Diamond Biofund
鑽石生技投資股份有限公司

2024 Q2 Earnings Conference Call

TWSE：6901

Disclaimer

- The forward-looking statements in this presentation, including operational outlooks, financial statements, and business forecasts, is based on internal data and the overall economic situation.
- Actual operational results, financial condition, and business outcomes in the future may differ from these predictive statements. This variance could be attributed to various factors, including but not limited to, operational and research risks associated with the Company's investment portfolios, changes in capital market trends, alterations in policies, laws, and financial economic conditions, as well as other uncontrollable risk factors.
- The Company's primary investment focus is in the biotechnology industry, where stock prices and fair values are significantly influenced by research outcomes, leading to substantial fluctuations. Consequently, a decrease in fair value may result in negative operating income.
- As a venture capital company primarily invested in the biotechnology industry, the nature of the Company's business involves lengthy development cycles, extensive capital investment, and no guaranteed success. Investors are advised to exercise special caution and diligence when considering investment.

Agenda

I. **President's Remarks**

II. First Quarter 2024 Financial Results

III. Biotech Capital Dynamics and Portfolio

IV. Q&A

President’s Remarks

Biotech Nuclear Power Plant · Building Biotech Unicorns

- Introduce external funding to expand AUM scale
- Continuously invest in globally competitive biotech industry
- Transform innovative technologies and guide companies into the international market
- Attract top talent and strengthen Diamond Investment's capabilities

Policy support · Regulatory relaxation · Seizing Opportunities

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- Enhance policies for the development of the biotechnology industry.
- Double the market cap of the biotechnology industry from the current 1% to 2% within 3 years.
- By 2035, the market cap of emerging industries (biotechnology, green energy, and digital) exceeds 10%.
- With the passage of the Regenerative Medicine Law, there are brighter prospects for cell therapy and regenerative medicine.

Enhance Board Structure

- **The new board of directors lineup is strong**

  Mr. Pan-Chyr Yang, Mr. Tsu-Der Lee, Mr. Te-Tsai Lee, Mr. Fei-Peng Lee, Mr. Che-An Chou, Ms. Shu-Hui Chang, Ms. Li-Ching Chen, Ms. Chi-Yu Hsiang, Mr. Shih-Tsung Chang

- **Enhance the independence of the board of directors**

  Increase the number of independent directors from 3 seats to 6 seats, constituting two-thirds of the board.

- **Enhance board diversity**

  Increase the female board members from 1 seat to 3 seats, constituting one-third of the board.

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Implementing Responsible Investment Practices

Direction	Requirements	Outcomes
Assessment phase	Require portfolios to sign an 'ESG Declaration' , committing to adhere to ESG criteria.	• **All 15 existing portfolios have signed and committed to adhere to ESG criteria.** • **In the future, potential portfolios must also sign and commit to adhering to ESG criteria before entering into contracts.**
Post-investment management	Participate in portfolios' decisions to promote ESG policy planning and implementation.	• **Following the spirit and requirements of the Institutional Investor Stewardship Code, we engage regularly with portfolios to promote ESG initiatives.** • **In 2023, we achieved 100% participation in the board meetings and shareholder meetings of all portfolios .**

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Implementing Responsible Investment Practices

Direction	Requirements	Outcomes
Public transparency	Produce a sustainability report detailing activities and progress in implementing responsible investment practices.	• **In 2023, a total of 5 portfolios participated in greenhouse gas emissions certification.(CHO Pharma /Oneness Biotech/Sinew Pharma /StemCyte/Tetanti AgriBiotech)** • **The sustainability report for the year 2023 will be published in August.**
Continual monitoring & improvement	Stay informed about sustainability trends, latest policies, and regulatory requirements. Annually review the ESG performance of portfolios and request the signing of a new 'ESG Declaration' for the upcoming years.	• **In 2023, conduct 2 'ESG education and training' sessions to further enhance staff expertise in ESG.** • **Going forward, annually request portfolios to review and sign a new 'ESG Declaration' for the upcoming years.**

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Revenue Recognition

Revenue includes realized and unrealized valuation gains and losses of the portfolios. The valuation approach varies per the type of portfolio.

Portfolio Traded Actively in Capital Market(s)	Portfolio Not Traded Actively or Not in Capital Market(s)
Quoted price as of valuation day	**Valuation per modeling**

Note 1: Closing price as of valuation day for TWSE/TPEx-listed shares
Note 2: Average trading price as of valuation day for TPEx Emerging Stock Board shares actively traded
Note 3: Valuation modeled for TPEx Emerging Stock Board shares not traded actively

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1Q'24 Financial Results

Unit: NT$1,000

Item	2024 Q1	2023 Q1
Revenue	(773,702)	7,279
Net Income (Loss)	(807,251)	(27,040)
Earnings (Loss) per Share	NT$(0.95)	NT$(0.04)

Note ：Revenue includes realized and unrealized gain/loss of financial assets

Unit: NT$1,000

項目	2024/03/31	2023/12/31	2023/03/31
Cash and Cash Equivalent	65,927	2,102,949	294,729
Financial Assets at Fair Value through Profit or Loss	12,005,704	10,779,406	10,856,631
Net Asset	12,064,628	12,861,965	11,027,165

1Q'24 Financial Results

Total revenue of 2024Q1 amounted to negative NT 773,702 thousand, with details as follows:

- **The negative revenue primarily arise from unrealized valuation losses of financial assets.**
- **Unrealized losses of financial assets primarily arise from:**
  - ✓ Stock price changes from the beginning of 2024 to Mar. 31,2024 of TPEx-listed and TPEx Emerging Stock Board portfolios
  - ✓ Unrealized losses from unlisted portfolios
- **Short-term price fluctuations do not affect the long-term investment value.**

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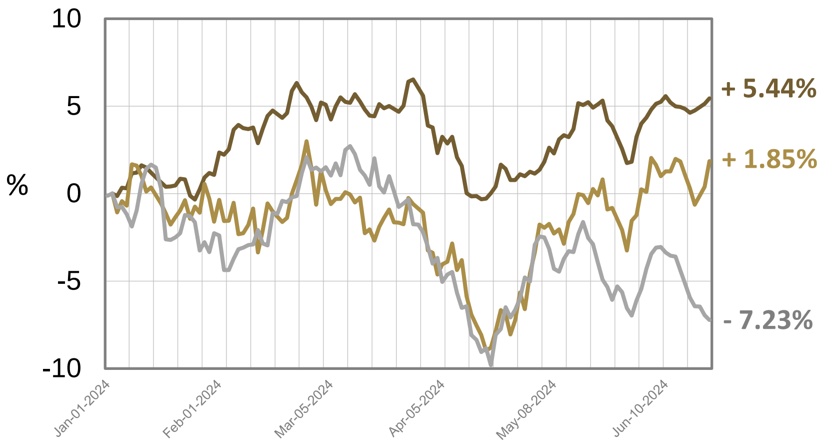
Overseas Biotech Capital Market



Source: [1] NASDAQ、[2]US Securities and Exchange Commission (SEC)

Since the beginning of 2024, capitalization in the U.S. S&P 500h Health Care sector has recovered, while the NASDAQ Biotechnology Indexes have rebounded from their April lows. In contrast, the capitalization of the health care biotech markets in Asia has been weak.

2024Q1 Major Listing Case: CG Oncology (NASDAQ: CSON)[1]

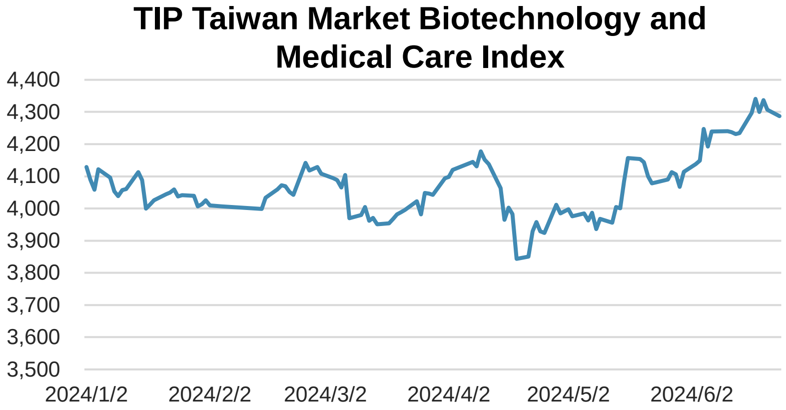
Introduction of CG Oncology	**Bladder-cancer drug developer**
IPO Date	2024/01/24
New Capital Raised in IPO	USD 380 Million
Market Cap (2024/06/21)	USD 2.1 Billion

2024Q1 Major M&A Case: Catalent (NYSE: CTLT)[2]

Introduction of M&A Case	**Novo Holdings acquires Catalent, a CDMO, for $16.5 billion**
Acquirer	Novo Holdings
Acquired	Catalent, Inc.
Announcement Date	2024/02/05
Purchase Price per Share	USD 63.5

Taiwan Biotech Capital Market

- TIP Taiwan Market Biotechnology and Medical Care Index has slowly grown 4.1% this year, outperforming the overall Asia-Pacific index.
- In 1H24, there are 17 newly listed (including emerging) biotech and medical stocks in Taiwan, among which new drugs account for the largest proportion, medical materials are the second largest, and it is worth noting that cellular therapy is ranked third. With the passing of the third reading of the Regenerative Medicine Act, it is expected that more relevant companies will be encouraged to enter the market.



Source: Taiwan Index Plus Corporation

Number	New	Total	Note
Listed	+ 4	46	**Emerging to Listed*2** (Cell Therapy, Medical Devices) **OTC to Listed*1** (New drug) **Direct Listing*1** (Cell Therapy)
OTC	+ 6	92	**Emerging to OTC***6 (New drug*3、pharmacy*2、Medical Devices*1)
Emerging	+ 7	84	(New drug*3、Medical Devices*3、Cell Therapy*1)

The Regenerative Medicine Act

- **Event:** On June 4, 2024, the Legislative Yuan passed the third reading of two bills related to regenerative medicine, 《The Regenerative Medicine Act》and《The Regenerative Pharmaceuticals Act》, to clarify the basis of their legal source.
- **Regulation:**《The Regenerative Medicine Act》define the scope of regenerative medicine, human trials, and cell sources;《The Regenerative Medical Preparations Management Regulation》regulates the authorization to registration and post-marketing surveillance of the manufacture or import of regenerative medicinal products.
- **Impact:**

1. For life-threatening or severely debilitating conditions, a drug may be conditionally approved as a new drug for early use in clinical treatment after Phase II clinical trials have been completed and the safety and preliminary efficacy of the drug have been evaluated.
2. It relaxes the restriction of cell therapy from the original six categories of autologous cell therapy in《The Regulations of Special Medical Techniques》to xenogeneic cell therapy, which has strengthened the confidence of the industry in the research and development of cell therapy.
3. 《The Regenerative Medical Preparations Management Regulation》is expected to accelerate the marketing of products under clear guidance. The Government has also make relevant promotion plans and incentives to jointly develop Taiwan's regenerative medical industry.

Portfolios

Innovation New Drug

Cell Therapy

Gene Therapy

Drug Delivery

Medical Device

Research Equipment

Agricultural Biotechnology

Others

Portfolios - Innovation New Drug

- Oneness Biotech
- CHO Pharma
- Sinew Pharma
- ImmunAdd

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Innovation New Drug

Company	Field	Core projects	Important progress
Oneness Biotech	Dermatology	New drug for DFU wound care	Received drug approval in China, is set to enter the Chinese market, and aims to join the China Healthcare Security system this year.
		Wound care medical device	Partial thickness wounds, closed post-surgical wounds, and burns (1st and superficial 2nd degree) are 510(k) cleared by the US FDA.
	Immunology	Antibody drugs for moderate to severe atopic dermatitis	Phase II clinical trials of the subcutaneous injection formulation are initiated in the US and Taiwan.
	Anti-virus	Nucleic acid drugs for pan-COVID	Phase II multicenter clinical trials have completed enrollment.
CHO Pharma	Glycoscience	Glycoengineered antibody with homogeneous glycan	The world's first glycoengineered antibody Phase I clinical trials have been completed and demonstrated high safety. Phase IIa clinical trials are ongoing.
		Glycosite-specific ADC drugs	Seeking to enter into non-exclusive licensing agreements with international and domestic CDMO manufacturers to promote the CHOptimax technology platform for out-licensing of glycoengineered antibody drugs or ADC development.
		Bacterial vaccine	V08 has been granted IND approval for Phase I clinical trials by the US FDA.
Sinew Pharma	Liver disease	Non-hepatotoxic acetaminophen	Announced on 5/27: The clinical trials exceeding three times the maximum dose of acetaminophen (12 grams) were completed, and the results showed no hepatotoxicity.
		Metabolic dysfunction–associated steatohepatitis	Phase I clinical trials have been completed, demonstrating safety. The study is now ready to move into Phase II clinical trials.
ImmunAdd	Vaccine adjuvant	Synthetic saponin adjuvant	GMP manufacturing for IA-05 is complete, and the DMF submission has been finalized. Clinical trials can be conducted with potential licensing partners.

Portfolios - CGT, Drug Delivery

- StemCyte
- Rejuvenate Bio
- Bilayer Therapeutics
- Original BioMedicals

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Cell Therapy, Gene Therapy, Drug Delivery

Company	Field	Core projects	Important progress
StemCyte	Cell therapy	Cord blood RegeneCyte	Applying for a Biologics License Application (BLA) for umbilical cord blood in the US.
		Umbilical cord blood for post-COVID treatment	Phase II clinical trials have completed enrollment.
		Umbilical cord blood for acute stroke treatment	Phase II clinical trials have received US FDA IND approval.
		Umbilical cord blood for cerebral palsy treatment	IIT clinical trials have received IND approval in Taiwan.
Rejuvenate Bio	Gene therapy	Desmoplakin arrhythmic cardiomyopathy	Completed pre-IND meeting and are preparing for submission. Received $400 million in funding from California Institute for Regenerative Medicine (CIRM).
		Mitral valve disease in dogs	Licensed to Phibro, a US listed animal drug company.
Bilayer Therapeutics	Drug delivery system	Metabolic diseases and chronic constipation treatment	Entering the CMC stage and preparing for IND submission.
Original BioMedicals	Drug carrier and trigger release technology	Antibiotic colistin modification with drug carrier	Preparing for IND submission. Preclinical GLP safety studies are underway.

Portfolios - Medical Device, Research Equipment, Agricultural Biotechnology and Others

- Theia
- EyeYon
- Syncell
- Tetanti AgriBiotech
- KCP Fund I
- Diamond Biofund I
- Diamond Biofund II

Medical Device, Research Equipment, Agricultural Biotechnology and Others

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Company	Field	Core projects	Important progress
Theia	Medical semiconductor	Artificial retinal implant	TFDA approved the first human trials to be conducted in Taiwan, recruiting patients with RP.
EyeYon	Synthetic corneal endothelial layer	Artificial corneal implant	China NMPA approved pivotal clinical trials to proceed. Europe completed technical file review under MDR. First successful artificial corneal transplant surgery in the UK.
Syncell	Capture unknown proteins without labeling	Intracellular pickable microscope, consumables and analysis services	Series A funding in progress.
Tetanti AgriBiotech	Organic waste enzyme rapid processing technology	Organic waste treatment equipment and enzymes	Negotiating for distribution agents in the Middle East, North Africa, and various European countries.
KCP Fund I	Venture capital	Early-stage biotech investment in the Boston area	Invested in 5 early-stage biotech startups.
Diamond Biofund I	Venture capital	Focus on investment cases in the commercialization stage	Already established.
Diamond Biofund II	Venture capital	Focus on mid/late-stage investment cases	Already established.

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Selected Investment Cases

Sinew Pharma

- **Domain:** Innovation New Drug
- **Country:** Taiwan
- **Year:** 2016, 2020, 2021
- **Amount:** NT$240 million
- **Structure:** Common share

EyeYon

- **Domain:** Medical Device
- **Country:** Israel
- **Year:** 2017, 2021
- **Amount:** NT$86.33 million
- **Structure:** Preferred share

Sinew Pharma - Introduction

- SINEW PHARMA INC, founded in June 2014, is a spin-off startup from the National Defense Medical Center focused on the development of therapeutic products for hepatotoxicity-free acetaminophen, antidote, MASH treatment.
- Dedicated to developing treatments for MASH indication and non-hepatotoxic acetaminophen.
  - SNP-810: New drug for non-hepatotoxic acetaminophen (Completed the clinical trial with dosages reaching three times of the recommended label dosage of acetaminophen.)
  - SNP-810: In combination with a non-addictive pain relievers
  - SNP-6: Metabolic dysfunction-associated steatohepatitis (MASH) new drug

Clinical Pain Points

SNP-810 (Pain relievers)

- **Acetaminophen overdose** is the leading cause of acute liver failure worldwide and can lead to death in severe cases.
- Of drug overdose emergencies in the US each year, Acetaminophen overdoses account for the majority, 39%.

SNP-6 Series (Steatohepatitis)

- Approximately 25% of the world's population suffers from non-alcoholic fatty liver disease and approximately 6-14% suffers from Metabolic dysfunction-associated steatohepatitis (MASH).
- It is internationally recognized that the causes of MASH treatment are complex and require **multiple mechanisms of action**.
- Actions of SNP-6: (1) Inhibit fat synthesis and accumulation (2) Inhibit the expression of pro-inflammatory factors (3) Reduce LPS in blood (4) Inhibit the expression of pro-fibrotic factors.

Core Development

Metabolic dysfunction–associated steatohepatitis

Product Code	Indication	Preclinical	Phase I	Phase II	Phase III	NDA	Market Launch
• SNP-610	MASH						
• SNP-630	MASH						
• SNP-820	Antidote						

TW Ph I study show SNP-630 is free of safety concerns

Non-hepatotoxic acetaminophen

Product Code	Indication	Preclinical	(Pivotal)Clinical trials	NDA	Market Launch
• SNP-810	Pain relief & fever reducer				
• SNP-830	Moderate to severe pain				
• SNP-840	Moderate to severe pain				

No hepatotoxicity at triple the recommended label dose of acetaminophen.

Progress and Prospects

SNP-810 (Pain relievers)

- There is no competitor on the market for hepatotoxic-free acetaminophen, which could capture a significant share of the expanding analgesics market.
- New drug for non-hepatotoxic acetaminophen to be further negotiated for licensing with US, European and global pharma players.

SNP-6 Series (Steatohepatitis)

- New drug for metabolic-associated steatohepatitis (MASH) has multiple mechanisms of action and is superior to existing drugs.
- Phase II (2a) clinical trials of SNP-610 completed, providing preliminary evidence of efficacy and safety.

EyeYon - Introduction

- Founded in 2010, EyeYon Medical Ltd. is a start-up medical device company based in Israel that focuses on developing innovative medical devices to treat the cornea. Contact lens provide a non-invasive, comfortable and easy-to-use therapeutic solution that promotes corneal healing and relieves corneal pain.
- Corneal blindness is one of the leading causes of vision loss, and there is currently no effective alternative to corneal transplantation. EyeYon's product, EndoArt, is a transplant that replaces corneal biopsies and dramatically reduces the number of patients on the waiting list for corneal transplants. The product received FDA Breakthrough Device designation in 2021, and has accumulated 200 implants since multinational clinical trials began in 2019.

Core Products

- **Hyper-CL**： A disposable contact lens for the treatment of corneal oedema; Special designed to capture and hold therapeutic eyedrops, extending corneal contact time; Corneal protection and corneal pain relief; CE and FDA approval on the market.
- **EndoArt**： Artificial corneal endothelial layer; Synthetic implant to treat corneal edema, save vision and restore function by creating a new type of corneal availability; CE approval on the market; Ongoing clinical trials across multiple countries.

Therapeutic Soft Contact Lens

Hyper-CL™

Premium Therapeutic Contact Lens

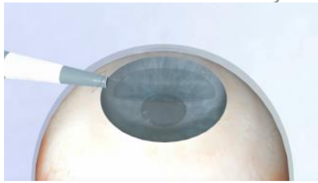
FDA

CE

Corneal Artificial Endothelial Layer

EndoArt™

Artificial Endothelial Layer



CE

Recent Developments

- **China:** Has been classified by the National Medicines Control Administration (NMPA) to be a Class III medical device; Compassionate treatment is underway; Pivotal trials were approved by China NMPA in April 2024 and start to recruit patients in 2024.
- **Europe:** MDR technical documentation completed 2023; MDR approval expected in 2024.
- **U.S.:** Classified as a Class III medical device by the US FDA; IDE submitted.
- Clinical follow-up of 4.5 years showed significant improvement in vision and reduction in pain.

Progress and Prospects

- Announced the first case of artificial cornea implantation in the UK, restoring sight to a 91-year-old male patient on June 4th.
- Pivotal trials approved by China NMPA; Contracting with the local hospitals is the next step.
- Expected to receive MDR approval in 2024; Currently fully payment coverage in Germany, Austria and Switzerland, and full price payment in all other EU markets with special procedural codes.

"One year after failing to get a human cornea transplant, 91-year-old Cecil Farley of the United Kingdom jumped off the long waiting list for a donor and received EndoArt artificial cornea transplant, restoring his sight."

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Invest in Biotech Elites, Invest in Diamond Biofund