

Rick Taylor, Adare Pharma Solutions
Testimony – April 11, 2024
Senate Republican Policy Committee Hearing on Innovation and Emerging Technologies

Good morning, Chair Laughlin and members of the Senate Policy Committee. I am Rick Taylor representing Adare Pharma Solutions. We are very pleased and honored to have the opportunity to come before you in today's hearing on innovation and emerging technologies in the Commonwealth.

Adare occupies an important and emerging part of the life sciences eco-system in the Commonwealth. Our niche area is what is called a Contract Development and Manufacturing Organization or CDMO. In other words, we are a global technology-driven company providing product development through commercial manufacturing expertise focused on oral dosage forms for the pharmaceutical industry. Adare's specialized technology platforms provide taste masking, controlled release, solubility enhancement, and patient-centric dosing solutions. With a proven history in drug delivery, Adare has developed and manufactured more than 65 products sold by customers in more than 100 countries globally.

We have operations in seven sites throughout the United State and Europe, including two locations in Pennsylvania. We employ about 800 employees with more than 250 in the Commonwealth. We are currently headquartered in New Jersey; however, we are in the final decision-making process to relocate our headquarters. Among the locations that are under consideration for the HQ is Pennsylvania. We purchased our PA facilities 2 1/2 years ago. Had it not been for our acquisition the two sites would have closed resulting in the loss of 200+ jobs.

Those sites suffered from a lack of investment in equipment and deferred maintenance on the buildings.

Since then, we have made substantial capital investments in the sites such as replacing the roof (essential for Good Manufacturing Process facilities); upgraded our packaging equipment; and built out a vault that can hold Schedule II controlled substances. Our future investment will be in building high potency suites that can handle crucial lifesaving but toxic therapies such as cancer drugs. Furthermore, over the next three years we are looking to grow the number of employees by 50% in Pennsylvania. In the last quarter alone, we have employed more than 50 new headcount. We hire at all levels from manufacturing operators, who may only require a high school diploma or equivalent, to PhDs for our R&D work. We pay family sustaining wages, offer all employees participation in our bonus program, and on top of that, our benefits are significantly above market. In other words, Adare, and companies in the life science ecosystem are bringing significant economic value and tax receipts to the Pennsylvania economy. We are enthusiastic to be a part of the story of Pennsylvania's life science sector. Given the purpose of this hearing, I know it is not lost on you about how important the life sciences industry is to our current and future prosperity as a Commonwealth.

Recently Gov Josh Shapiro shared his vision of five key areas of innovation to foster and invest in: life sciences, manufacturing, agriculture, energy, and robotics. We squarely occupy the first two segments. We hope that you share the same view in the criticality of the life sciences and manufacturing companies for our future of innovation and competition with other states. As we discern our HQ relocation, we are working on a package of incentives from the Commonwealth such Pennsylvania First which looks at job creation and the quality of expansion. While the program is appreciated, it really is opaque on how it works and how awards are determined, and

because of that we are not always sure that we are asking DCED the correct questions to maximize the incentives.

I do want to give recognition and appreciation to Gov Shapiro and Ben Kirshner to the creation of The Office of Transformation & Opportunity. We have been working with them closely and they have been critical in helping us navigate all the programs in Pennsylvania or Philadelphia that may be of interest.

Also as part of the life science eco-system we believe we need to foster this sector at all stages. We support the priorities set forth by Life Sciences PA that incentivize investment in research and development – policies such as increasing the Research & Development Tax Credits, maintaining and expanding funding for programs like the Keystone Innovation Zones, Life Sciences Greenhouses, and Ben Franklin Technology Partners And of course, and generally creating a favorable tax policy that allows organizations like Adare to make critical investments in our workforce and upgrading equipment.

Again thank you for the invitation of Adare to speak and your broader interest in innovation and emerging technologies. I will be happy to answer any questions you might have,