



TWSE 1789

ScinoPharm Management Presentation



Disclaimer

This material has been prepared by ScinoPharm Taiwan, Ltd. ("ScinoPharm").

Any opinions expressed in this material are subject to change without notice as a result of using different assumptions. ScinoPharm is under no obligation to update or keep current the information contained herein. The **information contained** in this presentation is ScinoPharm's **confidential** information.

Any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it is prohibited and may be unlawful.

No representation or warranty, express or implied, is or **will be made** in or in relation to, and no responsibility or liability is or will be accepted by the Company **as to**, the **accuracy or completeness** of this material and any liability therefore is hereby expressly disclaimed.

Statements made in this material include forward-looking statements, which include, without limitation, statements about the issues, plans and expectations of ScinoPharm. Without limiting the foregoing, statements including the words "believes", "anticipates", "plans", "expects" and similar expressions are also forward-looking statements. Forward-looking statements reflect, among other things, management's plans and objectives for future operations, current views with respect to future events and future economic performances and projections of various financial items. **These forward-looking statements involve known and unknown risks**, uncertainties and other factors **which may cause actual results to differ materially from those implied** by such forward-looking statements.

Table of Content

- Overview of ScinoPharm
- ScinoPharm's Strategies and Opportunities
- Operating Results & Outlook

Overview of ScinoPharm

- an **API + ANDA** Company

Active Pharmaceutical Ingredients

Abbreviated New Drug Application

Background

- Established in 1997 in Taiwan and listed on TWSE in 2011, current market cap around US\$830 million
- Major shareholders include Uni-President Group, National Development Fund, Taiwan Sugar, etc.
- Facility & organization built in Taiwan by experienced Syntex team, received multiple regulatory inspections from US FDA, EU, Australia, Japan, etc.
- Specializes in high potency (steroid/cytotoxic) APIs and expands to injectable formulations
- Expanding in China with a new GMP plant in Changshu & marketing base in Shanghai



World Class API Facilities

Taiwan

- 6.6 hectares of land, 330K sqft facilities with $>200\text{M}^3$ reactor volume
- 8 of 18 production lines equipped with high potency capabilities for cytotoxics/steroids
- US FDA approved & 250+ CGMP audits by customers
- Provides comprehensive contract research & manufacturing services for brand drug companies
- Global Market



China

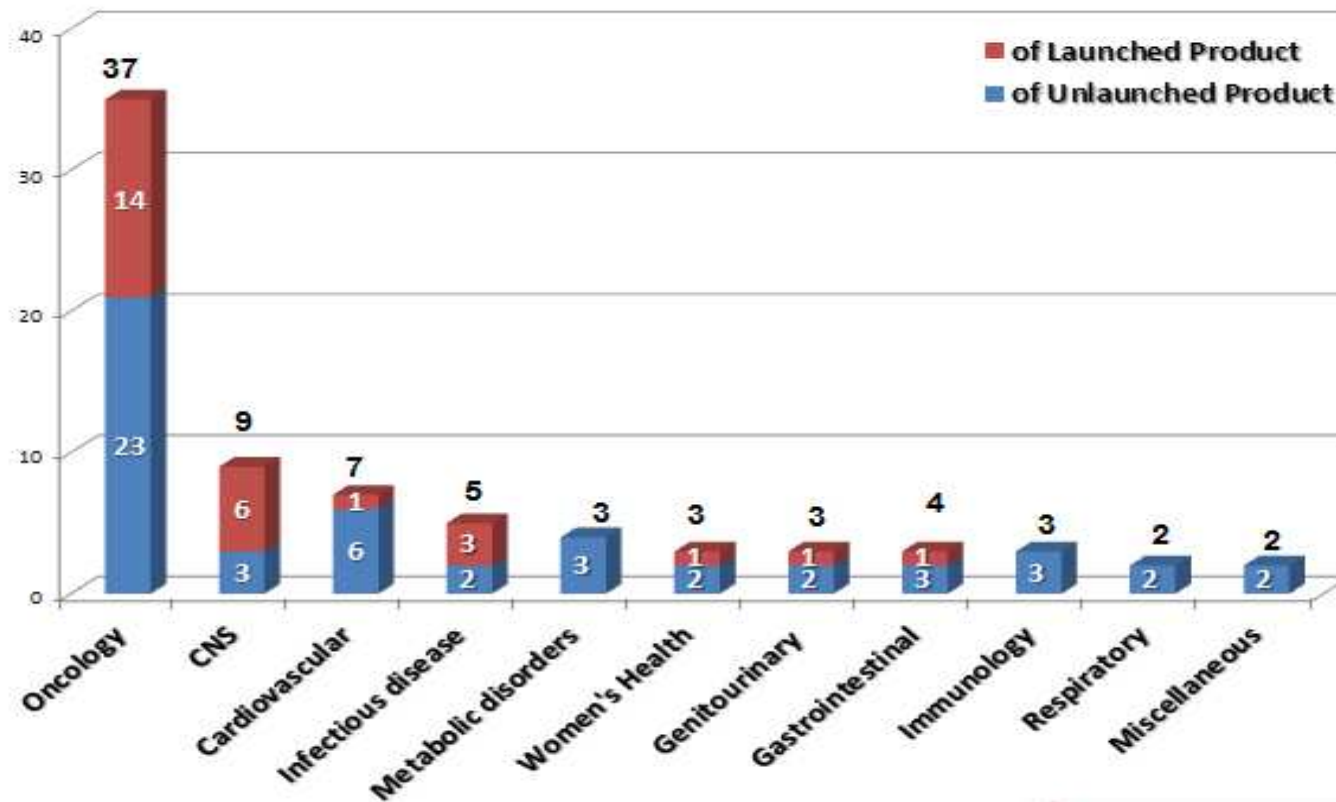
- 6.6 hectares of land with $\sim 250\text{M}^3$ reactor volume
- 2 of 8 production lines equipped with high potency capabilities for cytotoxics
- cGMP designed facility for intermediates & high potency API
- Full scope capabilities in developing and manufacturing APIs from small to large scale for generic & CRAM
- Global market including China



Business Overview

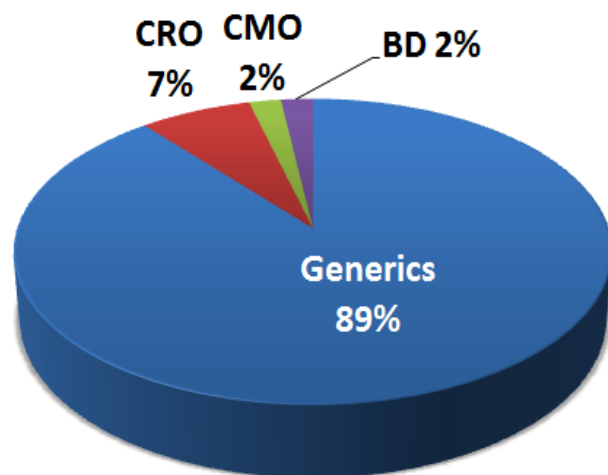
- Risk & return balanced model to offer APIs and fill/finish capability for both generic and new drugs
- 70 generic APIs developed with 27 APIs launched; 50 US DMFs filed (711 DMFs WW), 24 US DMFs in oncological APIs
- 80+ NCE CRAM projects, with 5 launched and 7 in phase III for NDA filing in 2-3 years; Qualified Asian supplier to provide APIs to global market for multiple commercial NCEs

Strong Generics Product Portfolio



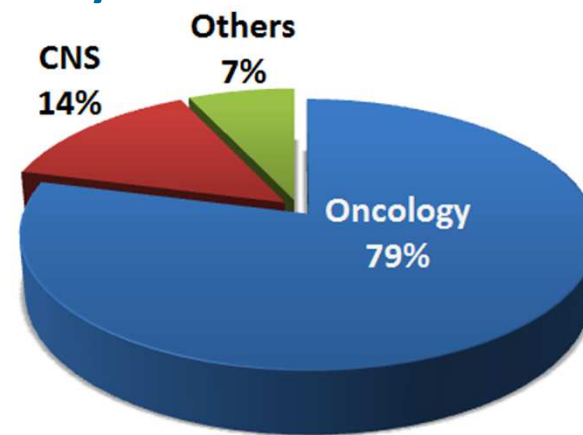
Sales Breakdowns

By Business

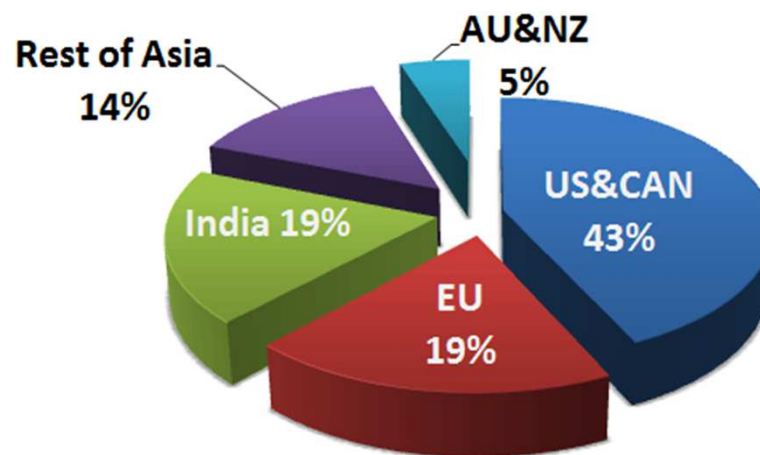


1H 2015

By Indication

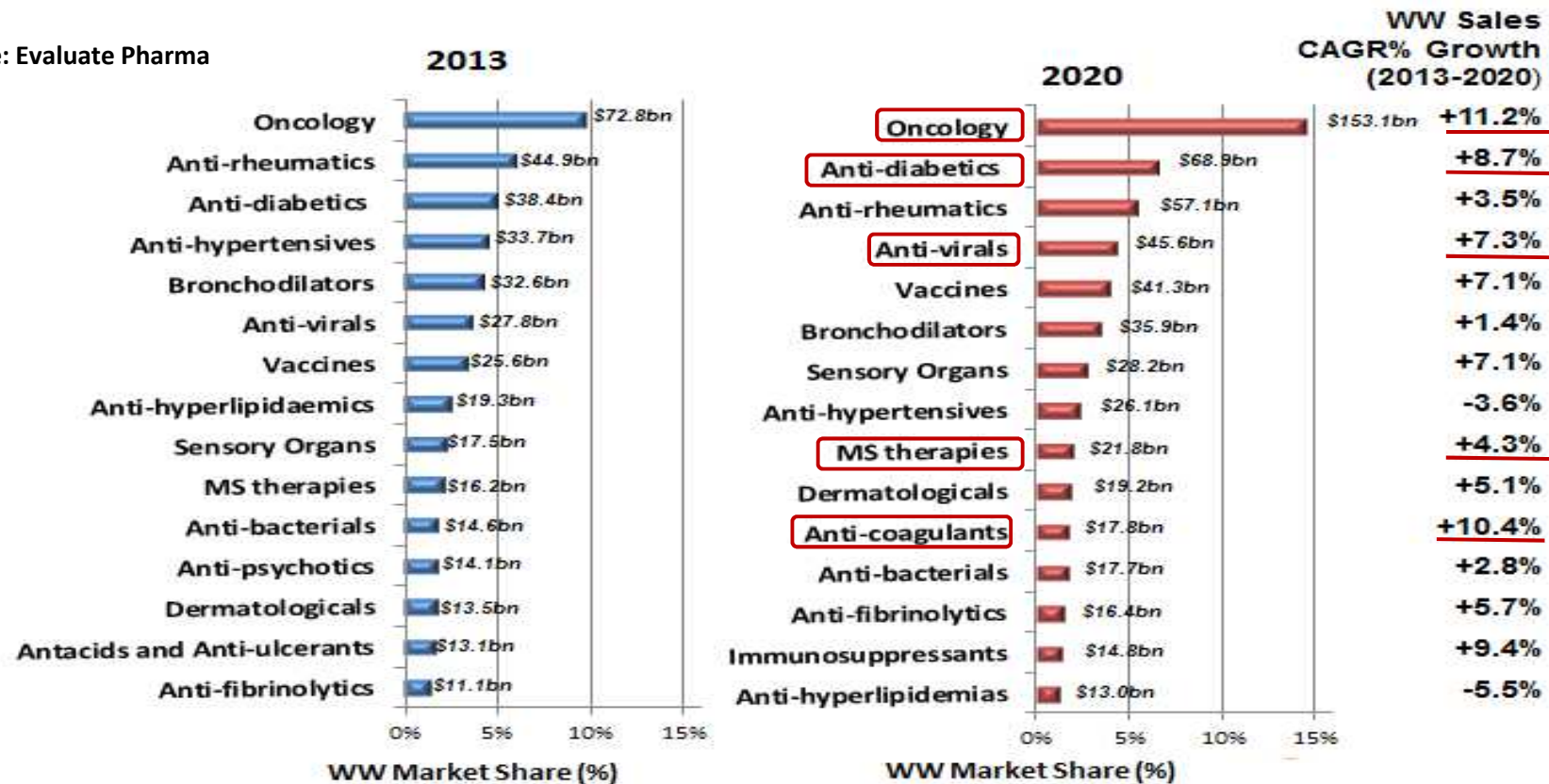


By Region

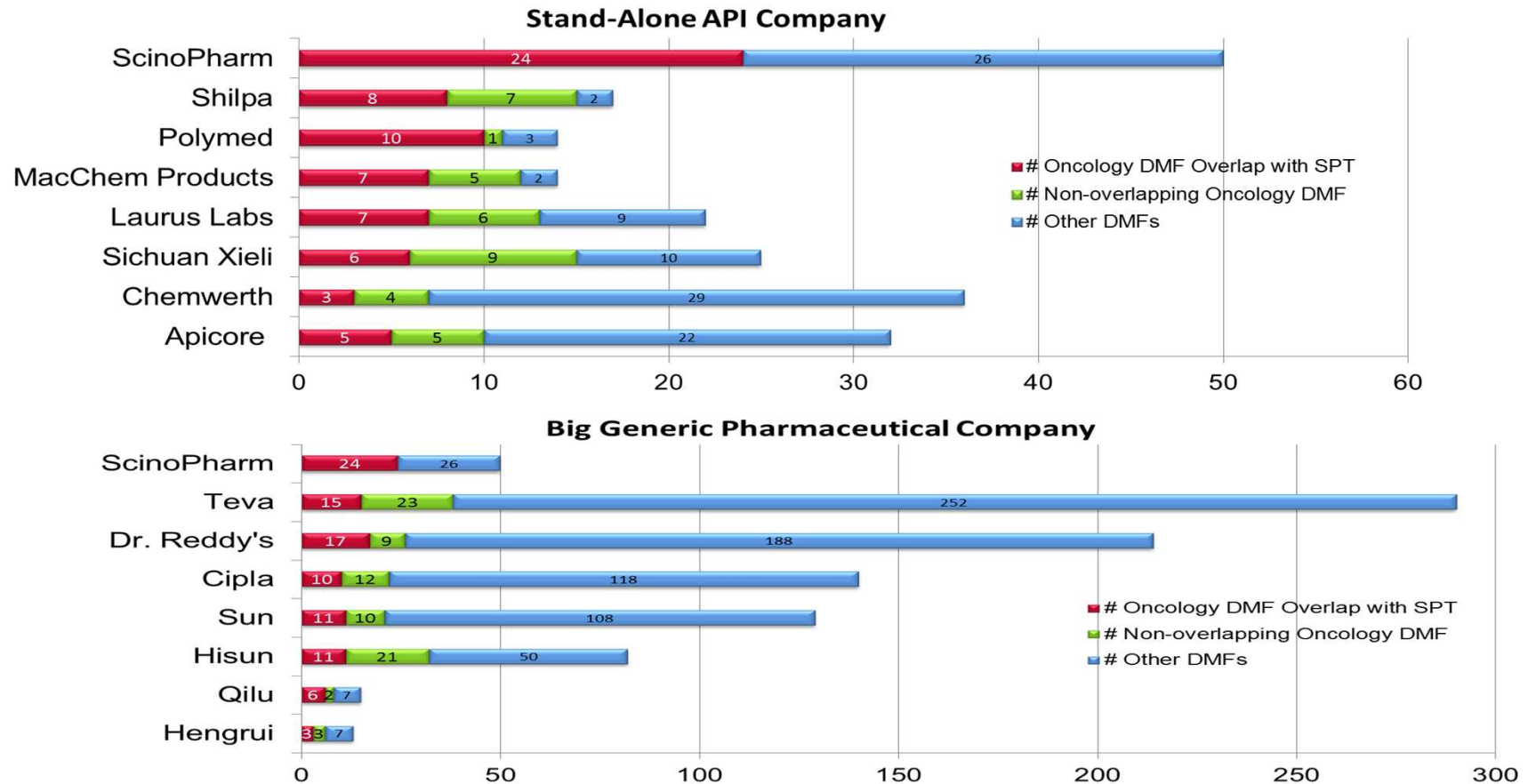


Oncology as Worldwide Top 1 Therapy

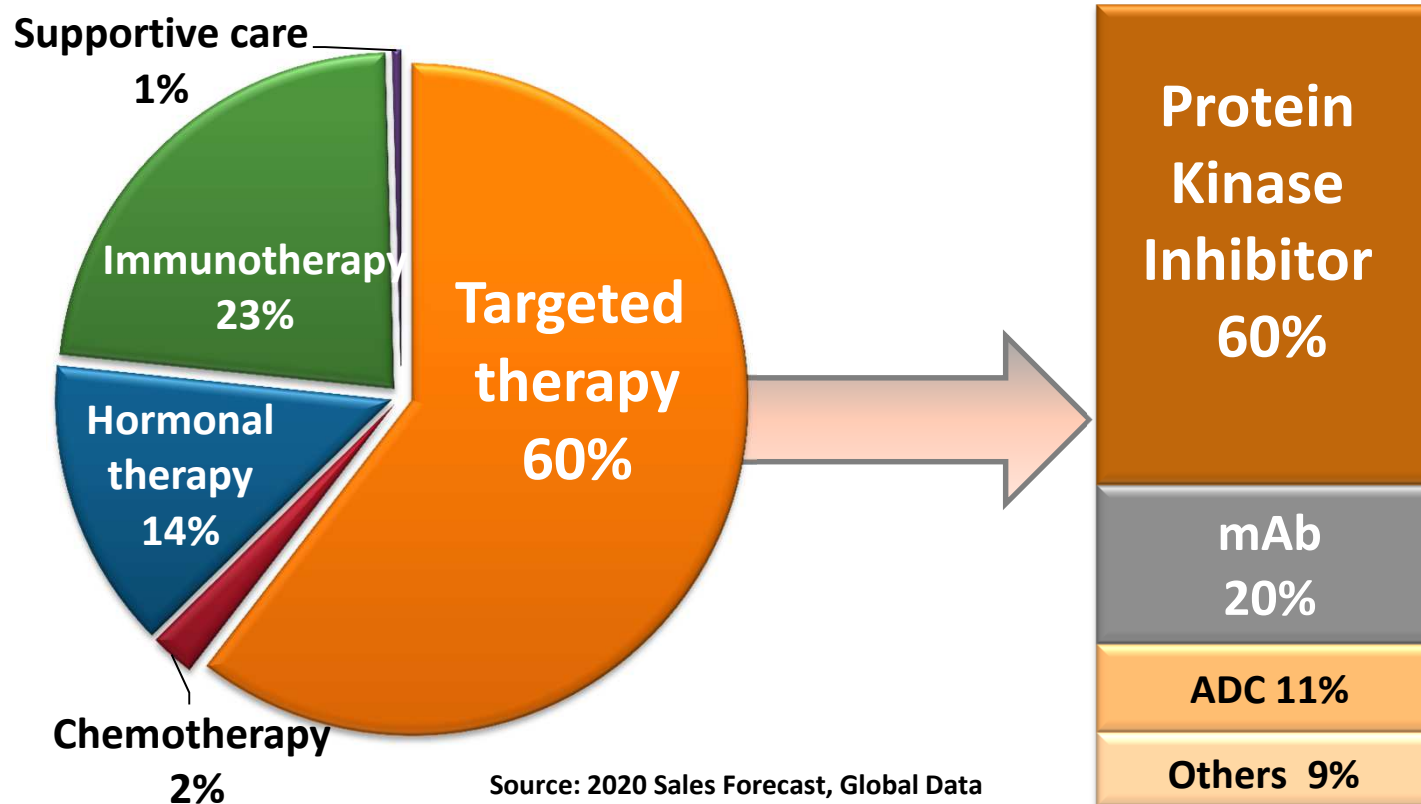
Source: Evaluate Pharma



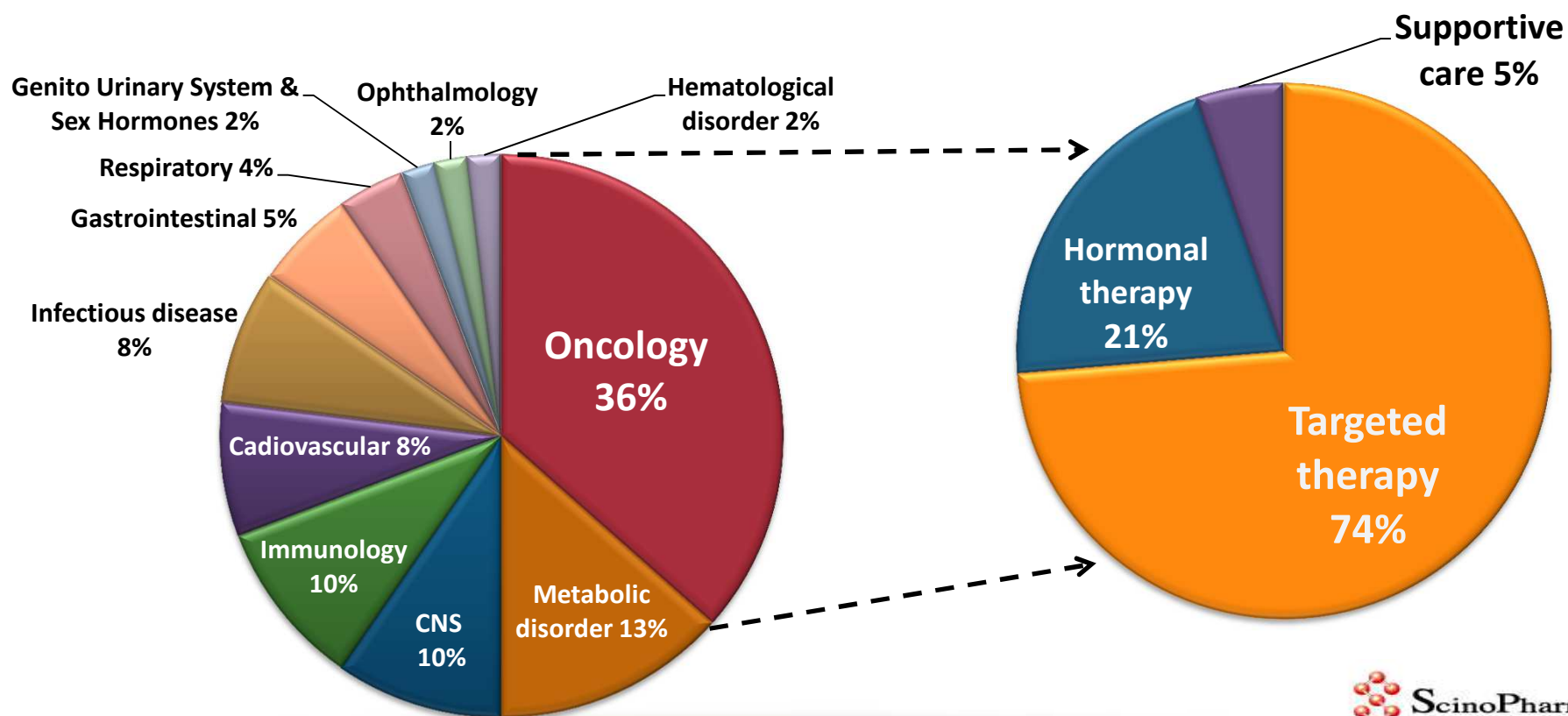
ScinoPharm – Global Oncological API Leader



Targeted Therapy Dominates Oncology



ScinoPharm Pipeline Echoes Therapy Trend



Diversified CRAM Portfolio

Stage	First Launch Year	Indication	Location
Commercial	2005	Eluting Stent	US
Commercial	2009/2013	Skin Infection/HAP	US/EU
Commercial	2011	Depression	US
Commercial	2012	Obesity	US
Commercial	2013	Seizure	US
Stage	Est. NDA Filing Year	Indication	Location
Phase III	2014	Infections	US
Phase III	2016	Prostate & Ovarian Cancer	EU
Phase III	2017	Prostate Cancer	US
Phase III	2016-2017	Ovarian Cancer	CN
Phase III	2017	Seizure	US
Phase III	2017	Parkinson's Disease	US
Phase III	2017	Opioid-Induced Constipation	US

Strategic Alliances for Formulation

* Already launched

Partner	Product	Indications	Region	Launch Year(E)	Remarks
Genovate	Entecavir	Hepatitis B Viral	Taiwan	2013*	1 st co-developed formulation product launch
Sagent	Oncological Injectable	Myeloid Leukemia	US	2016	1 st US ANDA filing to trigger US FDA inspection in Changshu site
Foresee	Leuprolide	Prostate cancer	US	2018	505(b)2 NDA CRAM + Equity
Coland	Bortezomib	Multiple Myeloma	China	2019	1 st co-developed drug in China to trigger CFDA inspection in Changshu
	Azacitidine	MDS	China	2019	Co-developed formulation
Lee's Pharma	Fondaparinux	Anti-thrombotic	China	2019	1 st self-developed drug in China
	Travoprost Bimatoprost	Glaucoma	China	2020	Co-developed formulations
Nanjing King Friend	Regadenoson	Stress agent for heart scan	China	2020	1 st type 3.1 co-developed new drug in China



ScinoPharm's Strategies and Opportunities

Long Term Strategies

Transforming to a full-scope pharma company per our core competency of R&D and cGMP manufacturing in high-technical barrier APIs

- Vertical Integration to Generic Formulations: Developing dossiers per our difficult-to-make APIs to increase value proposition in the supply chain
- Innovative Delivery Formulations: Targeted delivery & extended release of proven APIs via 505(b)2 fast track
- Brand New Chemical Entities (New Drugs): Collaborating with academic research institutes, focusing on un-met oncological medical needs of high prevalence in Asia

Keys to Generic Formulation Business

- Expanding formulation portfolio: Two US ANDA filed
- Building on-site oncological injectable facility and establishing a complete supply chain
- Acquiring critical resources via M&A
- Sustaining B2B model, promoting our formulations via strategic alliance, especially in China and US

Golden Opportunities in China

- Government's strong support carrying into 13th five-year plan to encourage pharma industry's CAGR of 20%
- Tighten GMP requirements to align with US/EU
- Motivate drug makers to improve quality by applying for US ANDAs, which need SPT's world class APIs
- MNCs and emerging virtual-model players create huge needs in API contract manufacturing in China for compliance
- ScinoPharm timely captures oncological API needs via importing from Taiwan and local made in Changshu sites

Policy Reforms to Expedite Drug Approvals

- Redefine new drugs and generics in China
- Elevate the overall quality and efficacy requirements of submissions
- Encourage innovative drugs via fast track approval
- Allow new drug developers to own drug licenses without manufacturing sites
- Clear the application backlog by discouraging redundant filings and fee raises
- Impose severe penalties on fraudulent data/activities on research & trials

This reform will significantly lift the cost structure & entry barrier to Chinese market, with a heavy focus on quality and innovation



Operating Results & Outlook

Half Year P&L - Consolidated

In NT\$ million, except for EPS	1H,'15 (Reviewed)	1H,'14 (Reviewed)	YoY
Net Sales	1,942	2,245	-13%
Gross Profit	709	933	-24%
<i>Gross margin</i>	<i>37%</i>	<i>42%</i>	
Operating Expenses	(442)	(538)	-18%
Operating Income	267	395	-32%
<i>Operating margin</i>	<i>14%</i>	<i>18%</i>	
Other Rev.(Exp.)	99	2	4850%
Net Income before Tax	366	397	-8%
Net Income after Tax	245	358	-32%
<i>Net margin after tax</i>	<i>13%</i>	<i>16%</i>	
EPS (after tax)	0.35	0.51	-31%

Balance Sheet - Consolidated

In NT\$ million	2015/6/30 (Reviewed)		2014/6/30 (Reviewed)	
Cash and Cash Equivalents	2,410	20%	2,184	18%
Accounts Receivable	568	5%	793	7%
Inventories	2,315	19%	2,676	23%
Long-Term Investments	339	3%	255	2%
Property, plant & equipment	5,142	43%	4,658	40%
Other assets	1,100	10%	1,229	10%
Total Assets	11,874	100%	11,795	100%
Current Liabilities	2,333	19%	2,569	22%
L-T Liabilities and Others	91	1%	66	0%
Stockholders' Equities	9,450	80%	9,160	78%

noPharm

Cash Flows - Consolidated

In NT\$ million	1H 2015 (Reviewed)	1H 2014 (Reviewed)
Cash and cash equivalents at beginning of period	1,928	2,289
Cash flows from operating activities	589	248
CAPEX	(345)	(694)
Short-term borrowings	212	317
Others	26	24
Cash and cash equivalents at end of period	2,410	2,184

2015 Product Launch Plan

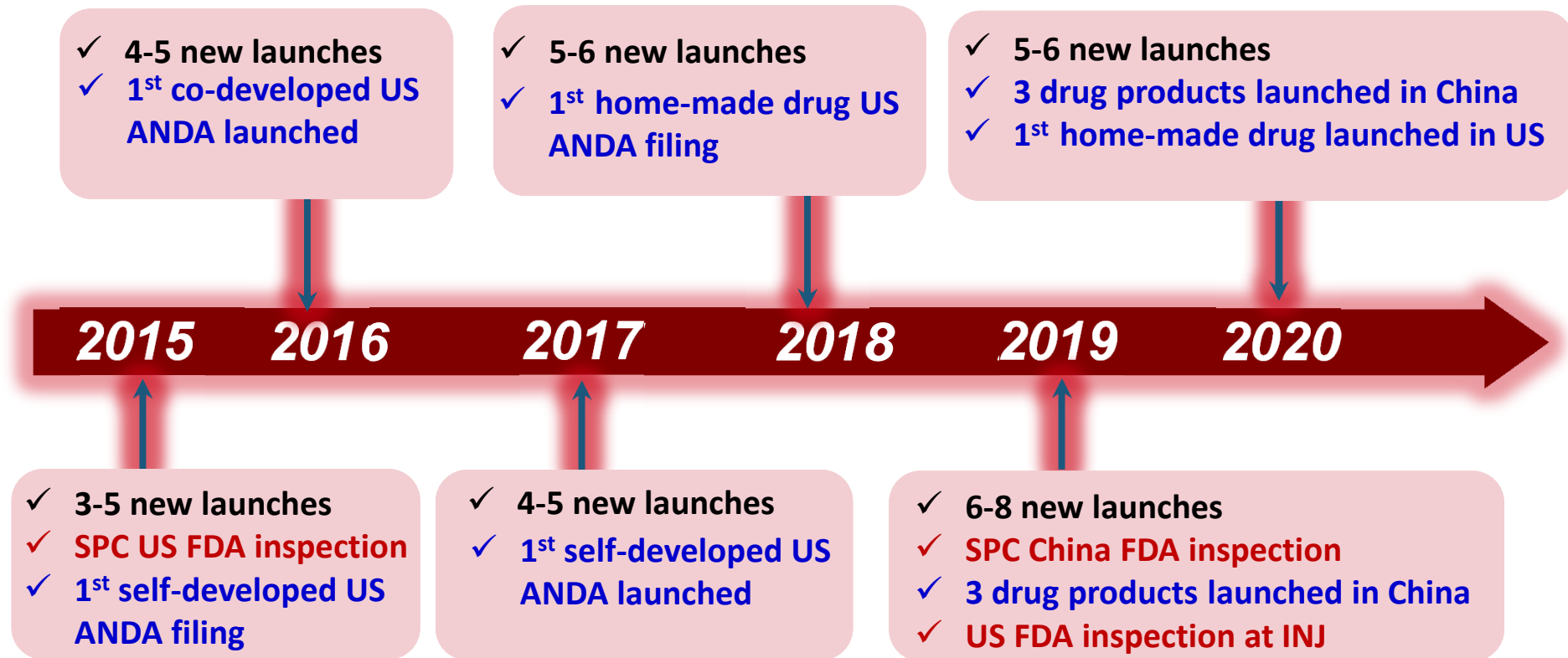
API	Region	Indications	Brand Marketer	Regional Sales	WW Sales
Azacitidine	US	MDS Oncology	Celgene	US\$323MM*	US\$815MM*
Benazepril	CN	Hypertension, CV	Novartis	US\$65MM**	US\$480MM*
Desmopressin	US	Polyuria	Ferring	US\$131MM*	US\$395MM*
✔ Letrozole	JP	Breast Cancer	Novartis	US\$51MM**	US\$581MM*
Tamsulosin	US	Benign prostatic hyperplasia (BPH)	Boehringer Ingelheim	US\$335MM*	US\$1,829MM*

Source: * IMS Data (2013Q3-2014Q2) ** In-house research

✔ Launched



Pipeline Outlook





Brand Quality with Asian Advantages

www.scinopharm.com

