



YUNG ZIP CHEMICAL

Stock Code : 4102



2023 Investors Relations Conference

Sep. 21, 2023

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- Company Introduction
- Financial Performance Overview
- Business Development
- Research and Development Strategy

Company Introduction: Philosophy



Vision:

Dedicated to avoiding human diseases business



Yung Zip Chemical Ind. Co., Ltd. established on June 8, 1978. As **the first executor of GMP API production in Taiwan**, Yung Zip has successively obtained international certifications which are from **FDA, MHRA, PMDA, IPEA and KFDA**.

Yung Zip adheres to the sustainable management philosophy of “**innovation, effectiveness and service**”, and abides by honesty, reliability and rigorous business ethics.

Providing the best pharmaceutical products
Improving the health of human beings
Increasing shareholder value
Improving employee benefit
Discharge social responsibility

Drugs registration

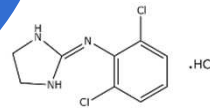
- TDMF : 16
- US DMF : 18
- EU CEP : 3
- JP MF : 3
- Other countries : 16

GMP approved

- TFDA : 18
- U.S. FDA : 5
- JP PMDA : 3

APIs

Speciality
Chemical



Synthesis Technique



Small-scale Test
Pilot Plant



GMP Certificate

CDMO
&
CMO

Subsidiary
Company
Food Production

Optoelectronic/
Plasticizing/
Semiconductor
Material

CDMO and CMO service
GMP procedure support
Customized service

Food Manufacture
Food Packaging
Food OEM

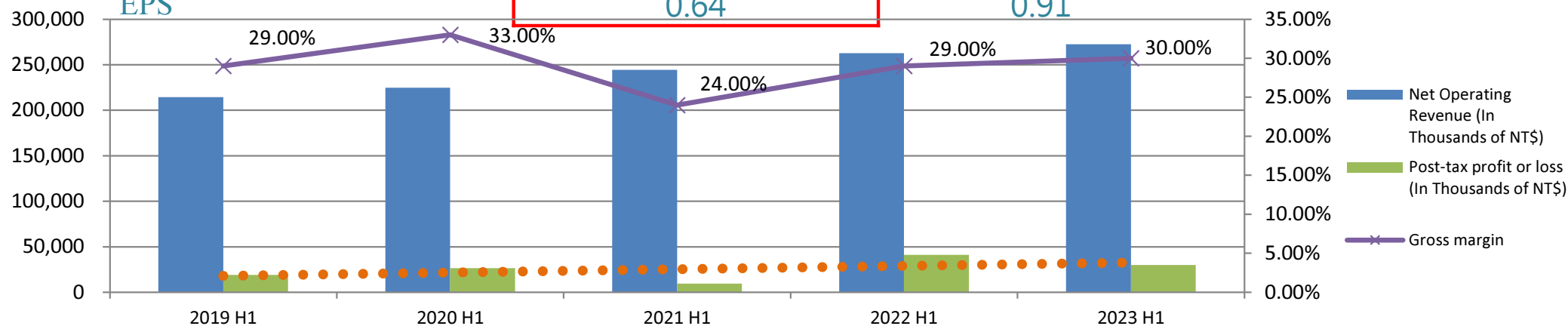
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Statement of Consolidated Comprehensive Income



Items (In Thousands of New Taiwan Dollars)	2023 H1 (Reviewed)	2022 H1 (Reviewed)	YoY
Operating Revenue	272,601	262,792	4%
Operating costs	189,191	187,029	1%
Gross Profit	83,410	75,763	10%
Gross Margin	30%	29%	
Operating Expenses	57,932	55,938	4%
Operating (Loss)	25,478	19,825	29%
Operating Margin	9%	8%	
Other Rev. (Exp.)	4,378	21,286	-79%
Net Income Before Tax	30,010	41,198	-27%
Net Income After Tax	30,010	41,198	-27%
Net Margin After Tax	11%	16%	
EPS	0.64	0.91	



Consolidated Balance Sheet



Items (In Thousands of New Taiwan Dollars)	2023/6/30 (Reviewed)		2022/6/30 (Reviewed)		2021/6/30 (Reviewed)	
Cash and Cash Equivalents	156,674	15%	122,282	13%	49,023	5%
Receivables	120,299	12%	139,624	14%	129,774	14%
Inventories	153,496	15%	139,980	14%	170,401	18%
Long-term Investments	159,693	16%	107,711	11%	128,499	13%
Property, plant and equipment	392,836	38%	404,513	42%	425,307	44%
Other assets	48,345	4%	55,717	6%	56,351	6%
Total Assets	1,031,343	100%	969,827	100%	959,355	100%
Current Liabilities	163,803	16%	133,330	14%	128,495	13%
Non-current Liabilities	174,185	17%	220,350	22%	249,347	26%
Total Liabilities	337,988	33%	353,680	36%	377,842	39%
Total Shareholders' Equity	693,355	67%	616,147	64%	581,513	61%

Important Financial Indicator

Average collection days	90	83	89
Average inventory turnover days	144	139	174
Current ratio	2.70	3.17	2.86

Consolidated Cash Flow



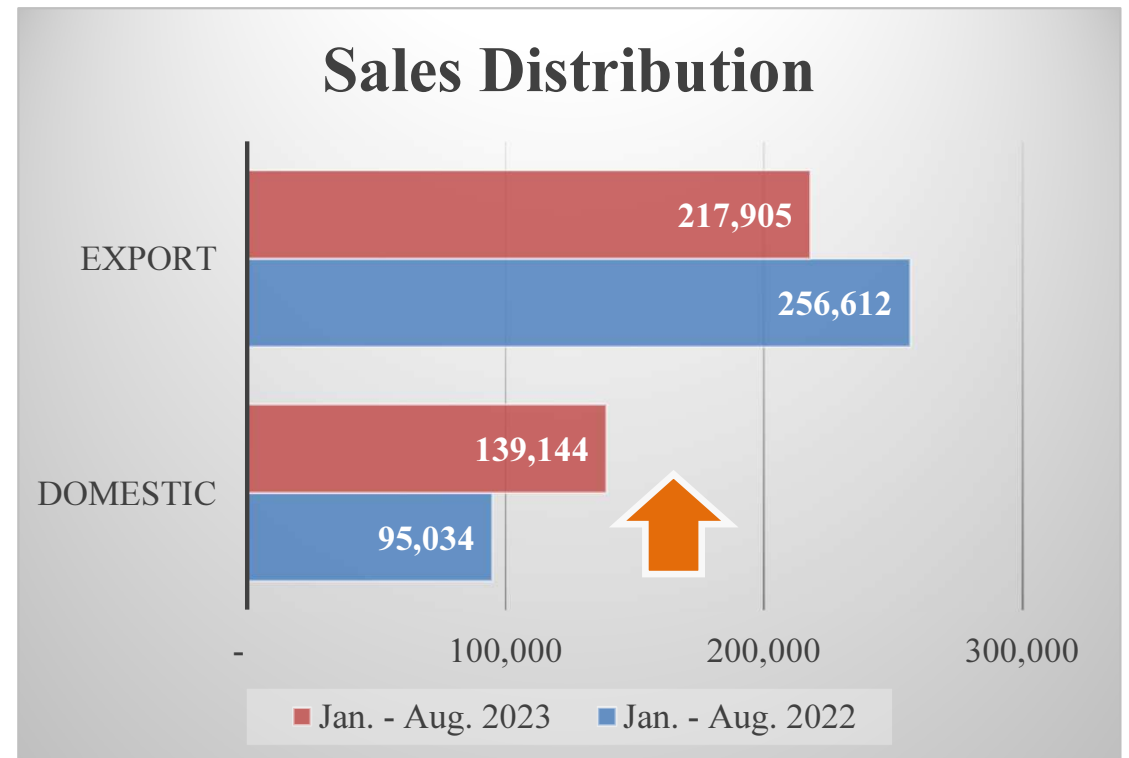
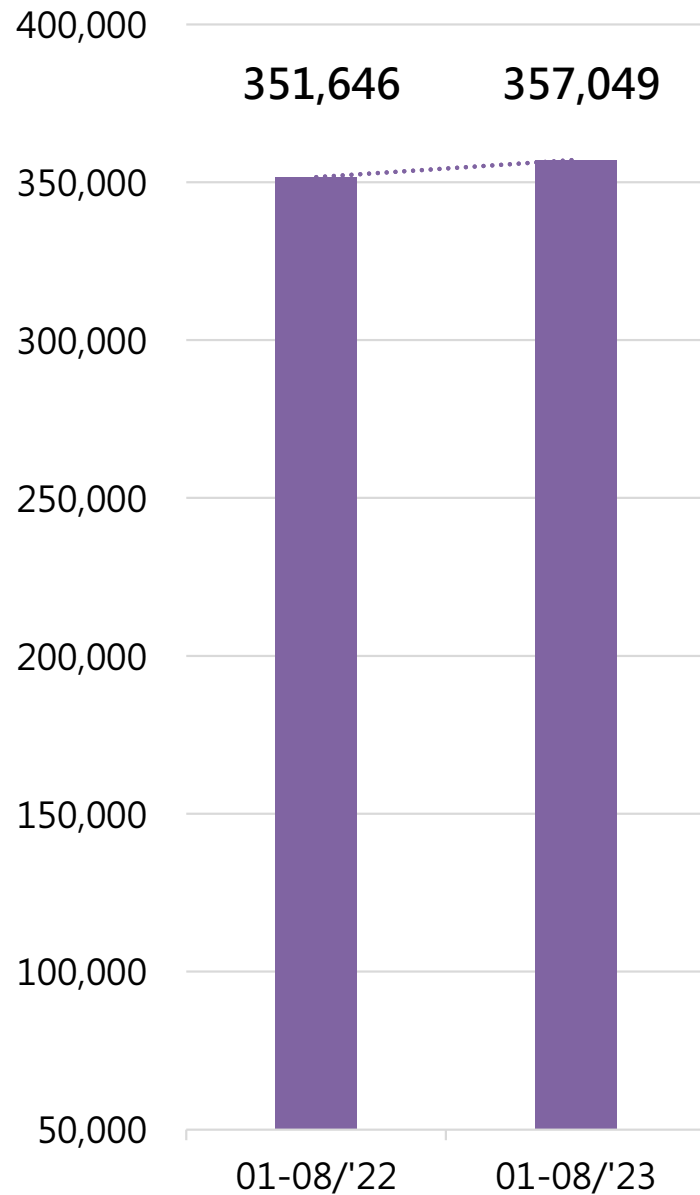
(In Thousands of New Taiwan Dollars)	2023 H1 (Reviewed)	2022 H1 (Reviewed)	2021 H1 (Reviewed)
Cash and cash equivalents at beginning of period	144,179	78,200	53,406
Cash flows from operating activities	58,979	22,984	15,521
Cash flows from investment activities	(5,390)	32,276	(20,964)
Cash flows from financing activities	(41,094)	(11,178)	1,060
Cash and cash equivalents at end of period	156,674	122,282	49,023

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Jan.-Sep. Operating Revenue (2022 VS 2023)

(In Thousands of New Taiwan Dollars)

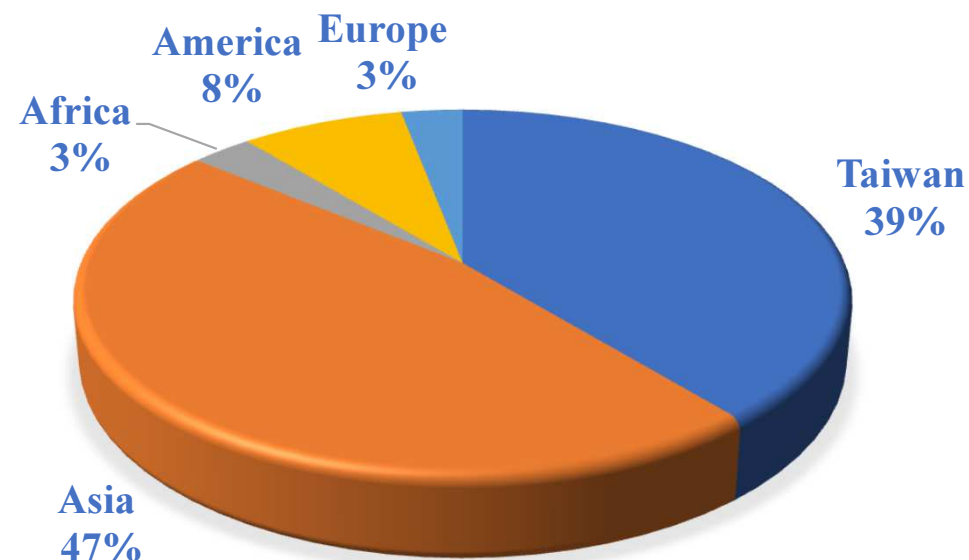
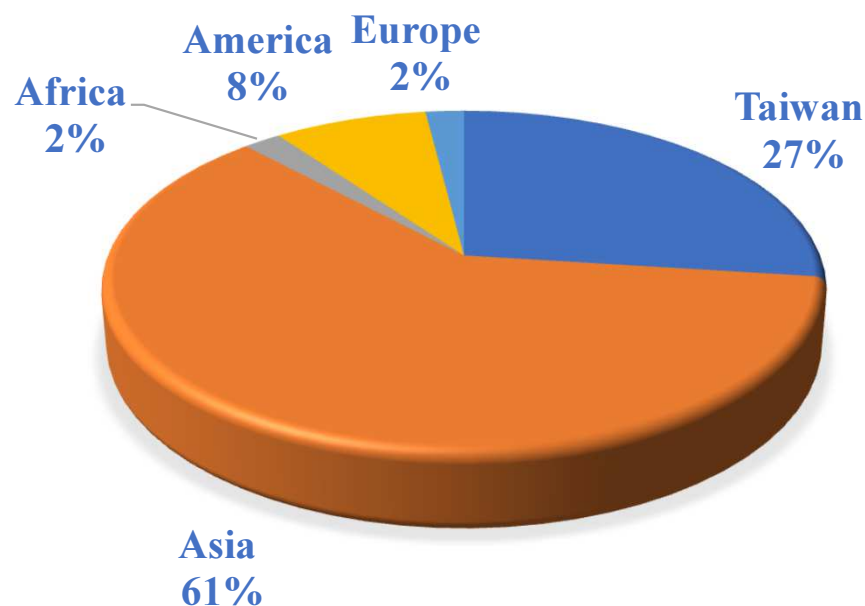


Globe Market distribution

Period: Jan. – Aug. of 2022/2023

Jan.-Aug. 2022

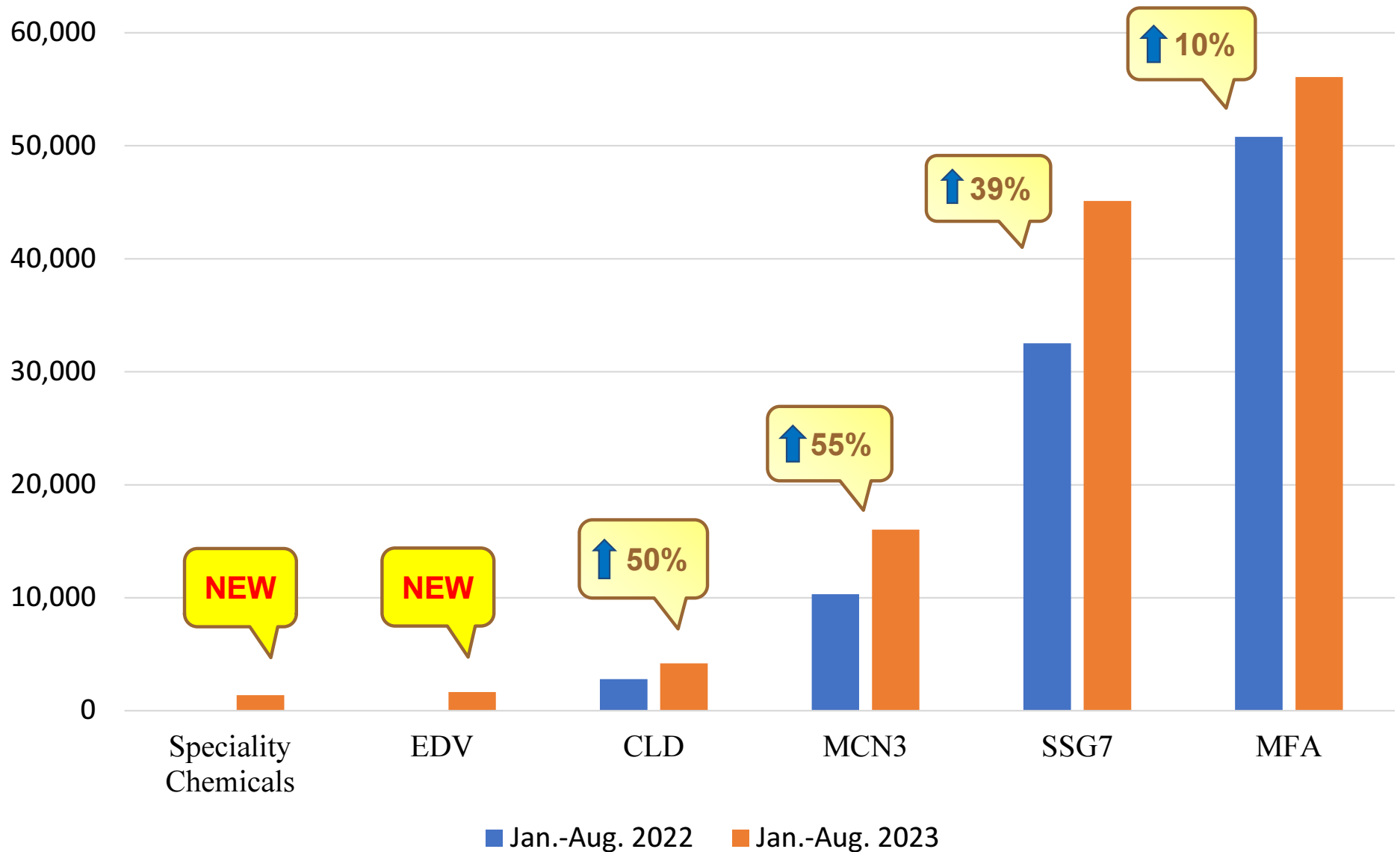
Jan.-Aug. 2023



	Jan.-Aug. 2022	Jan.-Aug. 2023	Difference
Taiwan	27%	39%	12%
Asia	61%	47%	-15%
Africa	2%	3%	1%
America	8%	8%	0%
Europe	2%	3%	1%

Growth of Asian Market Distribution

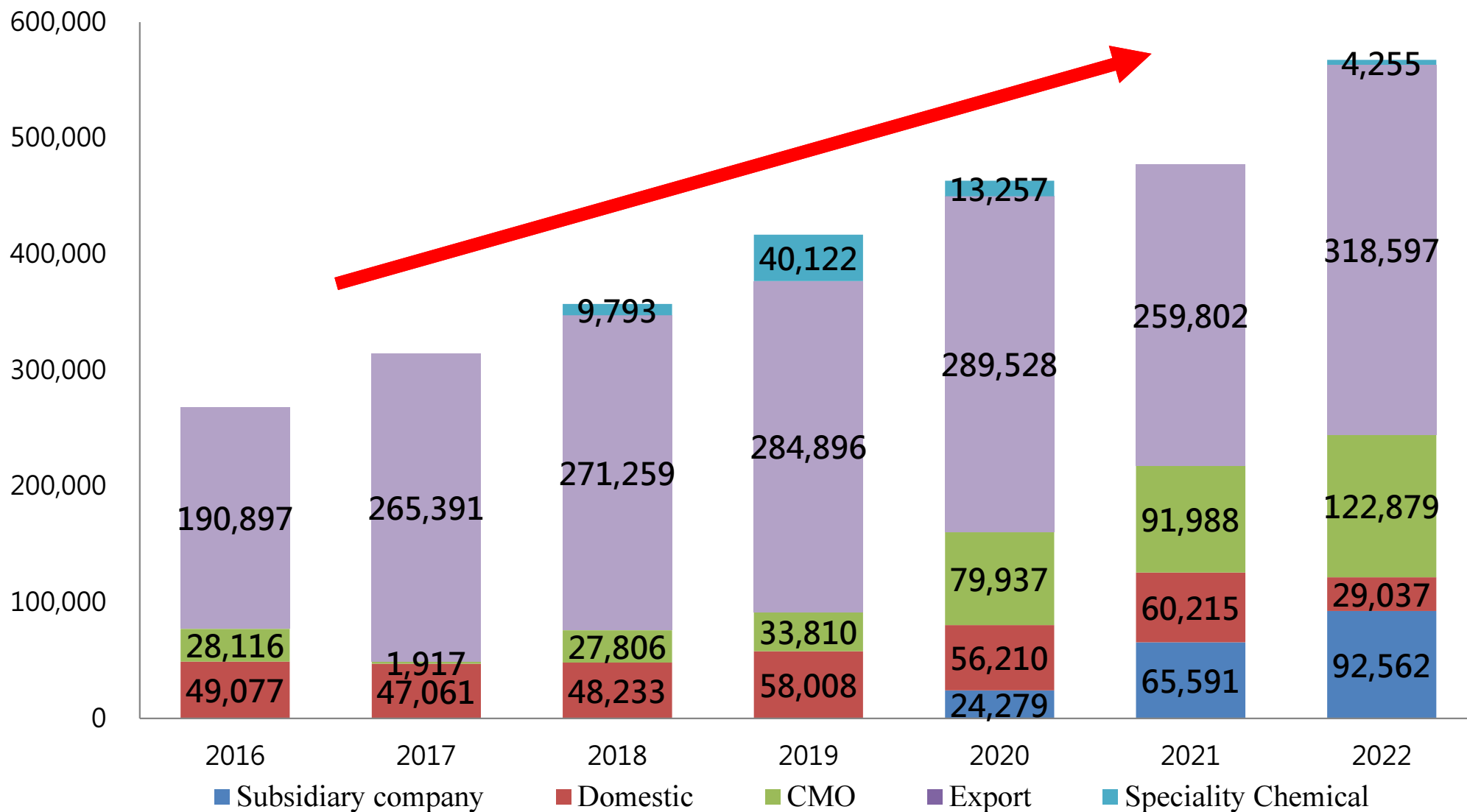
Period: Jan. – Aug. of 2022/2023
(In Thousands of New Taiwan Dollars)



2016-2022 Consolidated Revenue



(In Thousands of New Taiwan Dollars)



GLOBE

- The global supply chain has faced great challenges from previous inflation, supply chain conformity, and epidemics. Over-concentration on purchasing pharmaceutical raw materials from one single country will turn out to be a possible drug shortage crisis. Therefore, many countries have started to adjust the pharmaceutical supply chain system to ensure a stable production line.
- The cost of raw materials has been on a downward trend, mainly due to the decline in energy prices, yet it is still difficult to return to the original level.
- In line with the global trend of ESG, the Taiwanese government is promoting a series of strategies including energy transformation and net-zero emission to accelerate the progress for all of the Taiwanese factories. Therefore, by integrating ESG into the overall enterprise strategy, we will become more competitive.

YUNG ZIP

- This year, the overall environment is recovering slowly, and some products and countries are showing growth trends. In addition to actively cooperating with customers to submit applications and become their first source, Yung Zip also promotes the revenue growth rate by selling high-margin products with our stable supply.
- Besides the development of APIs, we will keep promoting specialty chemicals and CMO-related businesses to avoid the window period before the launch of new products and to increase production capacity utilization.

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FIVE MAIN STRATEGY

GOALS

Current process optimization And ESG process development

- Improve the manufacturing process of current products.
- Manufacture intermediates to control key technology.
- ESG Sustainable Development Goals: Focusing on recycling process design to reduce carbon emissions.

Development of APIs

- Explore the products with high gross profit or with less competitors to increase the flexibility and diversify of the production application.
- Establish collaboration relationship with preparations company to develop the new drug which is nearly expired, in order to take the preemptive opportunities in the market.

Development of clinical new drug

- Cooperate with brand drug companies in process development and registration of APIs which is in the phases of clinical.
- Produce the clinical trial drug under GMP requirement

Expand CDMO&CMO business

- Increase the CMO, CDMO business development of APIs, intermediates, and speciality chemical.
- Cooperate with customers to register new drug and support customers with full site of CMC and CTD.

Development of Speciality Chemical

- Open up the speciality chemical market between Japan and Taiwan.
- Cooperate with the customers to integrate upstream and downstream market to stabilize the supply

New Product Development



● API

*Source: Cortellis™ Generics Intelligence Data

Progress	Product	Indication	Target market	*Global market scale (USD)	*Global market scale (kg)
Process Validation Completed (Customer During Sample Test)	EDV	Amyotrophic lateral sclerosis	US	532 M	817.2
	MRG	Overactive bladder	JP/US	3,142 M	50,078
	ZPT	Insomnia	JP/US	657 M	36,065
	RVB	Anticoagulant	JP/US	13,079 M	60,892
	PLC	Local anesthetic (injection)	JP/CN	221 M	14,386
Validation	PLB	Local anesthetic (external)	JP/CN		
	SBT	Heart failure treatment	US/CN	6,598 M	132,098
Pilot-scale	TOP	Hyponatremia	JP/US	1,125 M	1,581
	KTR	Non-Steroidal Anti-Inflammatory Drug	CN	826 M	28,780
Process Development and Optimization Period	DYH	Antibiotic	CN	626 M	263,263
	DAT	Chronic Kidney Disease(CKD)	US/JP	47.6 M	99.7
	RCG	Pulmonary arterial hypertension	JP/US	329 M	37.5
	VBG	Overactive Bladder	US/JP	524 M	10,651
	UDT	Rheumatoid Arthritis	US/JP	3,307 M	703
Make-to-order period	VY01	Kidney Disease	CN/US	-	CDMO

● Speciality Chemicals

Progress	Product	Indication	Area	Quantity (Kg)/year
Process Development Completed (Make-to-order period)	TX06	Speciality chemical	TW/JP	240
	TX07	Speciality chemical	TW/JP	2,000
Process Development Completed (Customer during Sample Test)	TX04	Speciality chemical	TW/JP	500~1,000
	TX08	Speciality chemical	TW/JP	1,500
Process Development Period	TQ01	Speciality chemical	TW/JP	40

Thank you for your attention !

Q & A