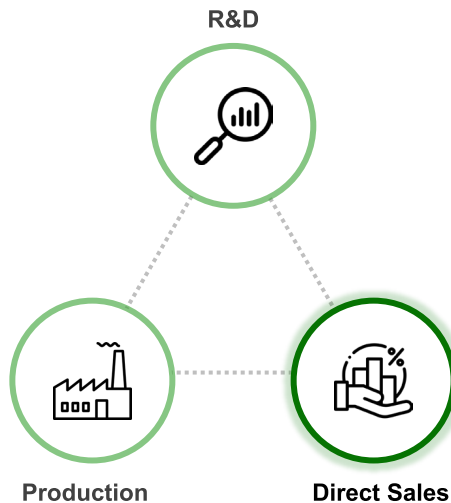
* Source: Philip J Smith et al Efficacy and Safety of Elective Switching From Intravenous to Subcutaneous Infliximab (CT-P13): A Multi-Centre Cohort Study, Journal of Crohn's and Colitis, 2022, Symphony Health

* Note: 7) Based on patients who indicated "Strongly Agree" or "Agree" in satisfaction survey results

8) According to Symphony Health, the uptrend in SC share in the US sales of Darzalex[®]

03. Completing the Biopharma Value Chain – Global Sales Network

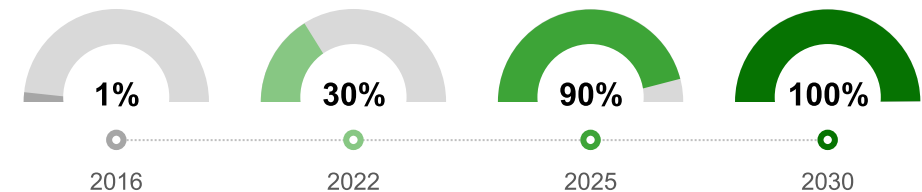
Full Integration of the Biopharma Value Chain with Direct Sales Network



- First ever to successfully establish a far-reaching global distribution network among Korean bio players
- Reinforcing market presence by employing market entry strategies tailored to specific products and target countries
- A quantum leap toward becoming a top-tier biopharma by building a business framework akin to that of leading global biopharmas

Amplifying Profitability by Broadening Reach into Target Countries and Expanding Direct Sales Coverage

✓ Expanding Direct Sales Footprint



* Direct sales portion out of total market size

✓ Strengthen Market Presence



03. Securing Cost Competitiveness & Stable Supply with In-house Production Facilities

➤ DRUG SUBSTANCE (DS)

Building Plant #3 with multi-product, small-scale production capabilities

Laying a foundation to achieve over KRW20tn²) in sales with Plant #4

☑ **Production flexibility with additional capacity from Plant #3 (commercial operation in 2024)**

- Establishing 7.5kl¹) production lines, tailored to the characteristics (high titer, low dosage) of future pipeline products
- Securing additional 60kl of production capacity with the construction of Plant #3 (250kl of total capacity from Plant #1, #2 and #3 combined)

☑ **Exploring additional capacity expansion and regional diversification for stable supply chain**

- Stable production and supply of in-house developed pipeline products (biosimilars and novel drugs)

➤ DRUG PRODUCT (DP)

Expansion of DP production facilities

☑ **Flexible response to volatility in global DP supply and demand**

- Establishing a stable supply chain through the expansion of internalized DP production capacity
- Establishing a new DP line in Plant #1

➤ **Actively Exploring Regional Diversification Including the US for Both DS and DP**

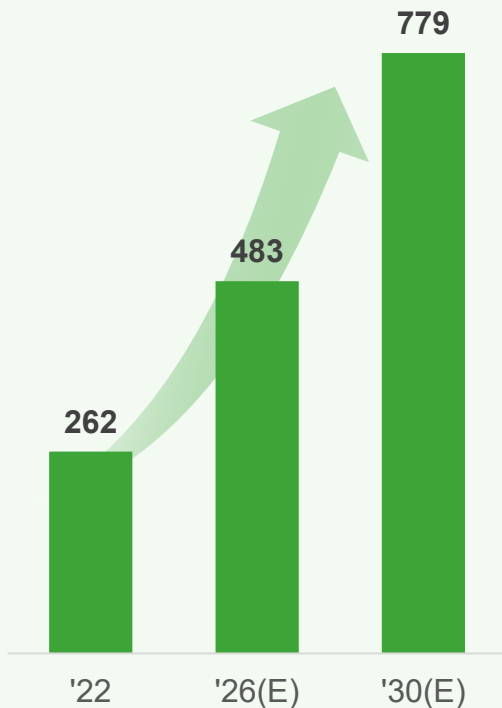
* Note: 1) Hosts large-scale production lines including 12.5kl and 15kl

2) Production capabilities considering the mix of existing and follow-on products

04. Digital Health: Building Virtuous Circle in Drug Development & New Business

High Growth Prospects in Digital Health

Global Digital Health Market Size
[US\$ bn]



Source: Precedence Research (2023.03), Samsung Active Asset Management

Selection of Highly Synergistic & Viable Business Areas

“Leveraging Celltrion’s Strength in Extensive Clinical & Genomic Data to Drive Business Expansion”

01

Diagnosis & Analysis

- Genomics / Data Analysis

02

Telemedicine Platform

- At-Home Diagnosis / Remote care

03

Digital Therapeutics

- Treatment via Software / Device

04

Mobile Healthcare

- Wearables / Mobile Apps, etc.

05

Healthcare System

- Health Data / Medical Records

Expanding into Digital Healthcare

1 Innovation in Diagnosis & Analysis

✓ Establishment of Healthcare Intelligence Bank

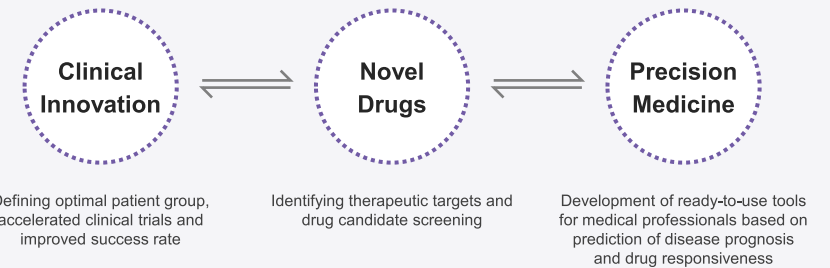
Data Bank

- Celltrion’s clinical & genomic data
- Public / Hospital data

Modeling Bank

- Novel drug / diagnostic target screening
- Development of various AI-based algorithms

✓ Drug Development & Medical Service Innovation



2 Expand Remote Diagnosis & Care

- Analysis of patient data using blood / biomarker diagnostics
- Operate a remote patient monitoring platform based on patient data

04

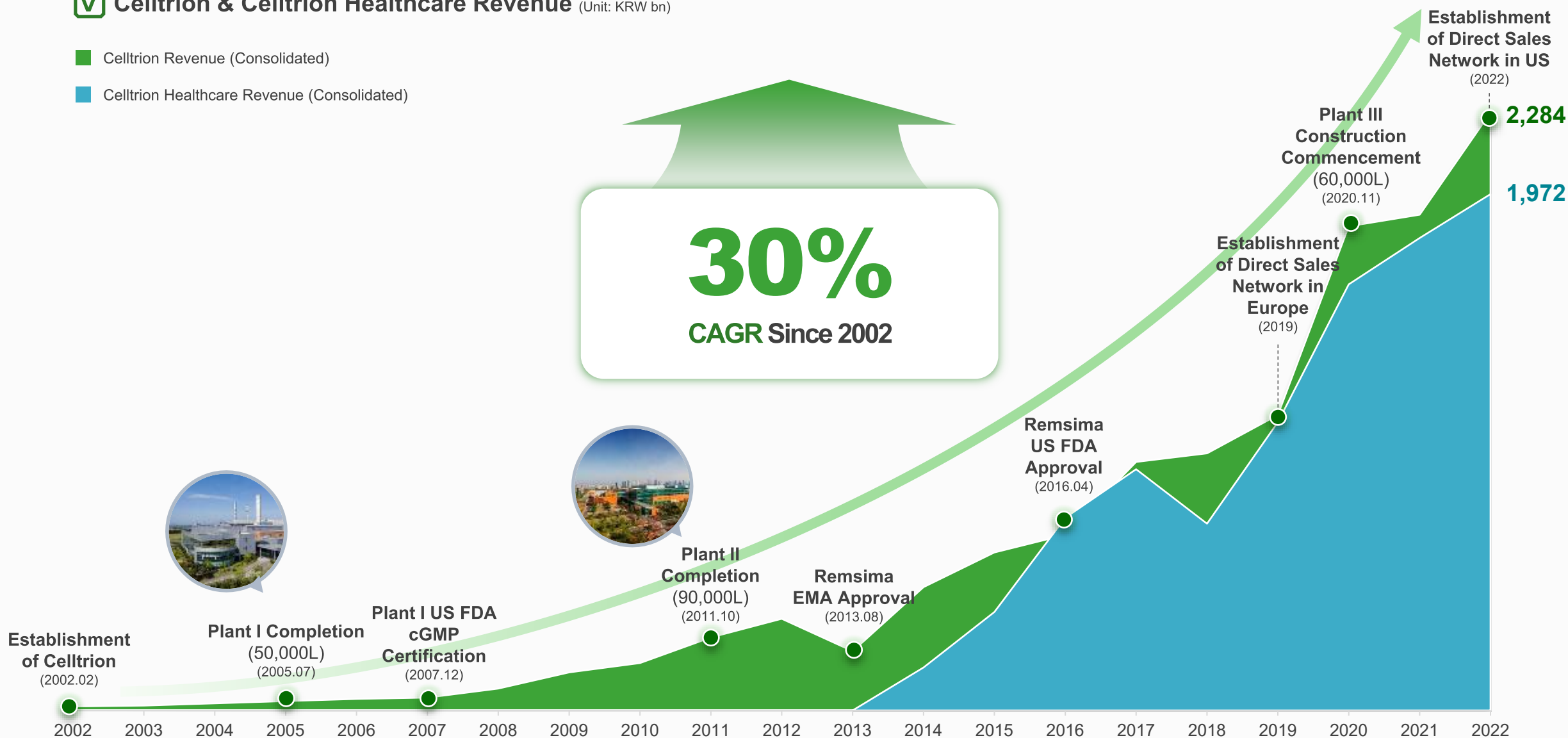
Shareholder Return

Celltrion Group Growth Story

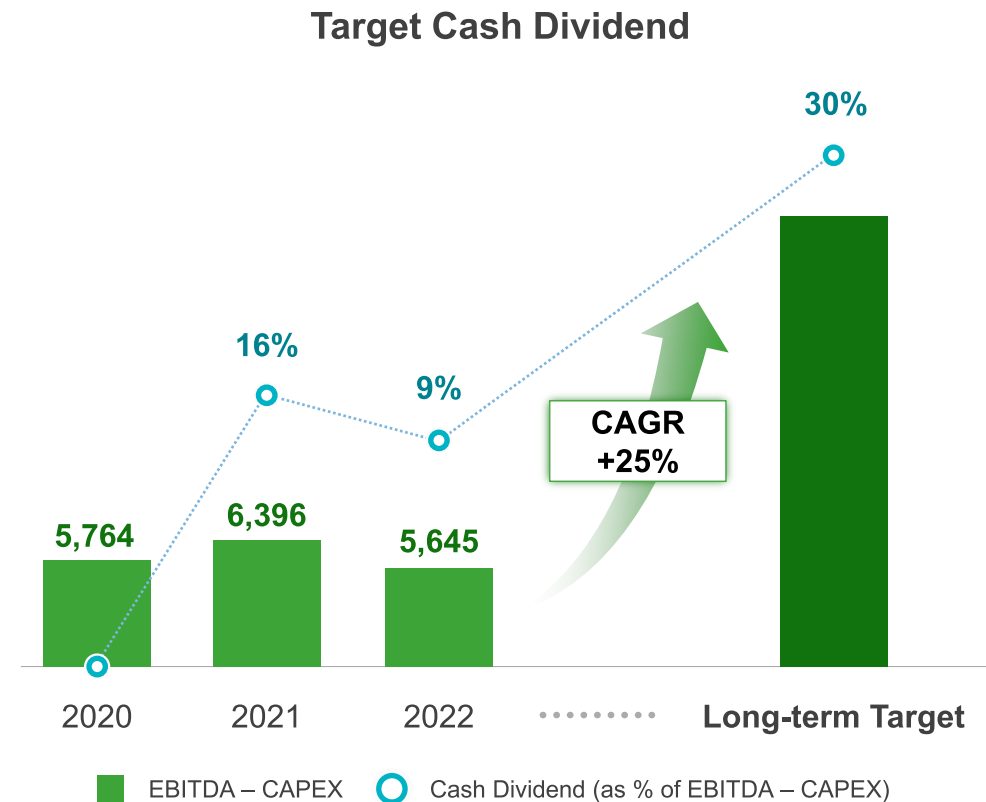
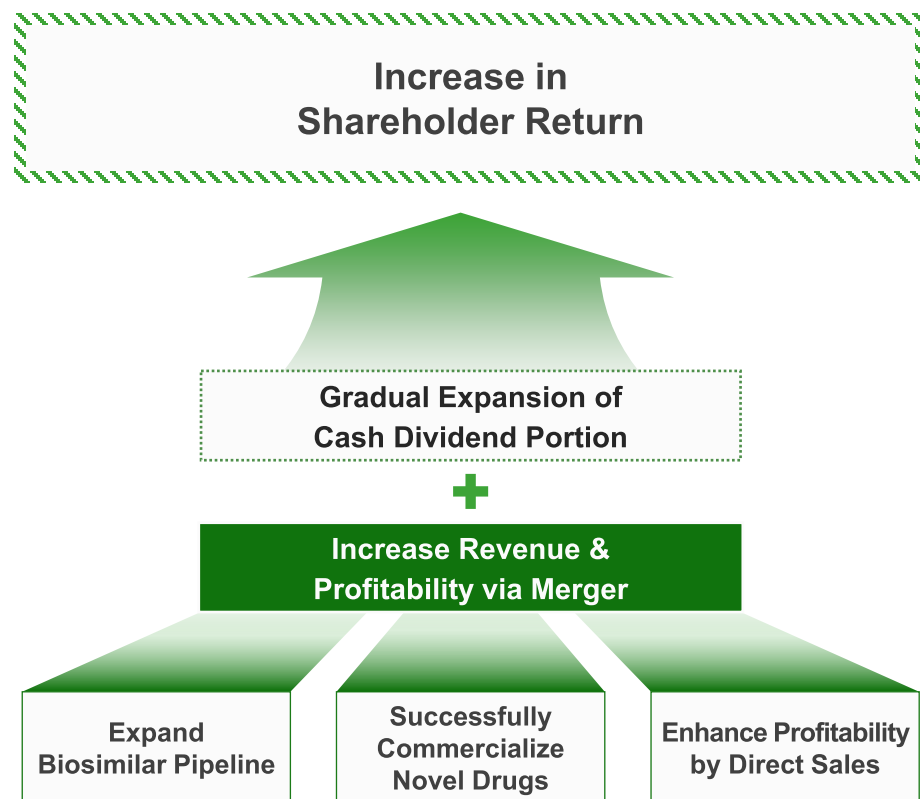


✓ Celltrion & Celltrion Healthcare Revenue (Unit: KRW bn)

- Celltrion Revenue (Consolidated)
- Celltrion Healthcare Revenue (Consolidated)



Post-Merger Shareholder Return Policy



* Note: Target cash dividend set based on (EBITDA - CAPEX) given large R&D and capex needs of the business

Advanced Therapeutics within Everyone's Reach

Thank you



Appendix

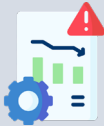
Independent Special Committee Review

Purpose of the Special Committee



- 01**
An independent special committee consisting of only independent directors from each company conducted **independent / objective review** of key matters related to the merger
- 02**
Supported decision-making by **presenting the committee’s findings to the Board of Directors**

Key Findings

 General matters	 Securities Registration Statement & Risk Factors	 MergeCo Financial Statements	 Exchange Ratio	 Merge Rationale
No indication of potential infringement of general shareholders’ interest	Transparent disclosure of key investment risk factors in the securities registration statement	Fair presentation of MergeCo financial statements	Exchange ratio determined pursuant to provisions of relevant regulations	Determined based on the reasonable expected effects of the merger



“ The Merger Agreement was Approved by the Board of Directors Based on a Comprehensive, ”
Independent Evaluation Conducted by the Special Committee from Each Company

MergeCo Board of Directors (Board Skill Matrix)



Enhancing trust in governance through independent, fair, and transparent Board of Directors operations

Name	Age	Gender	Position	Skills and Experiences						
				Leadership/ Management	Strategy/ Marketing &Sales	Medicine and Science	Accounting/ Finance	Legal/ Compliance	Global Market	Stakeholder Engagement
Keun Young Kim	63	M	Independent							○
Soon Woo Lee	72	M	Independent	○	○		○			
Jong Mun Choi	64	M	Independent						○	
Joong Jae Lee	60	M	Independent					○		
Won Kyung Choi	50	F	Independent				○			
Jae Sik Lee	65	M	Independent	○			○			
Dae Hyun Yoo	63	M	Independent			○				
Young HyeH Ko	68	F	Independent			○				
Jung Jin Seo	65	M	Executive	○					○	
Jin Seok Seo	38	M	Executive	○		○				
Woo Sung Kee	61	M	Executive	○		○				
Hyoung Ki Kim	58	M	Executive	○	○					

* A total of 12 directors, consisting of 4 executive directors and 8 independent directors. The majority of directors, 67%, are independent.

* Blue highlights are newly appointed directors