



**JSP Pharmaceutical Public
Company Limited [JP]**

OPPORTUNITY DAY

Q2 2022

15th September 2022



Q2 2022 HIGHLIGHTS



Maintain performance in Q2/2022



- ✓ **Operating revenue** increased Baht 15.5 million or **+18.6% QoQ**
- ✓ **Revenue from OEM** increased Baht 12.1 million or **+24.6% QoQ**
- ✓ **Net Profit Margin** was **-11.5%** improved **+1.9% QoQ**



Cannabis extraction plant



- ✓ **Received approval for factory layout of hemp and cannabis extraction plant** and expect to recognize revenue from AlphaX, a strategic partner in Q1/2023
- ✓ **Production capacity** will be increased to 30,000 kg/month in 2023



Establishment of new subsidiary



- ✓ Approved the establishment of a **new subsidiary "Caresutic Company Limited (CST)"**
- ✓ **Innovation Center and small-scaled production facilities** to produce dietary supplements, cosmetics and personalized pharmacy to capture new target customer



Issuance of warrants and change of IPO objectives



- ✓ **Resolved to approve the issuance of the warrants** to purchase the newly issued ordinary shares of the Company No. 1 (JP-W1) in the amount of not exceeding 227,500,000 units.
- ✓ **Resolved to approve the change of objectives** of utilization of the proceeds received from the Initial Public Offering ("IPO")

Agenda



1

**COMPANY
OVERVIEW**

2

**KEY FINANCIAL
PERFORMANCE**

3

**STRATEGIC DIRECTION
AND 2022 OUTLOOK**

JP At a Glance

Becoming the leading company in research, manufacture and distribution of pharmaceuticals and supplements



60 years

Of experience in Pharmaceutical and Supplement

- Received GMP standard for production facility
- Received PIC/s standard, ISO, and Halal



1,900 licenses

Pharmaceutical & Supplement License

- Innovation through continuous partnership with leading education & research institute



4 Brands

In house brands focusing on Pharmaceutical and Supplement



EVITON



One stop service

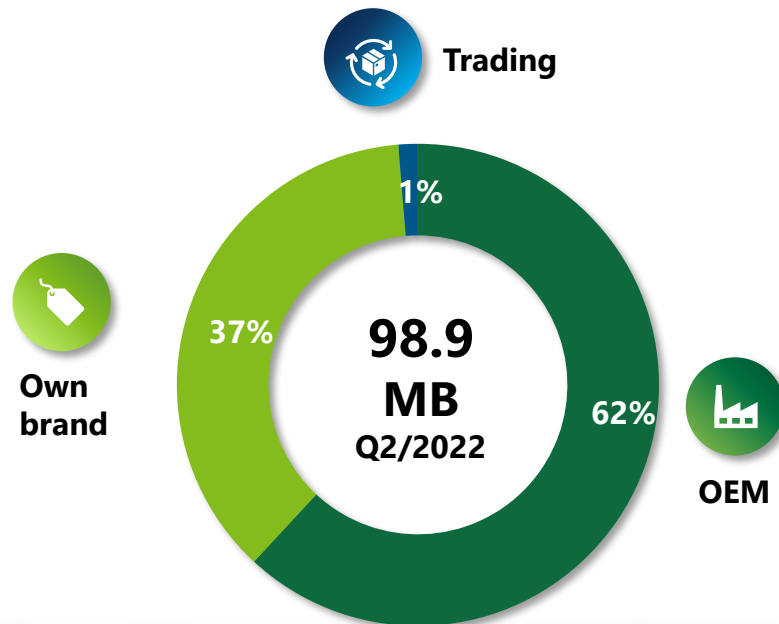
End-to-end OEM Service to support B2B customer

- Full services from product design and development to distribution assistance
- Trusted by major drugstore chain as supplier

JP Business Landscape

Q2/2022 Revenue breakdown by Business Line

3 Major Businesses



OEM

- *Providing OEM end to end services for customer including researching and developing products, producing and packing process to contacting the supplier*



Own brand

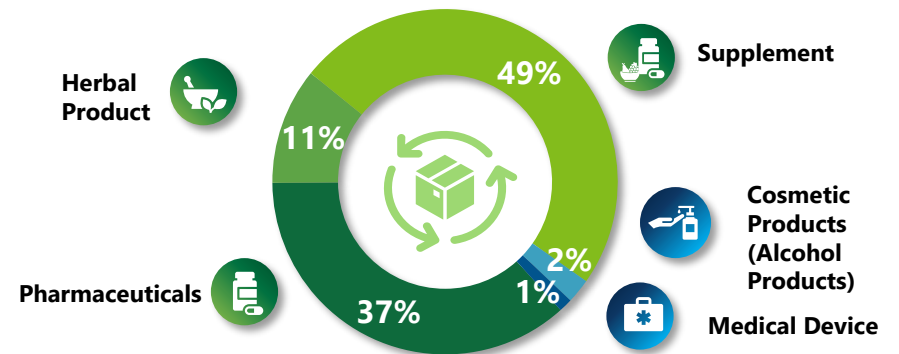
- *Producing medicine and other supplement under JSP's own brand by utilizing high technology machine*



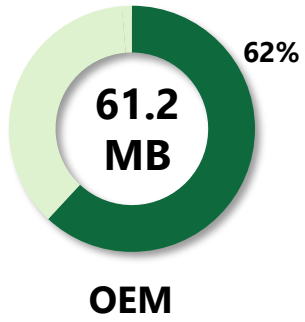
Trading

- *Sourcing domestic test kits as well as cosmetics for B2B customers*
- *Importing finished medicine, medical license and medical from oversea*

Q2/2022 Revenue breakdown by Product Line



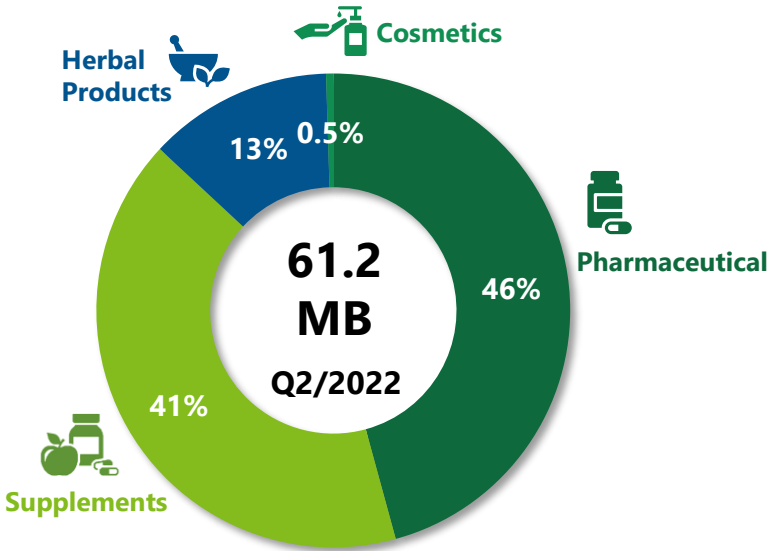
Revenue Breakdown by Business Line : OEM



End-to-end OEM services:



OEM Revenue Breakdown by Product:



Pharmaceuticals	Hormone Products	Syrup Medicine
Supplements	Nutrients Extract supplements	Soft Gelatin Supplements
Herbal Products	Herbal Medicine	Health Supplements
Cosmetics	Alcohol Sanitizer Spray and Gel	

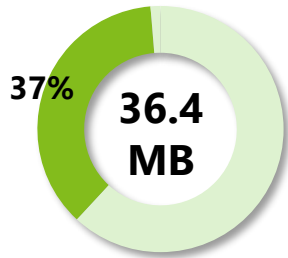
Customers:

Retail Pharmacy Chains

Supplements Companies

Media Platform Company

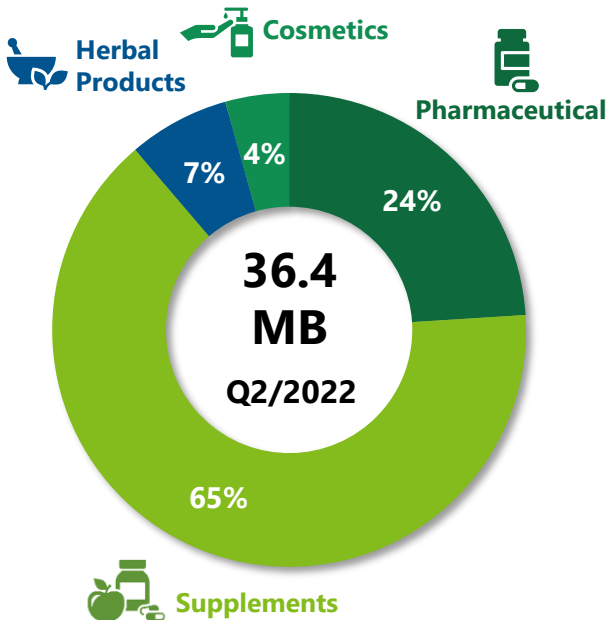
Revenue Breakdown by Business Line : Own Brand



- Producing medicine and other supplement under JSP's own brand
- Using high technology machine and various innovative medicine license

Own brand

Revenue Breakdown by Brand



Pharmaceuticals



COX Expectorants



Contraceptive Pill

- ✓ Convenient Stores /Modern Trades
- ✓ Hospitals/ Drug Stores



Herbal Products



Alcohol



Andrographis Paniculata Tablet



JSP Sanitizer Gel 75%

- ✓ Convenient Stores /Modern Trades
- ✓ Online Channels



Supplements



Eviton Plus Coenzyme Q10



Eviton Marine Collagen

- ✓ Convenient Stores /Modern Trades
- ✓ Online Channels



Herbal Products



Supplements



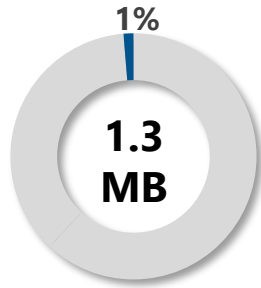
Suphap Osot 4 Mix Oil



Suphap Osot Black Sesame Oil + Rice Bran Oli

- ✓ Convenient Stores /Modern Trades
- ✓ Online Channels
- ✓ TV/Home Shopping

Revenue Breakdown by Business Line : Trading



Trading

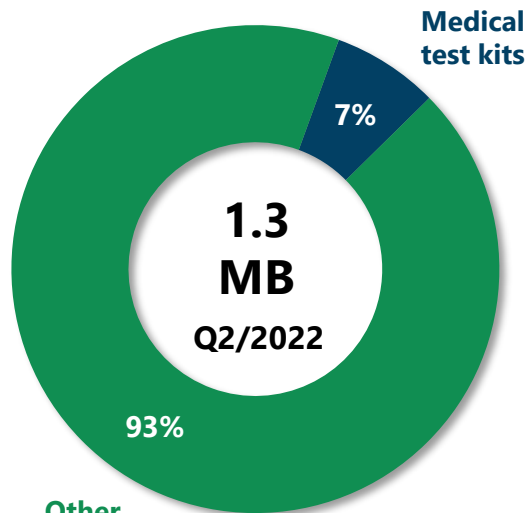
- Sourcing domestic test kits as well as cosmetics for B2B customers
- Importing finished medicine, medical license and medical from oversea

Key Product Example



Medical Test kits

Trading Revenue Breakdown by Product



Other Products
(Raw materials - Collagen)



1. Medical test kits for pandemic used

- COVID-19 Antigen Test Kits



2. Medical test kits for illegal drugs

- Methamphetamine (Meth) Test Kits
- Morphine (Mor) Test Kits
- Tetrahydrocannabinol (THC) Test Kits
- Dual (Meth and Mor) Test Kits



COVID-19 Antigen Test Kits



JSP Methamphetamine Test Strip

Customers:



Private agencies



Hospitals

Agenda



1

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2

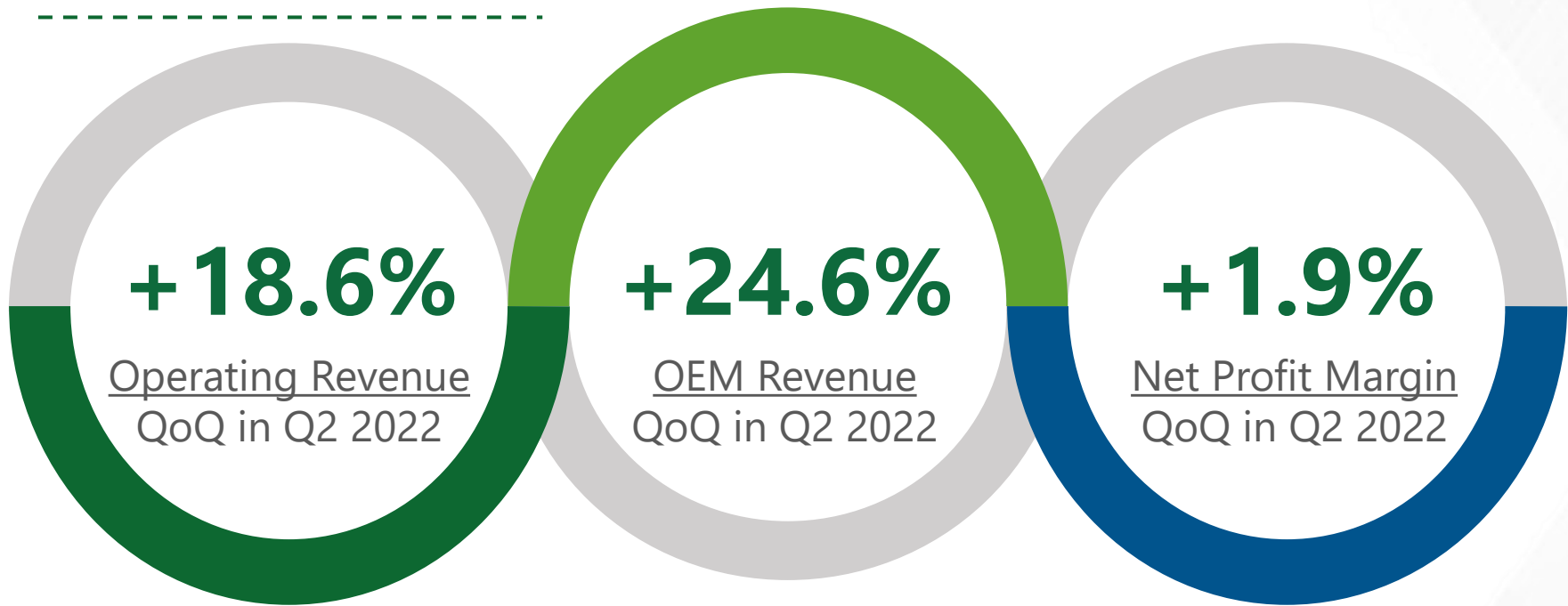
**KEY FINANCIAL
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**STRATEGIC DIRECTION
AND 2022 OUTLOOK**

Q2 2022 Financial Performance Highlights

Revenue Growth

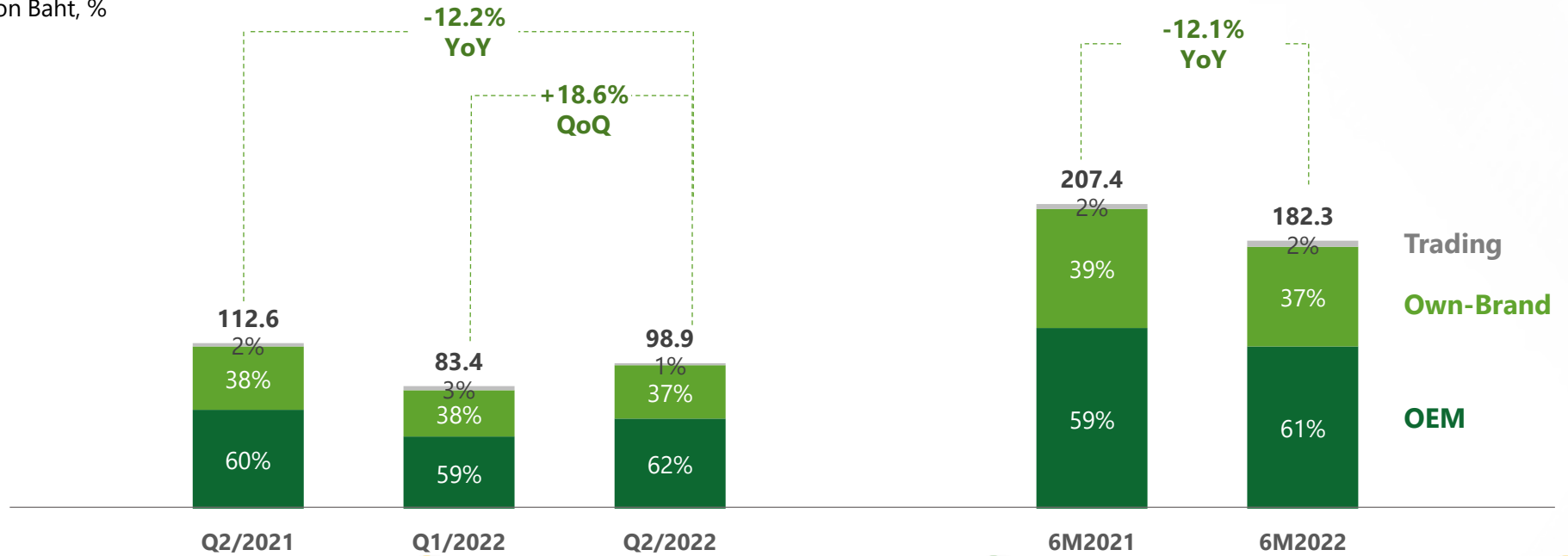


Strong Profitability

Revenue Breakdown by Business

Overall Revenue Breakdown

Million Baht, %



YoY: Q2/2022 vs Q2/2021

-12.2%

In Q2/2022, the **operating revenue** was Baht 98.9 million, decreased by Baht 13.7 million mainly due to:

- **OEM and Own-Brand:** Fewer orders for dietary supplements due to customers' stringent spending from the uncertainties in economics and politics

QoQ: Q2/2022 vs Q1/2022

+18.6%

In Q2/2022, the **operating revenue** was Baht 98.9 million, increased by Baht 15.5 million mainly due to:

- **OEM:** Increased in revenue from customer's orders for conventional medicines and herbal products
- **Own-Brand:** Increased in revenue resulted from mass advertising and promotion campaign

6M: 6M/2022 vs 6M/2021

-12.1%

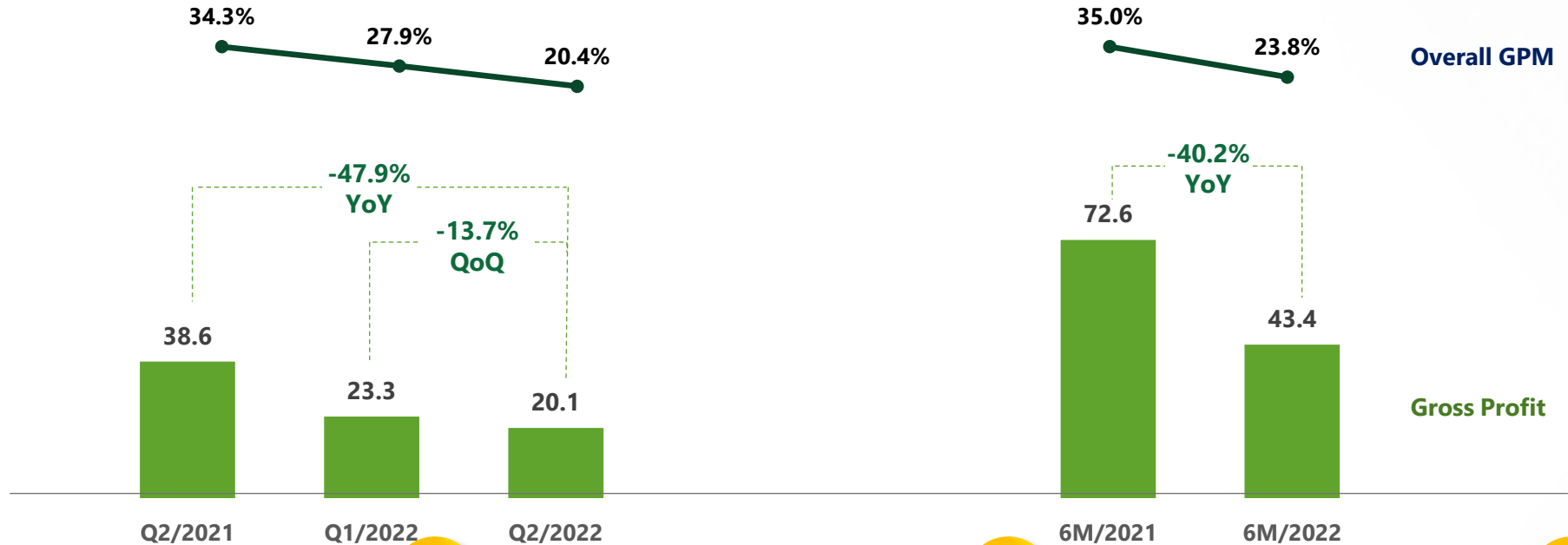
In 6M/2022, the **operating revenue** was Baht 182.3 million, decreased by Baht 25.1 million mainly due to:

- **OEM :** Slightly higher proportion of revenue from conventional medicines and herbal products
- **Own-Brand:** Lower demand in dietary supplements due to customers' stringent spending, as well as the company could not broadcast the ads on time as planned due to the strict control of government policies.

Gross Profit

Gross Profit and Gross Profit Margin

Million Baht, %



YoY: Q2/2022 vs Q2/2021

-47.9%

In Q2/2022, the **gross profit** was Baht 20.1 million, decreased by Baht 18.5 million mainly due to:

- Correspondence with lower revenue from sales and higher cost of manufacturing

QoQ: Q2/2022 vs Q1/2022

-13.7%

In Q2/2022, the **gross profit** was Baht 20.1 million, decreased by Baht 3.2 million mainly due to:

- The Company had fixed the selling price of several products to secure customer's loyalty, as well as higher cost of some raw materials

6M : 6M/2022 vs 6M/2021

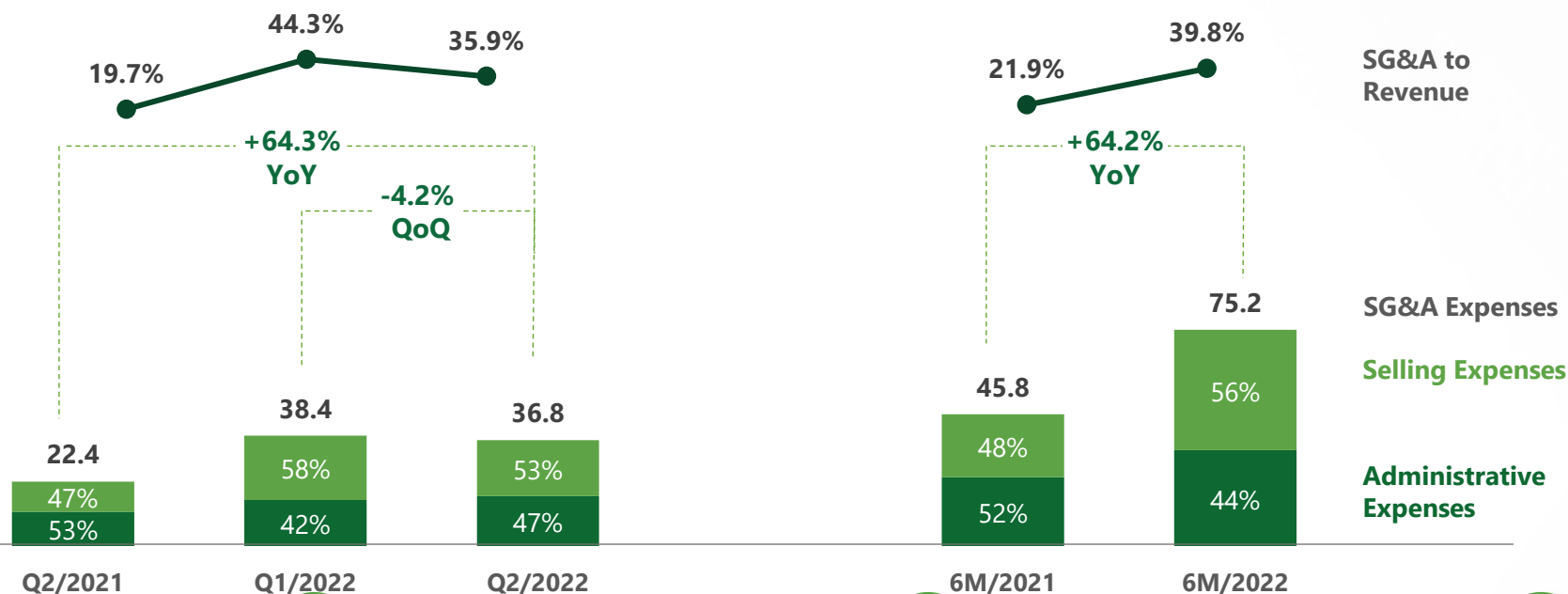
-40.2%

In 6M/2022, the **gross profit** was Baht 43.4 million, decreased by Baht 29.2 million mainly due to:

- Lower in revenue from sales
- The Company reported promotion expenses with TV Direct PCL as a reduction of revenue in accordance with TFRS15

SG&A AND SG&A TO REVENUE

Million Baht, %



YoY: Q2/2022 vs Q2/2021

+64.3%

In Q2/2022, the **selling and administration expenses** were Baht 36.8 million, increased by Baht 14.4 million mainly due to:

- **Increased of selling expenses** from the advertising and promotion expenses to create brand awareness
- **Increased of administration expenses** from the staff costs and professional service fees in relation to finance and administration

QoQ: Q2/2022 vs Q1/2022

-4.2%

In Q2/2022, the **selling and administration expenses** were Baht 36.8 million, decreased by Baht 1.6 million mainly due to:

- **Decreased of selling expenses** from advertising and promotion expenses
- **Increased of administration expenses** from the professional service fee

6M: 6M/2022 vs 6M/2021

+64.2%

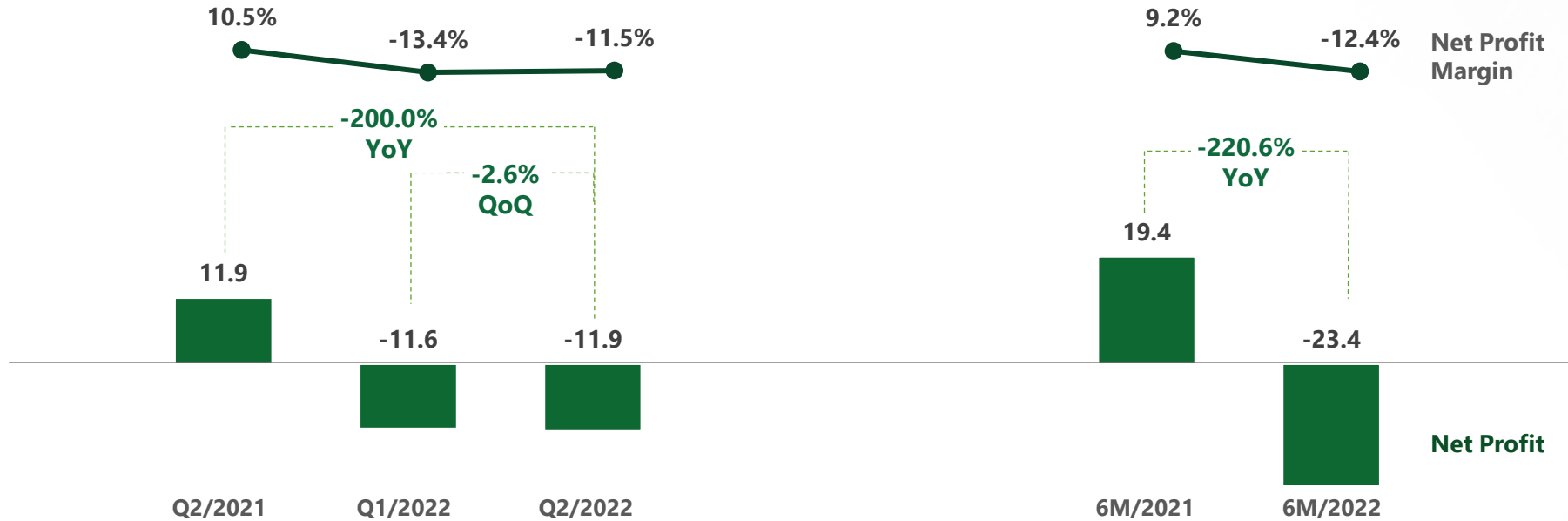
In 6M/2022, the **selling and administration expenses** were Baht 75.2 million, increased by Baht 29.4 million mainly due to:

- **Increased of selling expenses** from freight to support sales via omni-channel and advertising expenses for branding
- **Increased of administration expenses** from the staff costs and professional service fees in relation to finance and administration

Profitability: Normalized Profit

Normalized Profit and Normalized Profit Margin

Million Baht, %



YoY: Q2/2022 vs Q2/2021

-200.0%

In Q2/2022, the **normalized profit** was Baht -11.9 million, decreased by Baht 23.8 million mainly due to:

- Lower revenue and gross profit
- Higher expenses, especially selling expenses from advertising and promotion expenses to create brand awareness

QoQ: Q2/2022 vs Q1/2022

-2.6%

In Q2/2022, the **normalized profit** was Baht -11.9 million, decreased by Baht 0.3 million mainly due to:

- Lower gross profit
- Higher administration expenses from professional service fee

6M: 6M/2022 vs 6M/2021

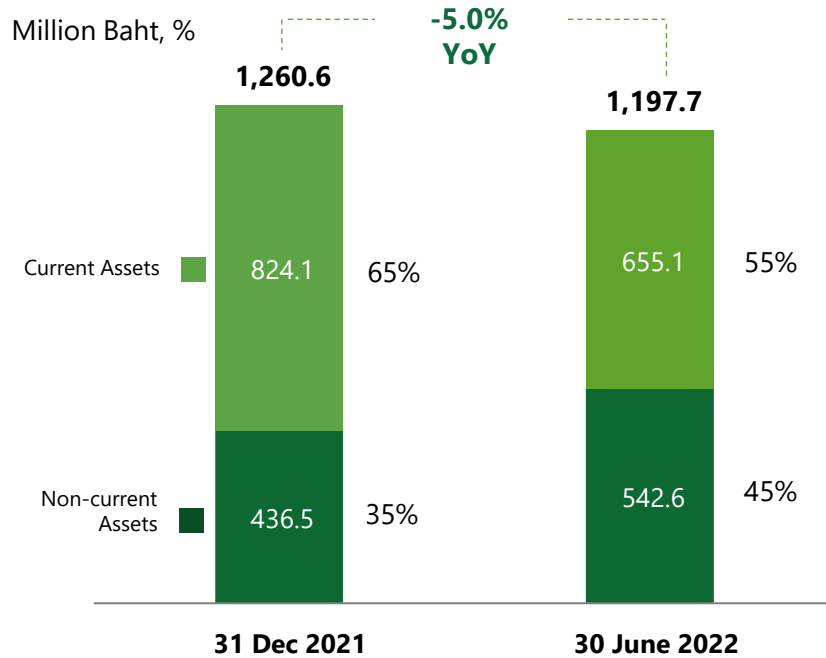
-220.6%

In 6M/2022, the **normalized profit** was Baht -23.4 million, decreased by Baht 42.8 million mainly due to:

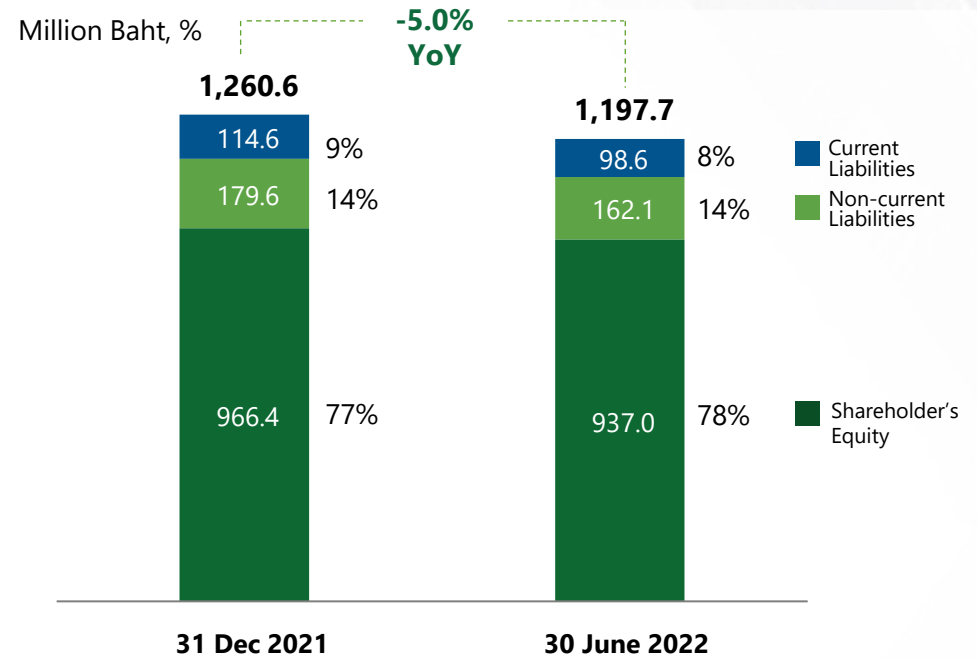
- Lower revenue and gross profit
- Higher expenses from both selling and administration expenses to support business expansion

Statement of Financial Position

Assets



Liabilities & Shareholder's Equity



Asset

- **Current Assets**
 - Decreased in cash and cash-equivalents from short-term investment, as well as invest in long-term assets for business expansion
 - Inventories increased due to company stock up inventories to support future sales growth of Own Brand products
- **Non-current Assets**
 - Increased from higher assets under constructions and installation, which are the renovation of production facilities at Bangkok and construction of new plant at Lamphun province

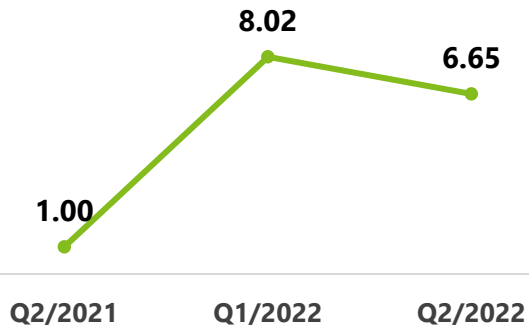
Liabilities and Shareholder's Equity

- **Liabilities**
 - **Current Liabilities:** Decreased in other payables from paying bonus to employees, as well as decreased in contract liabilities from delivering products to customers
 - **Non-current Liabilities:** Decreased from long-term loans repayment to financial institutions. However, leases liabilities increased from new long-term lease agreements to rent building and equipment for operating purpose
- **Shareholder's Equity**
 - Decreased from net loss
 - Declared and paid dividend of the operating performance of FY2021

Key Financial Ratios

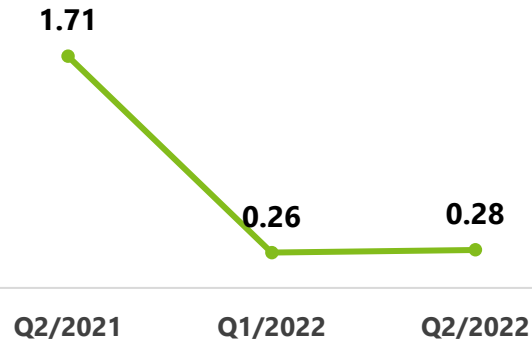
Current Ratio

Times



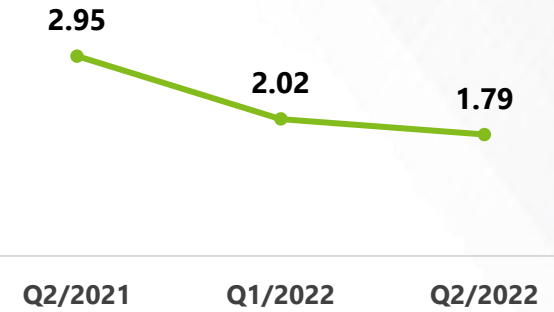
D/E Ratio

Times



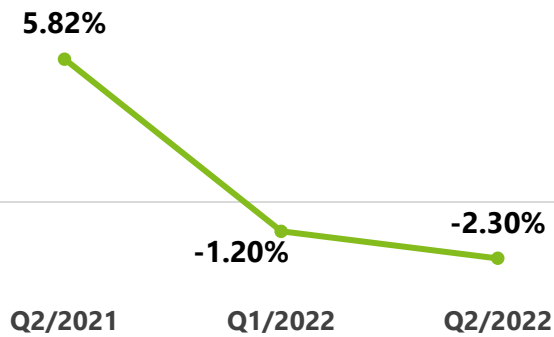
Debt Service Coverage Ratio

Times



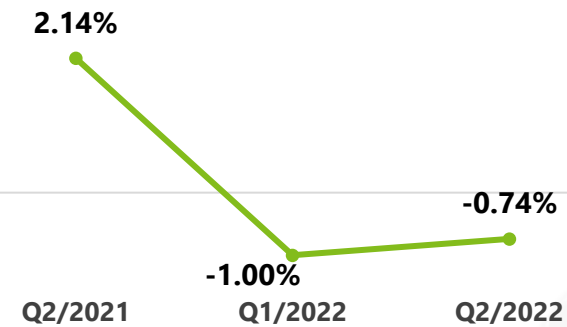
ROE

%



ROA

%



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AND 2022 OUTLOOK**



Hemp & Cannabis Products



Black Sesame Oil + Rice Bran Oil

2022

+50% Sales Growth

Mainly from Black Sesame Oil and Rice Bran Oil via TV direct

Innovative pharmaceuticals and supplements product manufacturer

- ✓ Putting **innovation** at the forefront of JP business
- ✓ **Completion of hemp and cannabis extraction plant in Q4/2022**
- ✓ Launching **hemp/cannabis products**
- ✓ **Leverage own Brand growth**
- ✓ **TV direct sales will be rebounded in 2H/2022**



2023

Thailand's leading innovative pharmaceutical and supplement brand

- ✓ Thailand's **well-known** pharmaceutical and supplement **brand**
- ✓ Continuous R&D and **innovative product launch**
- ✓ Expand to **animal products**
- ✓ Recognized revenue from **new production facilities fully operational**
- ✓ Hemp and Cannabis extraction plant **will fully operate at full capacity and start to recognize revenue**
- ✓ Capacity expansion of liquid **will be operated at full capacity with backlog of 2.0 mil bottles**

2024

2X Sales Growth

ASEAN's leading company in research, manufacturing and distribution of pharmaceutical and supplement product

- ✓ Establish **strong presence in Southeast Asia** for both own-brand and OEM business line



COMPANY STRATEGIES

1 Innovation for Growth

- **Continuous R&D** for innovative products
- Current innovation for growth:
 - ✓ **Plant-based protein** supplement
 - ✓ **Hemp** herbal products
 - ✓ **Chewable soft gelatin capsule**

2 Elevate Own-Brand Business

- Obtain **new product licenses**
- **Introduce** differentiated **own-brand products**
- **Launch wide-scale marketing** to strengthen brand awareness



3 Strengthen OEM Business

- Leverage current strengths and focus on **acquiring new major partner**
- Adding **new innovative products** to enhance customer's choice

5 Expand to CLMV

- **Acquire new licenses** in each country
- **Expand distribution** of products through local distributor

4 Capture Opportunity Through Investment

- **Invest** in small-and-medium-size **pharmaceutical companies** with high growth potential



1. Innovation for Growth: Putting innovation at the forefront of JP business



Benefits

- ✓ Leveraging innovation as differentiation point to enhance company's competitive advantages
- ✓ Partnering with leading education institutes and companies for research and development



Current Innovations

Development Timeline

1

Innovation Center under "Caresutic", a subsidiary company



บริษัท แคร้ซูติก จำกัด
CARESUTIC CO.,LTD.

Products:



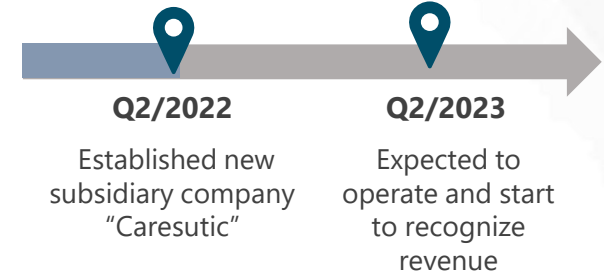
Dietary supplements
(OEM customers)



Cosmetics
(OEM customers)



Personalized pharmacy
(Clinics and Hospitals)



2

Herbal Products from Hemp & Cannabis



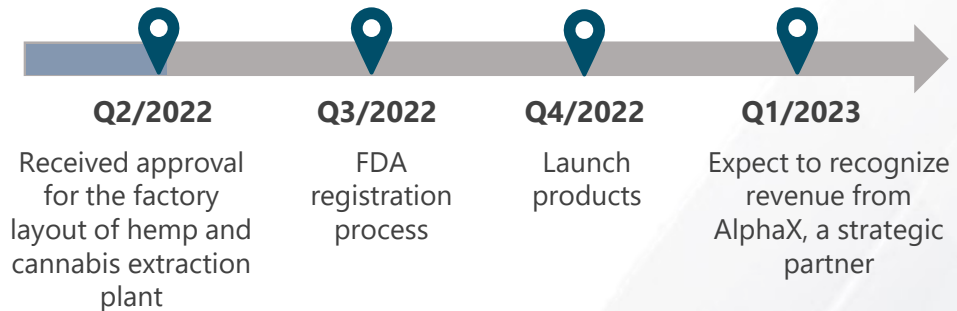
Benefit

- ✓ Enhance sleep quality and relaxation

Strategic Partners



Progress Update



2. Elevate Own-Brand Business: Targeting to grow at 200% in 2022 by increasing product portfolio and brand awareness



Benefits

- ✓ Enhance profitability from higher margin of own-brand products
- ✓ Propel overall company's growth and utilize existing brand



Increase Product Abundance

Introduce Differentiated Own-Brand Products

4 new products will be launched in 2H/2022



Introduce at least **4 new products** per year under "**Suphap Osot**"



Soft gelatin capsule - **2 products in Q3/2022**



2 Own cannabis products

- ✓ Supplement products - Hemp and Cannabis tea
- ✓ Expect to receive FDA approval and **launch in Q4/2022**



Strengthen Brand Awareness

Marketing Activities in 1H/2022

- ✓ **Studying brand recognition strategy**



- ✓ **Engage MOU with TV direct**
to secure sale volumes with a life-time customer target



- ✓ **Implementing Mass Marketing Campaign**



- ✓ **Distribute consumer approach**
 - Facebook
 - TikTok
- ✓ **Outsourcing call center services**



Progress Update

- **Q2/2022** – TV direct sales currently account for 20% of total expected sales at 200MB

3. Strengthen OEM Business: Leveraging existing strengths to expand customer base and add new choice for customers



Benefits

- ✓ Grow overall revenue by leveraging existing strengths



Enrich Customer Options

Obtain at least **4 intellectual properties in 2022**



1H/2022 : Obtain 2 intellectual properties

- Formula and production of herbal medicines for animals
- A technique for extracting hemp and cannabis flowers with Super Critical Fluid Extraction



Cannabis product expansion

Q1/22

Obtaining a license to **produce and possess category 5 narcotics**

Q2/22

Received the **GMP examination of hemp extraction plant**

Q3/22

- ✓ Received **GMP PIC/s approval for layout of hemp and cannabis extraction plants**
- ✓ Approved for **food supplement factory that contain hemp extract as an ingredient.**

Q4/22

- ✓ Launch **new cannabis products**
- ✓ Audited **license to extract cannabis for THC isolation**



OEM Expansion Progress

Q1/2023

Factory expansion (Lamphun province)

- ✓ Factory expansion is currently 60% completed and expect to operate within Q1/2023
- ✓ For herbal supplement products and Hemp-Cannabis extraction
- ✓ Capacity will be 30,000 kilograms per month

Q2/2023

Innovation Center

- ✓ Small-scaled production to produce dietary supplements and cosmetics for OEM customers
- ✓ Expect to operate within Q2/2023
- ✓ Expected revenue for FY2023 of 25.0 million baht

4. Capture Opportunity Through Investment: Accelerating expansion through inorganic growth opportunity



Benefits

- ✓ Propel company's growth
- ✓ Efficiently obtain innovative products, R&D, and attractive brands



Investment Purpose



Expand Capacity

To scale up company max capacity and expand production line



Obtain Brand and Distribution Channel

To enhance company own brand portfolio and enlarge customer segment



Acquire Pharmaceutical Technology

To escalate medicine production technology as well as improve production efficiency



Investment Criteria



Mid-Small
Size Company



Strong Financial
Performance



Synergy
with JP

Potential M&A Target along Supply Chain

1



Distribution Channels

- Company owned distribution channels
- Synergized with existing JP Businesses
- Strengthen JP sale channel

2



Brand owner

- Well recognized own-brand products
- Strong revenue stream
- Strong customers based

3



Manufacturer

- Company owned manufacturing plant
- Manufacturer for pharmaceutical products

5. Expand CLMV+ Market: Grow further in CLMV+ markets



Benefits

- ✓ Expand business into similar market in Southeast Asia region
- ✓ Boost overall company growth



Register New Licenses in each Country

Existing Exported Country
Laos, Cambodia, Myanmar, Philippines, Singapore

Q2/2022 : In the process of registration with the FDA



Partner with High-potential Local Distributor

Establish partnerships in each key main countries to increase company product presence.

Benefits from ASEAN Harmonization in Pharmaceutical Expansion

Save processing time from the agreement in 3 main areas

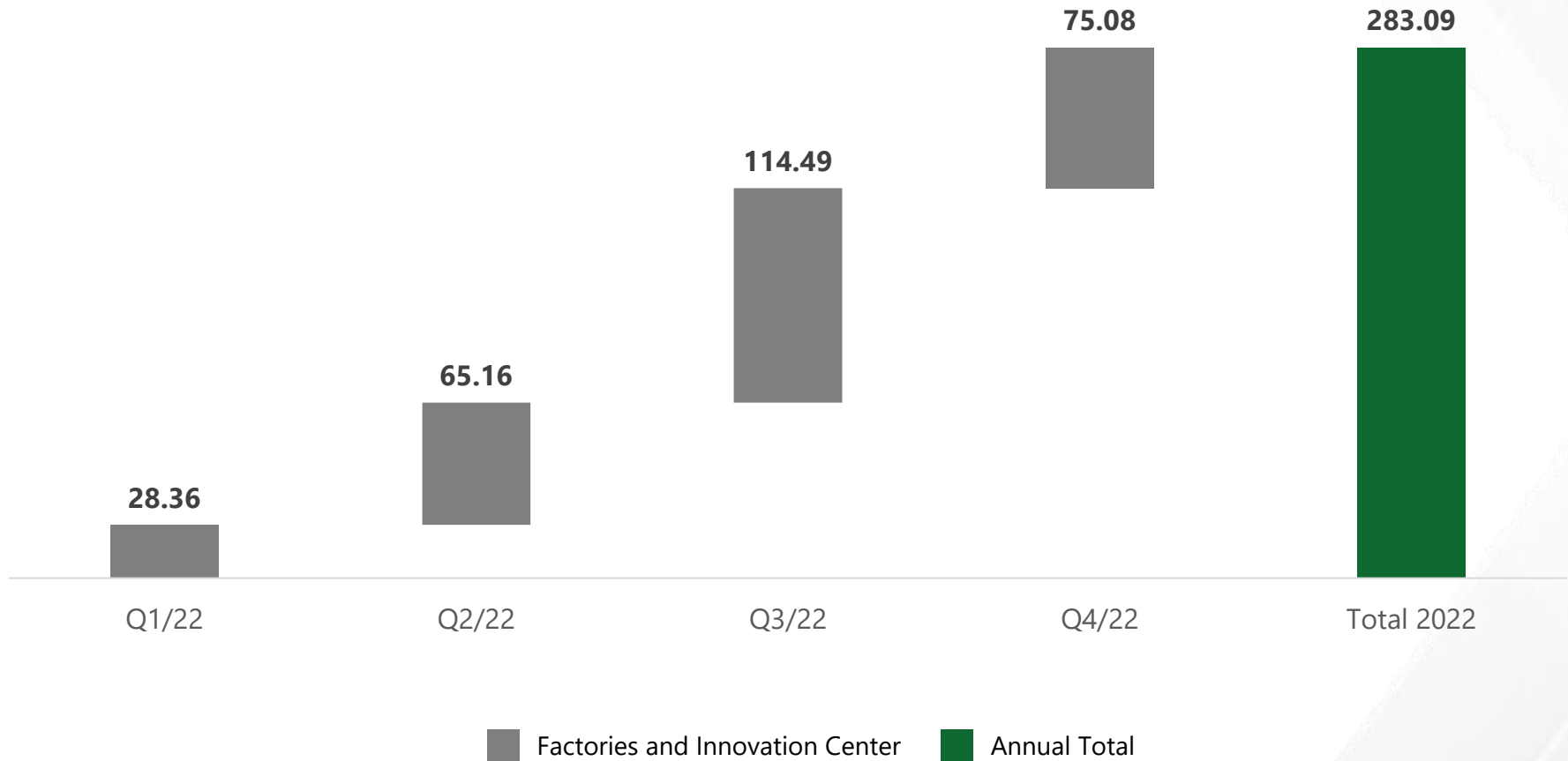
✓ Standards Harmonization

✓ Mutual Recognition Arrangement (MRA)

✓ Single Regulatory Regime

Investment Plan 2022

Unit: THB Million



2022 OUTLOOK

“JP expects to deliver performance with 50% growth supported by secured orders from own-brand business”

2H/2022

Pharmaceutical Products



Increasing the liquid production of 500,000 bottles to 700,000 bottles per month in Q2/2022 from the operational improvement and start recognize revenue at the end of Q2/2022



Factory expansion for second production line will be completed in Q4/2022 and start recognize revenue in Q1/2023

Herbal Products



Obtained licensed to produce soft gelatin capsule for herbal products



The company is currently submitting an FDA application and expect to receive the FDA approval and recognize revenue in Q1/2023

Supplement Products



Received license for hemp-containing dietary supplements production for OEM customers



The company is currently submitting an FDA application and expect to receive the FDA approval in Q4/2022 and recognize revenue in Q1/2023



Factory expansion in Lamphun will be completed within 2022



JSP SALE CHANNEL



@JSPSALE



THANK YOU

*Please scan to
give us your feedback*



APPENDIX



Management Team



Mr. Sittichai Daengprasert
President

Through **15 years of experience as JP's president**, Mr. Sittichai has laid foundation for the business and grown the company to become one of the leading OEM pharmaceutical manufacturer in Thailand.



Mr. Pissanu Daengprasert
Executive Vice President of Business Development

Mr. Pissanu has over **15 years of experience leading JP's business development**, introducing various innovative products that are key to JP's business growth. He has expertise in pharmaceutical research & development as well as commercializing successful breakthrough.



Ms. Jirada Daengprasert
Executive Vice President of Finance & Accounting

Ms. Jirada has over **14 years of experience in finance and accounting**. She also served as **Executive Director of COX Laboratories**, a leading pharmaceutical manufacturer, which combined with JP in 2017.



Mr. Sorasit Daengprasert
Executive Vice President of Manufacturing

Mr. Sorasit has over **12 years of experience in pharmaceutical industry**. Prior to his position as EVP of manufacturing, Mr. Sorasit spent 9 years as **Sales and Marketing Director of COX Laboratories** which combined with JP in 2017.

JP Key Differentiation



One-Stop Service Capability

1

- ✓ Provides **B2B customer with end-to-end service** from product design and development to distribution assistance
- ✓ **Trusted by major drugstore chain** as supplier

International Standard Facility

2

- ✓ Received **GMP standard** for Pharmaceutical, herbal product, and supplement production facility
- ✓ Among a few manufacturer to received **PIC/s standard, ISO, and Halal**

Large Versatile License Selection

3

- ✓ Owned a total of **1,900 licenses** for all products
- ✓ **Addition options** for **cosmetic and hemp extraction licenses**
- ✓ Allow **customer to receive a shorter time-to-market**

R&D Capability & Collaboration

4

- ✓ **In-house R&D and collaboration with leading research institute**
- ✓ **Produce unique products** with exclusive license that could create **competitive advantages**

Presence in ASEAN Market

5

- ✓ Exported in **ASEAN: Laos, Cambodia, Myanmar, Philippines, Singapore**

JP Key Milestones

1 Establishing Legacy

2 Enhancing Foundation

3 Growing Toward the Future

2022 Onward



1954

"Suphap-Osot"
Pharmaceutical and Herbal Store
Established in
Hua Lamphong



1975

"Cox Industrial Plant ("Cox")"
established to operate the business of manufacturing and distributing modern pharmaceutical.



2005

JSP Industrial Pharmacy Co. Ltd.
established with THB 1 Million registered capital and **started OEM business**



Launch dietary supplement products



EVITON



2011

Enhance capacity of dietary supplements and herbal medicines by constructing additional factory at Lamphun Province



2017

COX and JSP combined business under common control of Dangprasert Family



Launch own-brand: **"Suphap-Osot"**



2019 & 2020

2019
Started **R&D for plant-based protein supplement and cannabis application**



2020
Applied for **IPO filing** to raise fund for business expansion

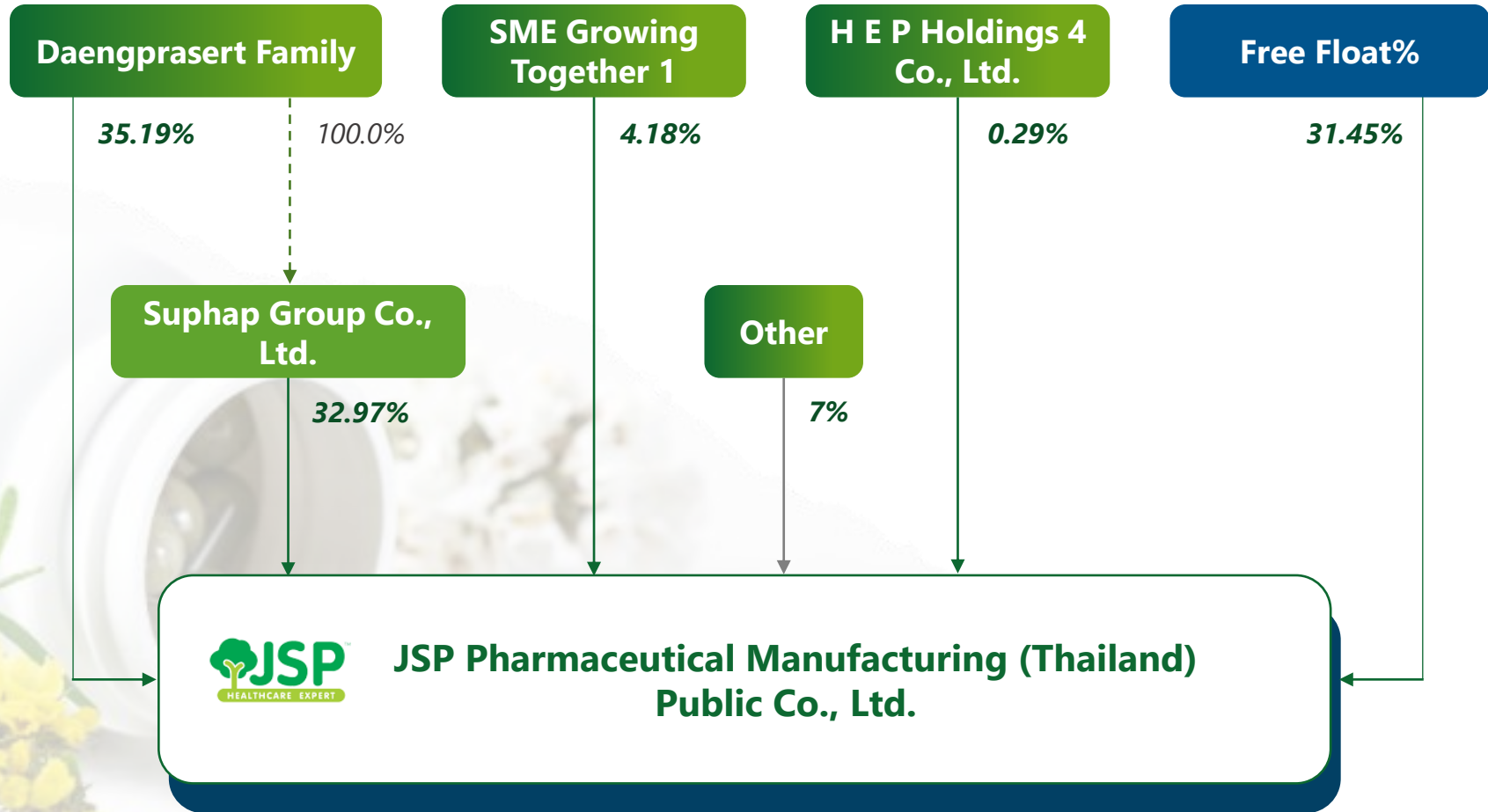
2021

Successfully listed in mai with total fund raise of THB 805 million to support company development plans



Becoming the leading company in research, manufacture and distribution of pharmaceuticals and supplements

Shareholding and Company Structure



Company Utilization Q2/2022

JP manufactures with total **5 forms of product**



Liquid



Tablet








Hard Gelatin Capsule



Soft Gelatin Capsule



Gel

Product Type	Product Form		Q2/2022 Capacity	% Utilization	Capacity Expansion	2023 Capacity
 Pharmaceuticals	Liquid	Million m ³	374.4	*57.2%	+748.8	1,123.2
	Hormone	Million Pills	187.2	2.7%	-	187.2
	Soft Gelatin Capsule	Million Pills	86.5	0%	-	86.5
 Supplements	Tablet	Million Pills	76.8	3.6%	-	76.8
	Hard Gelatin Capsule	Million Pills	23.4	13.3%	-	23.4
	Soft Gelatin Capsule	Million Pills	112.4	*26.3%	+118.2	230.6
 Cosmetics	Gel	Million m ³	393.1	20.9%	-	393.1
 Herbal products	Tablet	Million Pills	81.6	13.9%	-	81.6
	Hard Gelatin Capsule	Million Pills	140.5	11.9%	-	140.5
 Extraction	Full Spectrum	Kilogram	144.0	*33.3%	+28,979.0	29,123

Note : *As its current utilization rate is high, the company is expanding its production capacity.