



# Our Journey Continues

*Strategic binding LOI for the acquisition  
of "PharmaCo"*

*Jan 21<sup>st</sup>, 2026*



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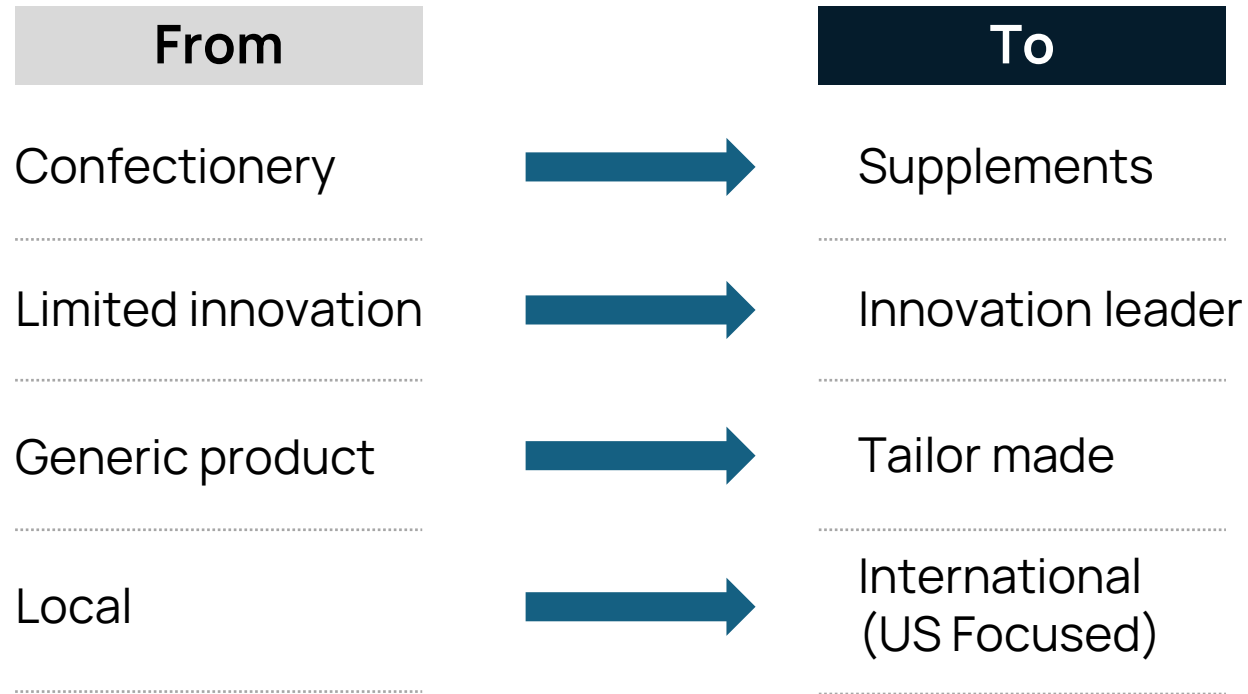
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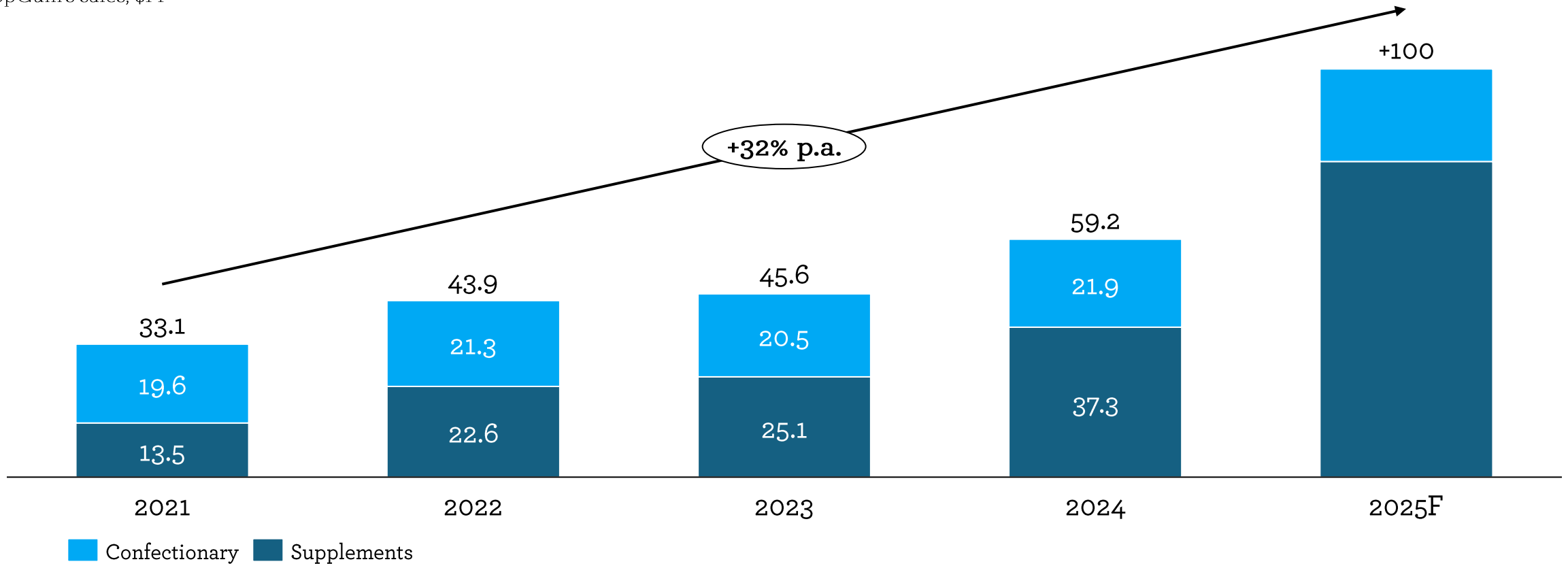
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# TopGum's evolution – 2019-2025



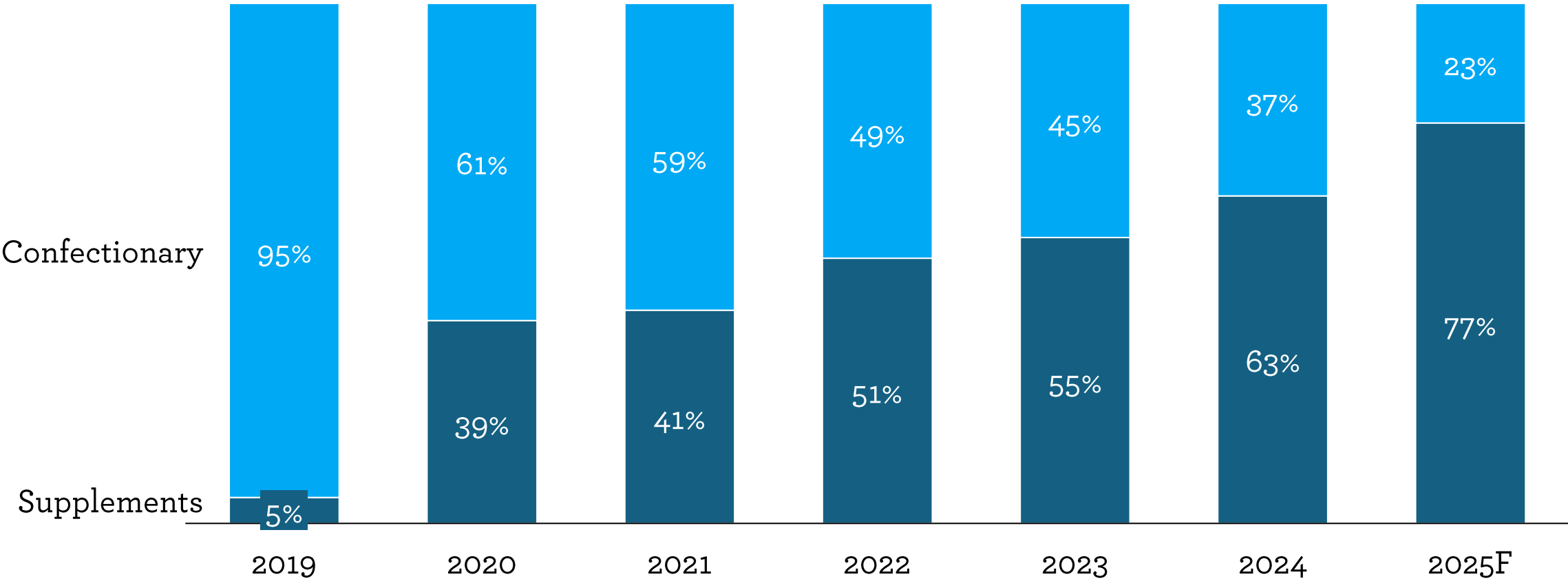
# From confectionary to supplements

TopGum's sales, \$M



# From confectionary to supplements

TopGum's % sales per product group



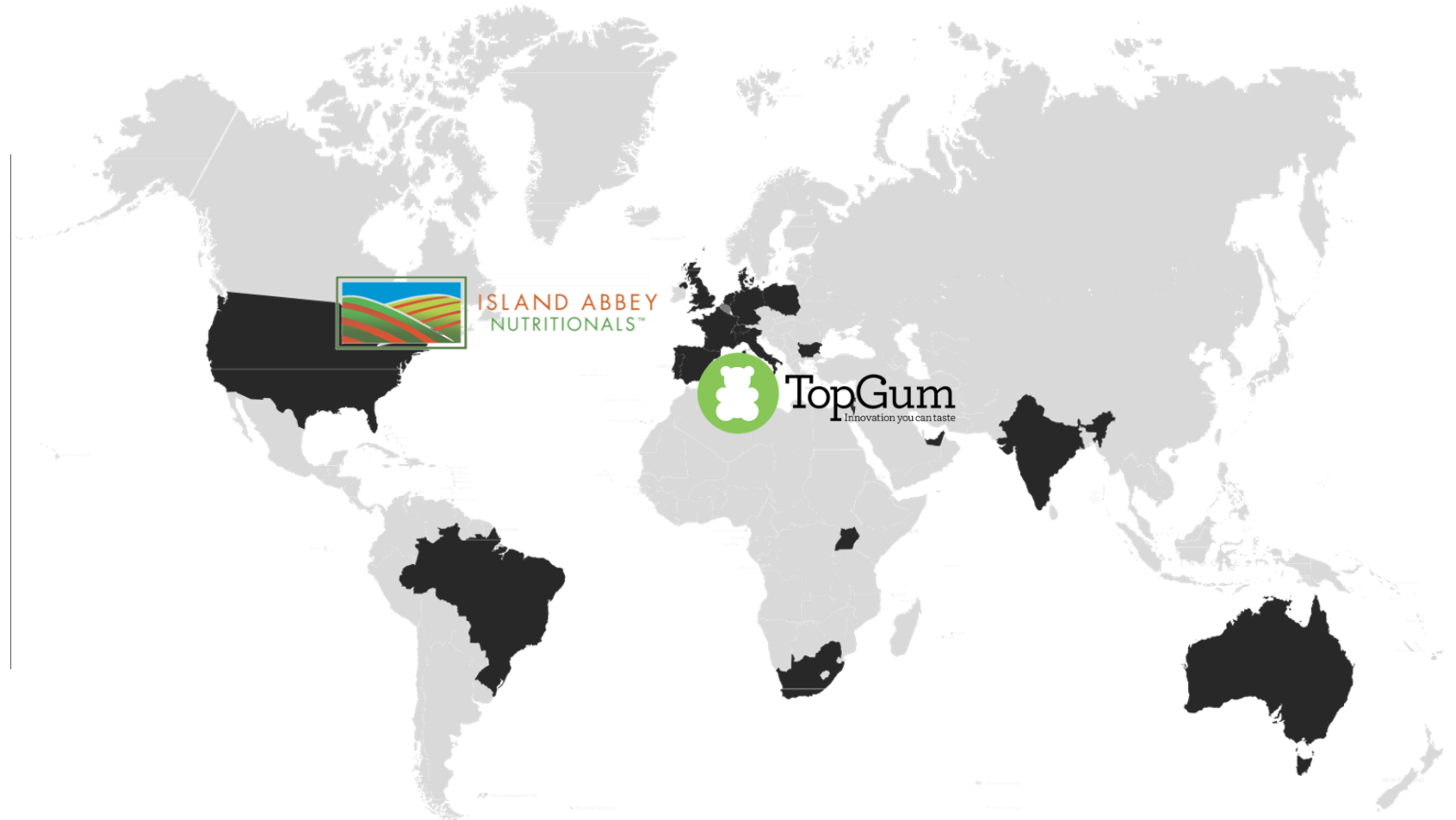
# From local to global

In the last four years TopGum has continuously expanded its presences worldwide

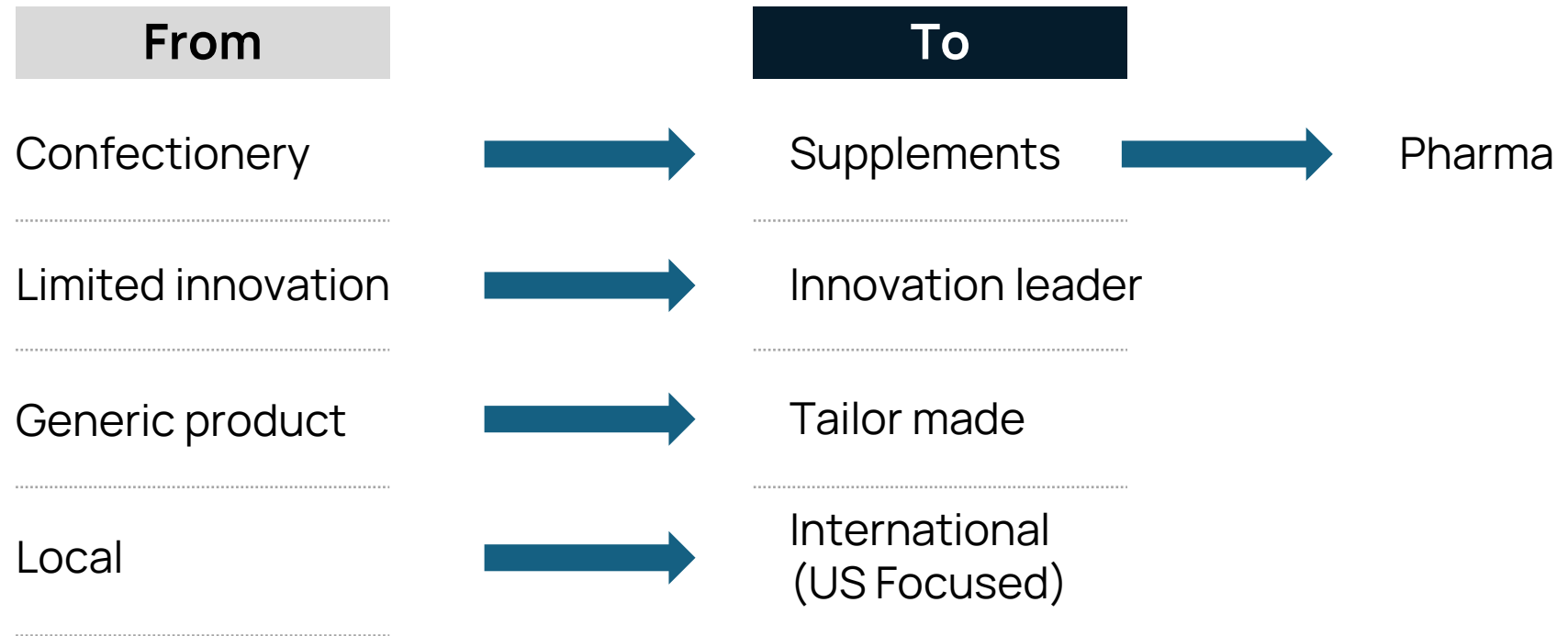
2020



2024

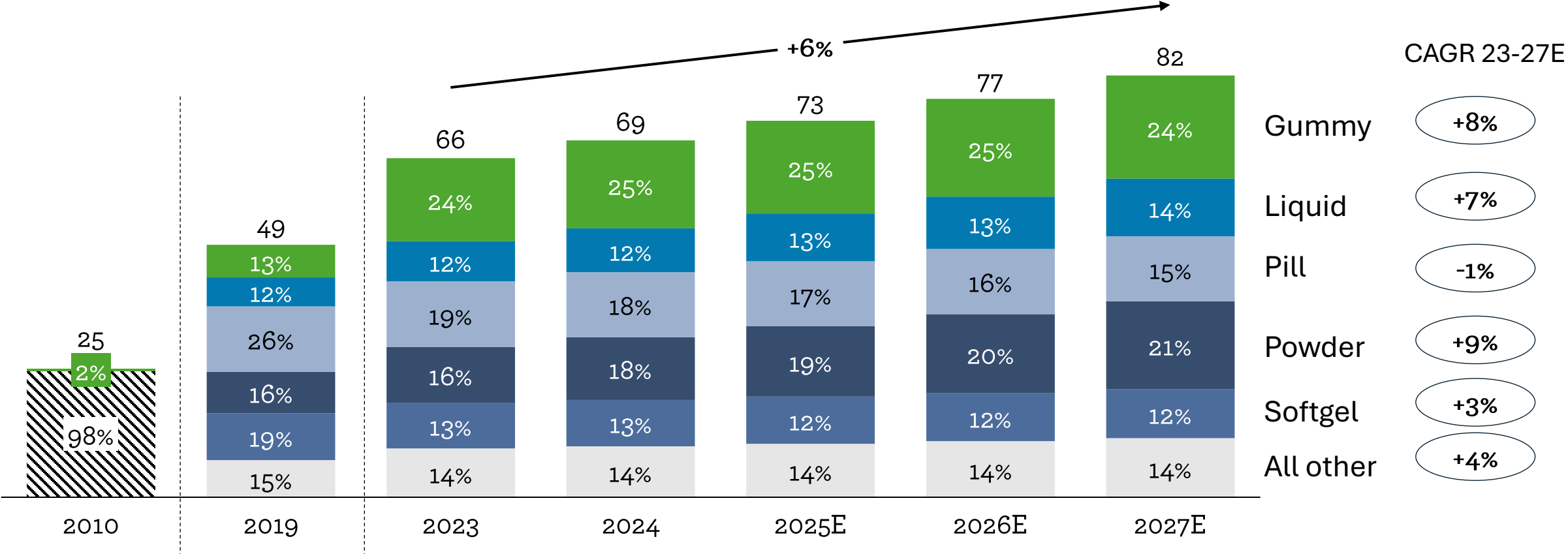


# Moving into a new untapped domain



# Gummies evolution as the leading delivery format in the VMS market

USA supplement market share development by delivery format (USD Bn)

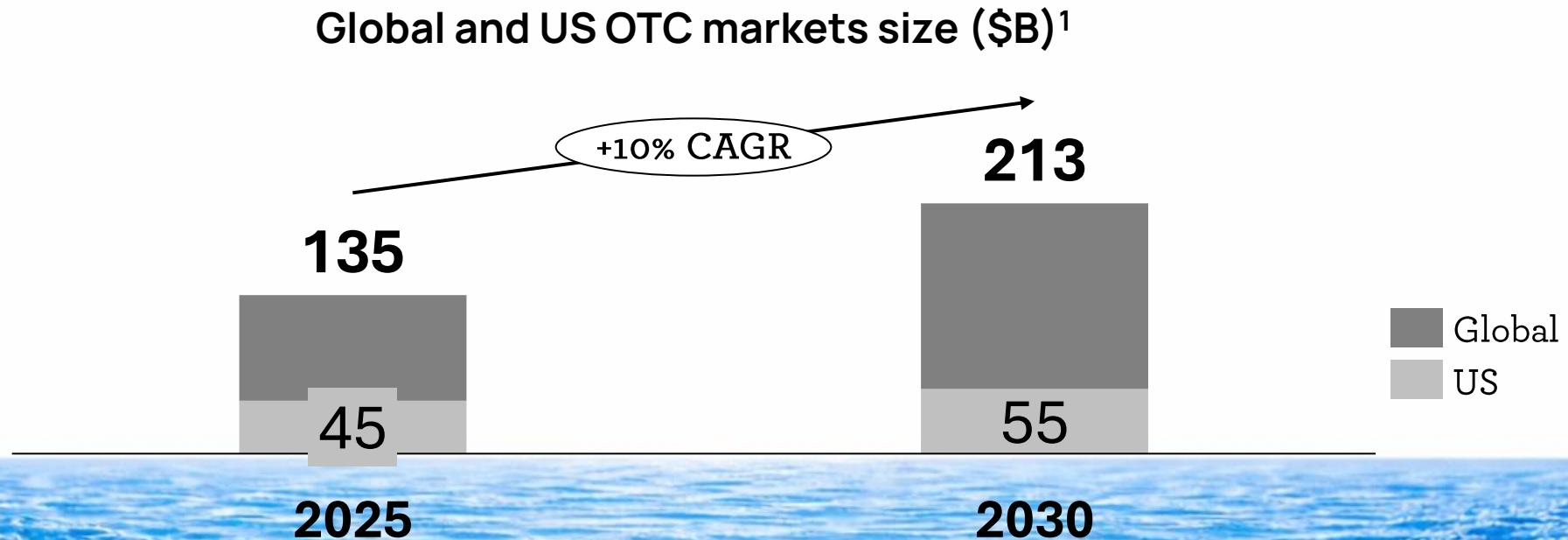


Source: NBJ Supplement Business Report 2025



# Global and US OTC market

a ~\$135B market with 10% CAGR, mainly based on tablets/capsules without gummy products



# OTC gummies regulation processes

There are 3 types of OTC gummies, each with a different regulatory process

## Monograph (Chewable)

- Contains an FDA-approved active ingredient that follows established FDA rules, with no need for individual premarket FDA approval
- Approval process cost – none
- Approval time – months
- No exclusivity/protection

## NDA (New Drug Application) 505(b) (2)

- An approval process for a modified version of an existing drug (e.g., dosage form)
- Approval process cost - ~\$5 (will be paid by the customer)
- Approval time - ~2-4 year
- 3 years exclusivity/protection

## ANDA (Abbreviated New Drug Application)

- The FDA approval pathway for generic drugs (exactly the same as an existing drug – no OTC gummies exist)
- Approval process cost - \$3-5m (will be paid by the customer)
- Approval time - ~1-2 year

# **A strategic deal taking TopGum to a new era**



# Deal strategic rational and benefits

Strategic deal that will add significant capabilities to TopGum beyond OTC



Gummy  
capacity in  
the US



OTC  
gummies  
capabilities



TGA  
compliance

CPG

Contracts  
with major  
pharma  
companies



~\$60m  
Pipeline



Packaging  
solutions

*Walgreens*

Walmart \*

Access to  
retail channels

# Seller's overview

One of the biggest OTC healthcare manufacturer in the US

A developer, manufacturer, packager, and distributor of  
consumer healthcare products

- **Main products:** generic OTC drugs in variety of delivery formats
- **Expertise:** R&D, scaled manufacturing, packaging, logistics, and regulatory excellence
- **Primary channels/customers:** US retailers (via store brands) and CPGs



Examples of US retailers and CPGs (for illustration only)

sam's club

Walmart

CVS pharmacy

COSTCO  
WHOLESALE

Walgreens

WHOLE  
FOODS  
MARKET



Nestlé

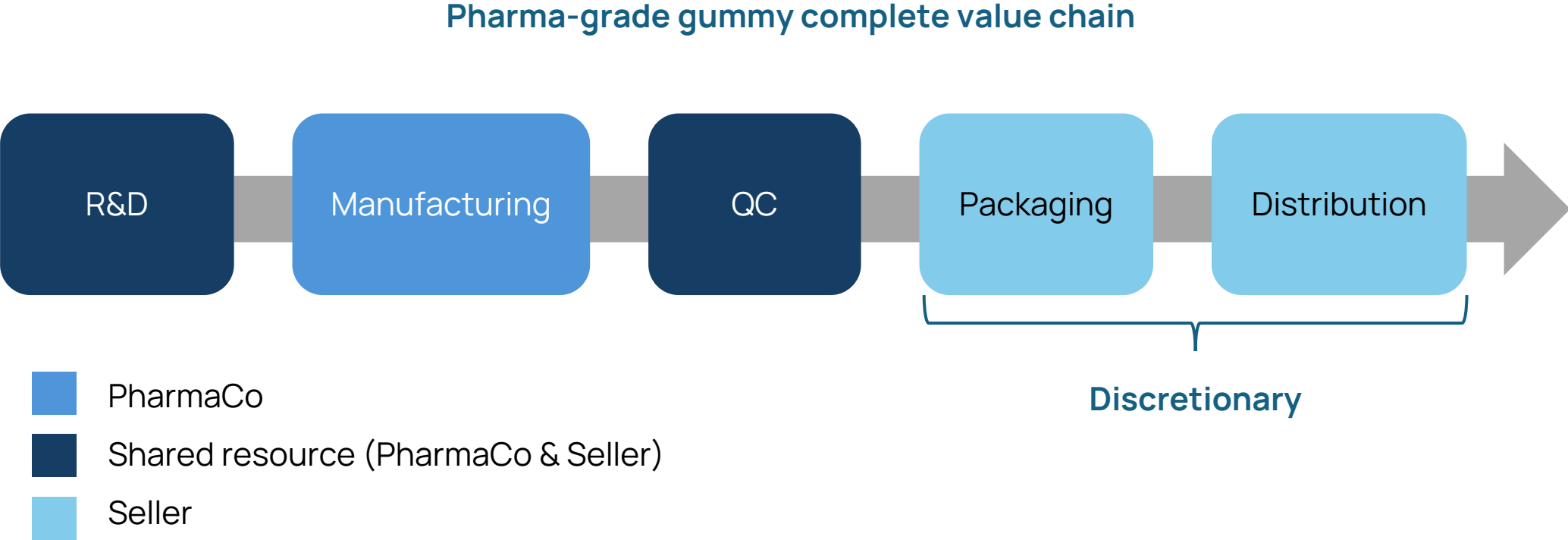
kenvue

P&G



# Seller's OTC value chain

Seller is the owner of PharmaCo, a Pharma-gummy activity initiated in 2021



# Existing VMS/OTC R&D and manufacturing with option to expand capacity significantly

## R&D formulation

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- State-of-the-art R&D lab – serving Seller's entire business lines
- Capabilities to develop Nutritional, Drug and ANDA Drug Gummies

## Manufacturing

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- Several state-of-the-art production lines with potential expansion – both suitable for VMS and OTC gummies
- 1 pilot line and QC lab
- Compliance - 21 CFR Part 210 and 211 compliant (FDA regulated compliance)
- GDUFA approved campus allowing for the manufacture and packaging of Nutritional, Drug and ANDA Drug Gummies

## Packaging

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- Logistics and packaging facilities with numerous packaging solutions



# One of its kind state-of-the-art pharma gummy facility





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# Deal structuring and financing

## Transaction Framework

- Asset deal
- Cash free-debt free (no debt)
- Tangible assets value – USD ~10M

## Guaranteed Payment

- USD 25M payable as follows:
  - USD 12M payable in cash at closing
  - USD 13M payable TopGum's shares (share price NIS13)

## Earn Out

- USD 7 M payable in TopGum's shares (share price NIS13) – USD 2M sales of OTC gummies within 20 months from closing
- USD 5 M payable in TopGum's shares (share price NIS13) – USD 10M sales of VMS & OTC gummies within 20 months closing

# Deal structuring and financing

## Financing

- From company's own resources and available unutilized bank credit lines

## TSA

- Non-pharma related services (IT, HR, supply chain and other services ) - up to 18 months (+extension option)
- Pharma related services (mainly R&D, regulation, and QC) - up to 60 months (+extension option)

## R&D Packaging

- OTC gummies – by Seller's R&D center
- VMS gummies – by TopGum R&D center (Israel/Canada/US (new))
- Seller to provide packaging and related services for OTC Gummies, and possibly other products

# Potential Synergies and Opportunities

From sales through technology to operations

## Go to Market

- A New growth engine beyond VMS
  - Accelerates US market penetration
  - Strengthens retail channel strategy
  - Diversifying and strengthening Tier-1 customer base
  - Cross-selling opportunities - creating broader offerings
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## Operations

- Entry into pharma-grade manufacturing & TGA compliance
  - Supports future OTC / Rx / 505(b)(2) ambitions
  - Creates a multi-site, U.S.–Canada–Israel manufacturing network
  - Leveraging Seller's bottling capabilities
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## Technology

- Enables pharma gummies (Rx + OTC)
- Expands TopGum's tech capabilities beyond nutraceuticals
- Supports innovation in drug-delivery formats



Thank you