

SINPHAR'S Code: 1734

SynCore's Code: 4192



SINPHAR PHARMACEUTICAL CO.,LTD

Investor Conference

2019/12/18



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Founded in Taiwan, Step Forward to The World



1977

Established Sinphar
Ilan, Taiwan
Generic、functional food、
cosmetic



1997

Established CanCap
Vancouver, Canada
Clinical control for New Drug of North
America、spot of international
business



2012

Merged ZuniMed Biotech
Nantou, TW
Medical facilities



2002

R&D center
Ilan, Taiwan
Various laboratories, Chinese
medicine, microorganisms, and
cellular and molecular
biochemical functions



2002

Invested Sinphar TianLi, He-Tian Tianli
Hangzhou (CN)、Xinjiang(CN)
Generic、TCM、Natural Resources



2008

Co-found SynCoreBio
Ilan, Taiwan
New Drug Development

Preventive Medicine

(tablet, hard capsule, soft capsule, granule and powder, liquid(oral), jelly candy and pastilles.)

1. Domestic Business :

- Continue to develop new functional foods with currently 6 products having obtained health food certification licenses. (Delays aging, fights fatigue, improves immunity, regulate allergies, regulate blood lipids, blood sugar and cholesterol)
- 6 new products have been listed in 2019, 3 new products are expected to be listed in 2020.

2. International Business :

- Factories have completed secondary quality control certification.
- We completed MUI's HALAL certification and product sales license.
- Malaysia: Product L has received approval and launched into the market; Product B is pending approval.



Medicine Developments

(Tablet, ointment, liquid (external use), liquid(oral), eye drops, hard capsule, soft capsule, suppository, granule and injections for oncology)

1. Domestic Business :

- Have run pilots on ten products (Breast Cancer, Colorectal Cancer, Lymphoma, Pancreatic Cancer, Gastric Cancer, Lung Cancer, Ovarian Carcinoma and Leukemia).
- Product M (for gastric cancer and colorectal cancer) is the first generic drug that passed BE in Taiwan and Product G (for non-small cell lung cancer) are being registered. It is expected to be approved in 2020.
- Product C (for anti-inflammatory and antipyretic) has been launched in 2019.
- Product M (for gastrointestinal metabolism) and Product P (for hyperlipidemia) are being registered and are expected to be approved in 2020.

2. International Business :

- Indonesia: Product A has received approval and launched into the market.
- Japan: Product G has received approval and launched into the market.
- Malaysia: Product T has received approval and launched into the market; Product K is pending approval, anticipate launch date in 2021.
- Mongolia : Product LA is pending approval, anticipate launch date in 2021.



Sinphar Counter

1. Strengthen direct communications with members

- 30,000 customers joined as members in 2019.
- In-house nutritionists sharing constant informational updates on social media FB and Line.
- Personalized exclusive membership offers with above and beyond comprehensive service follow ups.

2. Sharing extensive relevant medical timely messages with the community.

- Health Bio-tech Park established in Q4. The main purpose of the establishment is to convey correct medical and nutritional knowledge to the community.
- The public gets to understand the making of medicine, supplement, and cosmetic products via factory tours and face to face interactions. 7,000 visitors in 2019, visitors will estimate to exceed 10,000 in 2020.



Intelligent Manufacturing

NTD in Thousand

	2017 Q1-Q3	2018 Q1-Q3	2019 Q1-Q3
Group Revenue	1,565,711	1,617,574	1,723,050
Ave. employee of Group	1,038	1,012	988
Ave. revenue per person	1,509	1,598	1,744

ASPROVA: Advanced scheduling system, based on resource input, equipment status to create production schedule at high speed.

MES (Manufacturing Execution System): To control and monitor SOP, reduce failure rate, and record all types of data, including production batch, to fully track product qualities.

WMS (Warehouse Management System): Implementing advanced controls on product inventory levels, quality tracking, batch management and lower production waste and cost.

RPA (Robotic Process Automation): Increasing overall efficiency. RPA eliminates human errors and removes the burdens of working on repetitive tasks.

Sustainable Management



Energy Saving

Annual electricity consumption decreased by

5%

Natural gas instead of heavy oil

2020Q2 Online

Carbon Reducing

Reduced CO2 emissions by **135 tons/year;**

Reduced total drainage by **approx. 30%**

Reduced sludge removal by **approx. 70%**



Note: Compared from 2019 Jan. - Nov. with the same period in 2017.

Group resources integration

Sinphar & TianLi
R&D achievement mutually benefit.
Patents cooperation layout.

**Oncology
Dosages**

Sinphar & SynCore
Drugs in R & D
cooperation and
manufacturing improve.

**Natural
Herbal
Resources**

**Medical
Facilities**

Sinphar & ZuniMed
ISO15378 Class 100,000
clean room.

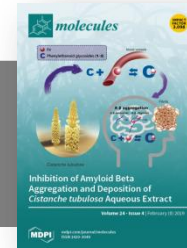
Research results




 **1** 2019 Product Innovation Award of Plant Extract



 **17** SCI papers



 **119** patents granted in **20** countries

Brain Health

1. Anti-amyloid aggregation & deposition
2. Promote neurotrophic factor release
3. Increase neurite outgrowth and connection

Muscle Strengthen

1. Turn on muscle protein synthesis genes
2. Protect muscle from damages
3. Reduce muscle loss

Enhance nutrient absorption

1. Increase absorption channels
2. Let nutrients are quickly absorbed into cells

3 Establish uniqueness of raw material market in 3 major areas

Bioactive Phytonutrients Aiming at Global **2** Trends

Over Two Hundreds Billions USD Rapid Market Growth

2021 Global Functional Health Food Market (USD) **279** billion

★ Brain Health Market 腦健康市場

Compound Annual Growth Rate(CAGR) **3.1%**

2015-2017 USD **14.2**billion(2020)*台灣經濟研究院

Cognition & Vitality Booster

Memoregain® *Cistanche tubulosa* extract

天力再生®管花肉苁蓉萃取物

Proven by 3000 clinical studies

Brain Awaken Factor

Protygold® Walnut oligopeptide

杏補宜®核桃肽粉

Increase Neuro Connection

- Aging population: Aged over 60 accounts for 22% in 2050 compared to 12% in 2015.
- Alzheimer's Disease International: Every 3 seconds one person will be diagnosed with dementia. Total cost of care over 1,000 billion USD.
- No therapeutic cure for total recovery, prevention is the only right option

★ Muscles & Sport Nutrition Market 肌肉&運動營養市場

Compound Annual Growth Rate(CAGR) **9%**

2017-2022 USD **11.2**billion(2017)*Euromonitor | Sport Protein, 2018

Protein Carrier

Lipucan® *Poria cocos* Triterpenoid

天力速康®茯苓三萜

Enhance BCAA Absorption

Enhance muscle gene expression





Make a difference to push on international market

Functional Ingredients for living

Taiwan

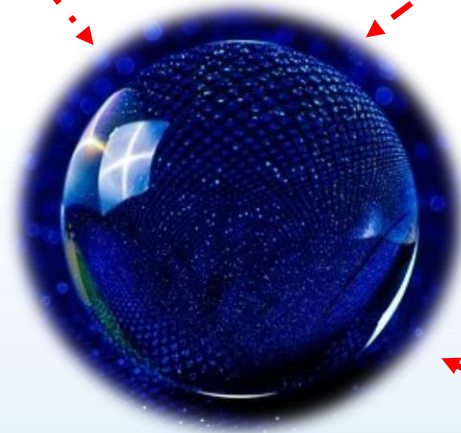
- Combine with Government's policy.
- Trust sense of Sinphar Brand.
- To meet the Taiwan market demand and growth.

Southeast Asia

- According to local market demand to set up the marketing strategy.
- Cistanche tubulosa extracts is one of the highly demanded product in Southeast Asia market.

Northeast Asia

- Seeking market opportunities through distributor in Japan and South Korea.
- Looking for potential opportunities.



China

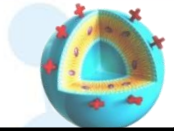
- One of the indispensable consumption market in Asia.
- Government developing an implementation strategy for health.
- Accumulation of scientific research and farm traceability are competitive tools in the China market.

Europe

- Novel food registration is about to complete.
- Take advantage of the 5 years exclusive sale period to develop the European market.
- North American market owns scientific research and basic application to provides strong support for European market development.

Pipeline of New Products

INNOVATIVE DRUG		PRE-CLINICAL	PHASE I	PHASE II	PHASE III	NDA	MARKET	UNMET MEDICAL NEED
Oncology 	SB01 Head & Neck Cancer	An injectable anti-cancer NCE (small molecule). Phase II ongoing						✓
	SB02 Solid Tumor	An anti-cancer NCE (small molecule) through oral route. Ready for IND						✓
	SB05 EndoTAG®-1 Pancreatic Cancer (PC)				A new liposomal formulation for PC. Global Multinational, Multi-center Phase III ongoing			✓
	EndoTAG®-1 Triple Negative Breast Cancer (TNBC)				A new liposomal formulation for TNBC. Phase III ongoing			✓
Dermatology 	SB03 Veregen® External Genital Warts (EGW)	VEREGEN® The first botanical drug approved by U.S. FDA for prescription of EGW. +20 Countries market launched						✓
Ophthalmology 	SB04 Age-related Macular Degeneration (Dry AMD)				A conventional drug in new use to treat dry AMD. Phase II/III ongoing South Korean Partner: AJU PHARMA			✓
MEDICAL DEVICE		R&D	PRE-CLINICAL	CLINICAL	REGULATORY	MARKET	UNMET MEDICAL NEED	
Ocular Diagnostic 	FloM-S Choroidal Blood Flow Measurement	An innovative diagnostic medical device for choroidal blood flow measurement. R&D stage						✓
	epiCam Hand Held Fundus Camera epiCam C: Color epiCam M: Monochrome epiCam V: Veterinary	epiCam® Three groundbreaking hand-held fundus cameras can capture realtime video. Launched in Europe and Asia						✓



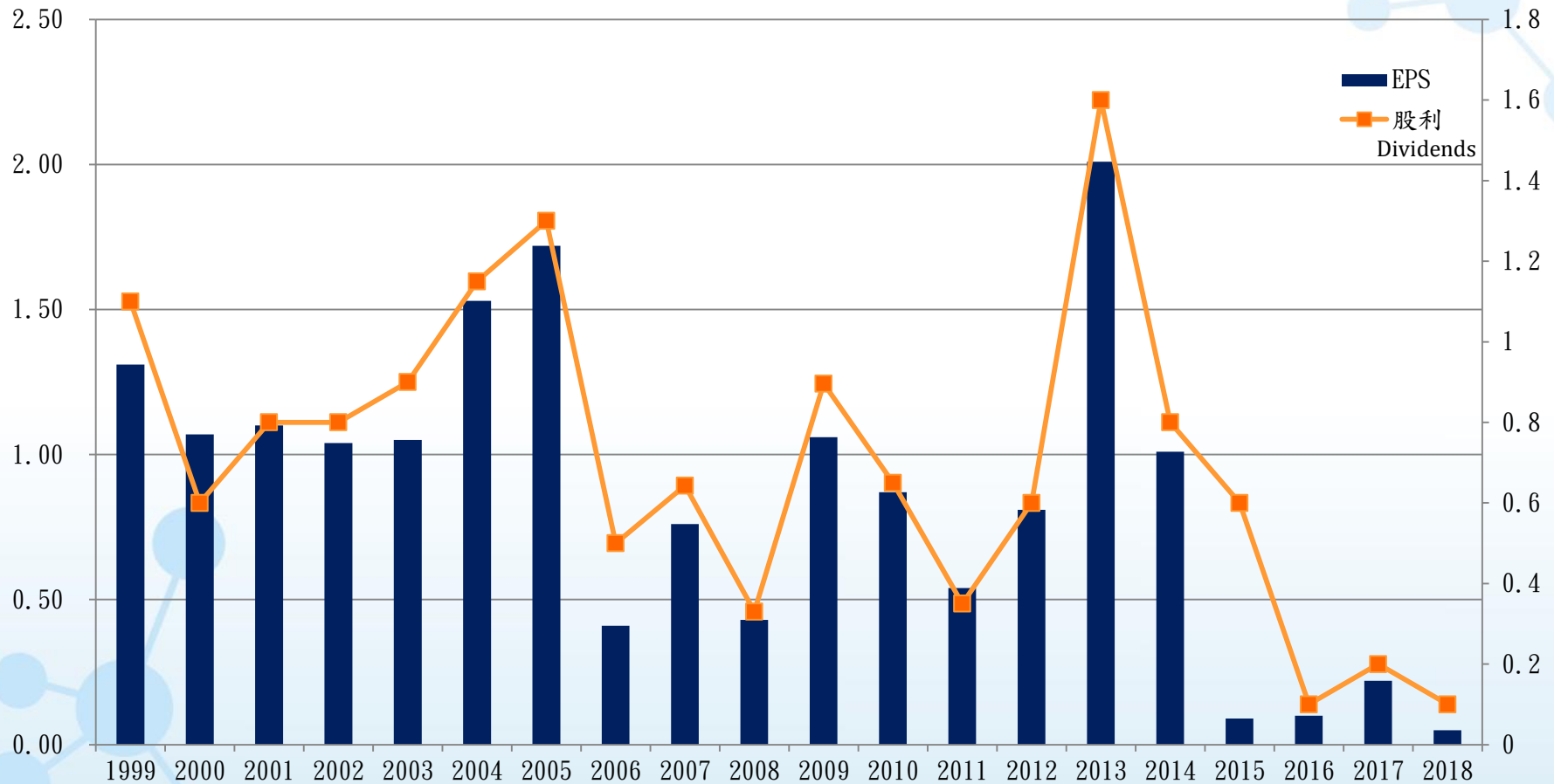
Development of New Drug

Indication	Total market value/year
Pancreatic Cancer	From Market Research Engine, the global market value of Pancreatic Cancer will increase to US\$13 billion in 2021. Up to 560,000 Pancreatic Cancer Patients Worldwide in 2025. (WHO IARC GLOBOCAN, (World Health Organization, International Agency for Research on Cancer)

Market Research Engine Report Id: PPCM417

- Second-line treatment of pancreatic cancer after failure of the FOLFIRINOX chemotherapy package:
 1. Global multi-national, multi-center phase III trials are performed in 67 clinical trial institutions in 7 countries, including the United States, France, Russia, South Korea, Israel, Hungary and Taiwan.
 2. It is expected to be submitted to the US Food and Drug Administration for approval in 2021.

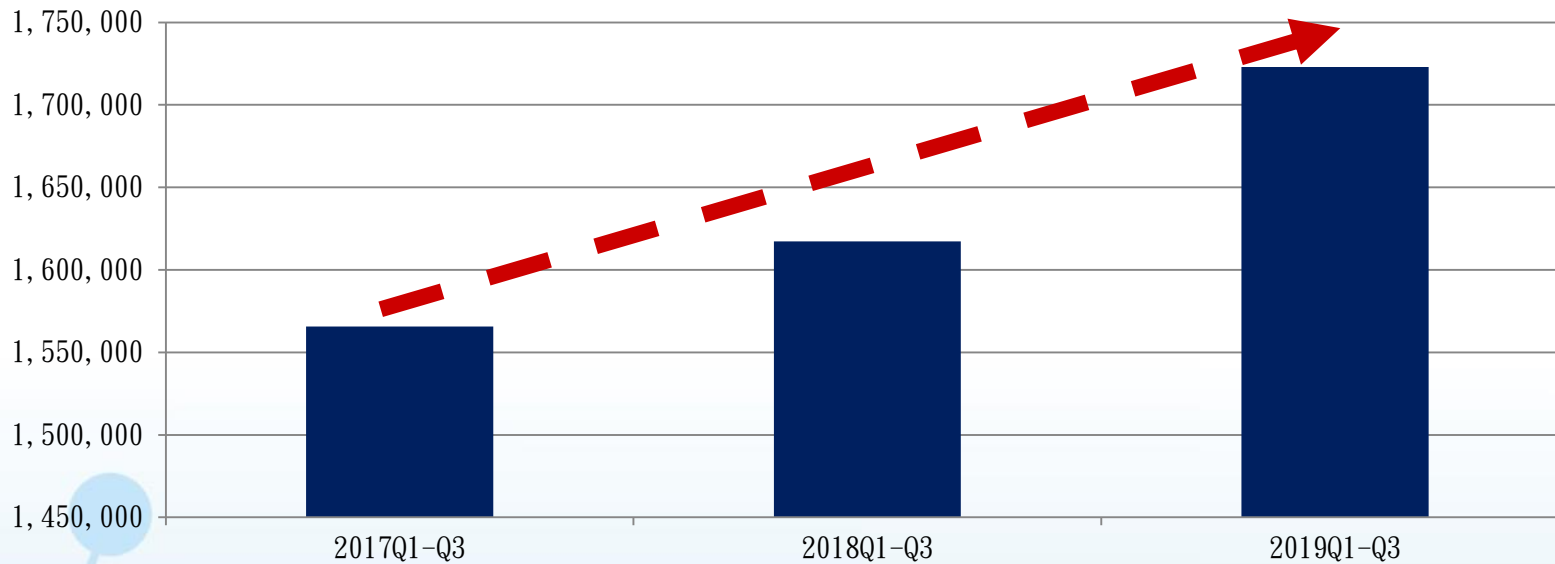
EPS and Dividends



Continue making profits every year to distribute dividends regardless the economic situation, policy changes, and investment in new drugs or not.

Recent Group Revenue

2019/11 Rev.
2,143,271



Term	2017 Q1-Q3	2018 Q1-Q3	2019 Q1-Q3	2017 Annual	2018 Annual
Therapeutic drug	1,071,522	1,112,925	1,180,870	1,470,125	1,528,051
Functional Supplements	440,019	449,686	470,993	591,760	614,178
Others	54,170	54,756	71,187	72,278	73,608
Total	1,565,711	1,617,367	1,723,050	2,134,163	2,215,837

Recent Profit and Loss

Term	2019 Q3	2018 Q3	2018 Annual
Revenue	1,723,050	1,617,367	2,215,837
Gross Profit	38%	36%	37%
S&M	240,151	237,862	316,068
G&A	182,781	179,315	252,234
R&D	377,543	258,528	376,376
Profit before Tax	(105,734)	(69,308)	(87,681)
Net income (loss)	(143,984)	(91,419)	(123,005)
Net income (loss) attributable to parent company's shareholders	(20,807)	1,060	8,785
EPS (Basic)	(0.12)	0.01	0.05

- ✓ At present, the R&D costs have increased significantly with the speed of clinical development of new drugs.
- ✓ In the future, the results of new drug licensing revenue and revenue growth will be presented simultaneously.

2019 Events

- The latest research results of “How cistanche tubulosa extracts resist the accumulation of amyloid beta (Amyloid Beta)” were published in the International Molecular (Molecules, Volume 24, Issue 4 (Feb 02 2019)) and were selected as Cover article.
- Signed an exclusive agency agreement with Japanese partner DAITO for the registration of blood lipid regulating drug in Taiwan. It is the first time that Sinphar introduces a lipid-lowering drug that manufactured in Japan.
- Sinphar was awarded the Model of Good Food Manufacturer 2019 by the Food and Drug Administration in June.
- Tianli’s newly developed patented raw material “Walnut Peptide Powder” won the 2019 China Plant Extract Product Innovation Award in CPHI. In September, it obtained a patent on the process and efficacy of walnut oligopeptide in mainland China.
- New drug investment on SP05 has applied for pancreatic cancer first-line in China, and obtained The China National Medical Products Administration (NMPA) license in mid-June, and approved to run the phase III clinical trials at the same time.
- New drug investment on SB05PC: “Paclitaxel combined with neutral and positive microlipids“ is now on global Phase III clinical trials, in pancreatic cancer as second-line treatment in Israel, Hungary, France, Russia, and the United States.

Corporate Social Responsibility



1. Promote social care, medical prevention and health education

- Host health forum, biotechnology camp. Combined medical, academia, and biotechnology community to set up an interaction platform. Also, cultivate talented personnel.
- Continually to sponsor Breast Cancer Foundation, Taiwan Cancer Foundation, Taiwan Alzheimer's Disease Association, Spinal Cord Injury Foundation, The Diabetes Association of the Republic of China (Taiwan), Taiwan Yilan Association of Diabetes Supporters, and Youngsun Culture & Education Foundation.
- 1,300 Sinphar Counters in Taiwan join Taiwan Alzheimer's Disease Association's Dementia Friendly Business.
- Donate to The National Health Research Institutes and Formosa Cancer Foundation, to provide subsidy for new drug development and medical supply.
- Co-found a "R&D center of Age-related Macular Degeneration" with National Taiwan University Hospital, strive for the diagnosis of early stage of age-related macular degeneration and eye detection.
- In long term to protect and maintain street lights at Wanshan village, side walk in Zhongshan village and Renshan trail; also provide a free-use area for trip advisor center in Dongshan County.

2. Support sports and educational activities in long term

- Provide internship for students from Kaohsiung Medical University, Taipei Medical University, National Defense Medical Center, China Medical University and Chia Nan University of Pharmacy & Science. Also provide scholarship for Kaohsiung Medical University and National Defense Medical Center.
- Sponsor musical instruments and international competition found for symphonic band from Dongshan Elementary School.
- Sponsor World Badminton Athlete, Tai Tzu Ying.
- Team up and anticipate in Yilan Toucheng Township's and Pingtung Hengchung's Cianggu (The Grappling with Ghosts) Competition.
- Sponsor Chinese Taipei Gymnastic Association, National Ilan University gymnastics team, Yilan High school's soccer & basketball team and Yilan Chung Dau High School baseball team.
- Sponsor to set up Sinphar Hope Elementary School (China Xinjiang Yutian County).
- Sponsor supplement to Yilan County team in The National Games, donated NT\$5 million to Yilan County sport development found.
- Internship opportunities for National Taiwan University pharmacy students



Q & A



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