



ScinoPharm Taiwan, Ltd.

Ticker: TWSE 1789

First Quarter 2017 On-Line Investor Meeting

May 08, 2017



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Overall Updates of ScinoPharm

Business Overview

- Company specializes in high potency (steroid/cytotoxic) APIs and is expanding into sterile/aseptic injectable formulations
- Facility & organization established in Taiwan and expanding in China with a new GMP plant in Changshu & marketing base in Shanghai
- 72 generic APIs in current portfolio with 25 APIs launched; 53 US DMFs filed (759 DMFs WW), 32 US DMFs in oncology APIs. 100+ NCE CRAM projects, with 5 APIs launched and 5 in phase III for NDA filing in 1-3 years
- Fully compliant with world-class cGMPs and international regulatory requirements; Certified by US FDA, EMA, EDQM, Australian TGA, Japanese PMDA

Recap of Performances and Major Events

- Reported the consolidated revenues for 1Q17 were NT\$919 million, net profits after-tax were NT\$ 170 million, gross margin was 51%, EPS was NT\$0.22
- The revenues was suffered by the stronger-than-expected appreciation of the NT dollar against the US dollar. However, the impact was offset by tighter cost control and process optimization
- Building exclusive strategic partnership with Baxter for generic oncology injectables
- Taiwan site completed the 6th times US FDA inspection with no resulting 483 concerns
- On schedule to carry out equipment assembly and installation for both cartridge and vial production lines, followed by verification and cGMP system deployment

Financial & Operating Results Q1, 2017

Quarterly P&L - Consolidated

In NT\$ million, except for EPS	Q1, 2017 (Reviewed)	Q1, 2016 (Reviewed)	YoY
Operating Revenue *	919	1,022	-10%
Gross Profit	470	431	9%
<i>Gross margin</i>	<i>51%</i>	<i>42%</i>	
Operating Expenses	(249)	(236)	6%
Operating Income	221	195	13%
<i>Operating margin</i>	<i>24%</i>	<i>19%</i>	
Other Rev. (Exp.)	(29)	(4)	
Net Income before Tax	192	191	1%
Net Income after Tax	170	172	-1%
<i>Net margin after tax</i>	<i>19%</i>	<i>17%</i>	
EPS (after tax)	0.22	0.23	

* Taiwan New Dollar per 1 US Dollar quarterly average:
2017Q1: 30.93, 2016Q1: 33.16

Balance Sheet- Consolidated

In NT\$ million	2017/03/31 (Reviewed)		2016/03/31 (Reviewed)	
Cash and Cash Equivalents	3,715	29%	2,560	21%
Accounts Receivable	635	5%	645	5%
Inventories	1,941	15%	2,167	17%
Long-Term Investments	364	3%	364	3%
Property, Plant & Equipment	5,155	40%	5,361	43%
Other Current/Non-Current Assets	1,043	8%	1,394	11%
Total Assets	12,853	100%	12,491	100%
Current Liabilities	1,692	13%	2,374	19%
Long-Term & Other Liabilities	803	6%	90	1%
Stockholders' Equities	10,358	81%	10,027	80%

Cash Flows- Consolidated

In NT\$ million	Q1, 2017 (Reviewed)	Q1, 2016 (Reviewed)
Cash and cash equivalents at beginning of period	3,707	2,336
Cash flows from operating activities	304	663
CAPEX	(203)	(264)
Short-term borrowings	(51)	(16)
Long-term borrowings	(41)	-
Others	(1)	(159)
Cash and cash equivalents at end of period	3,715	2,560

Free Cash flow

101

399

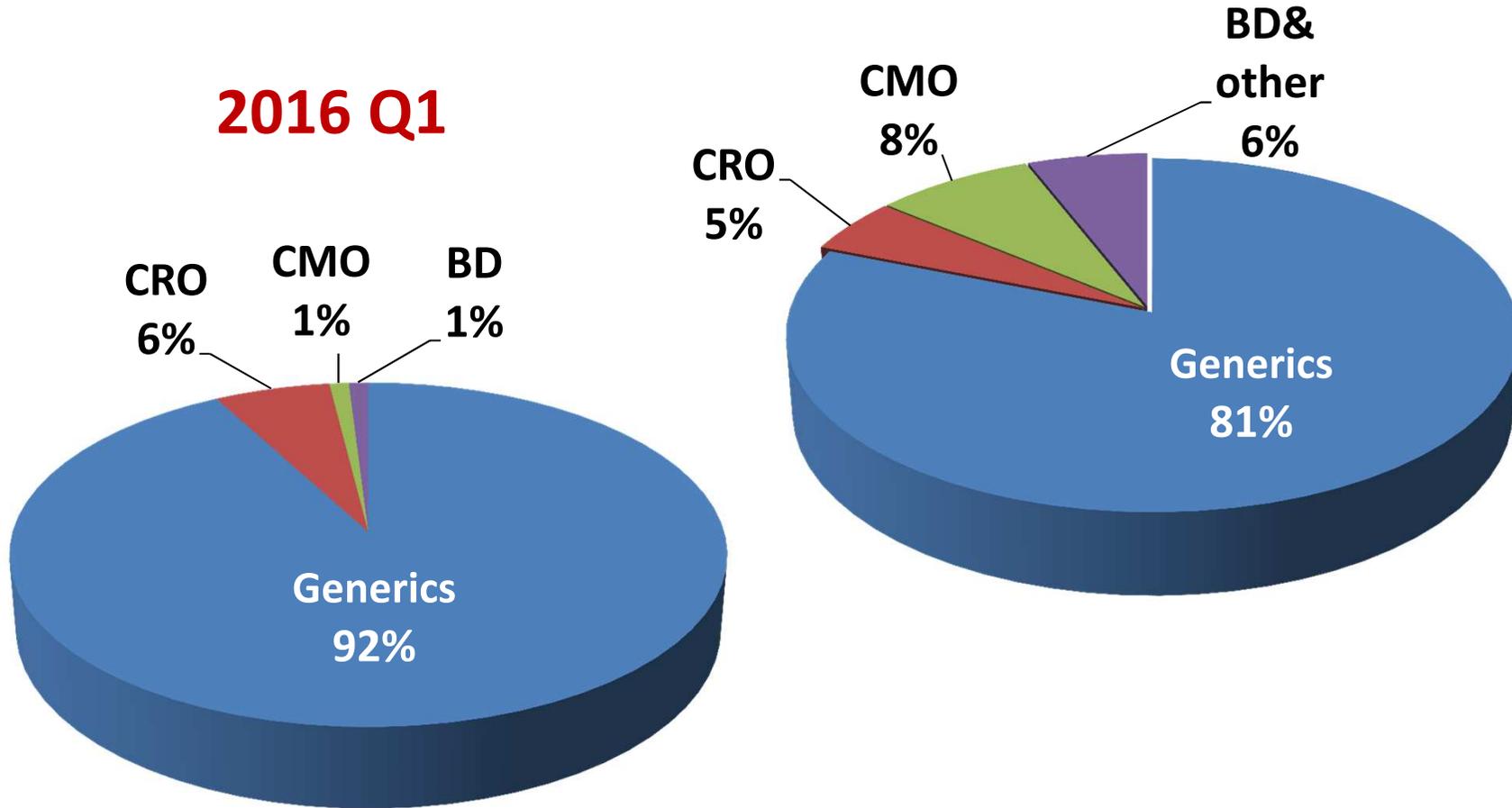


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Sales by Business

2017 Q1

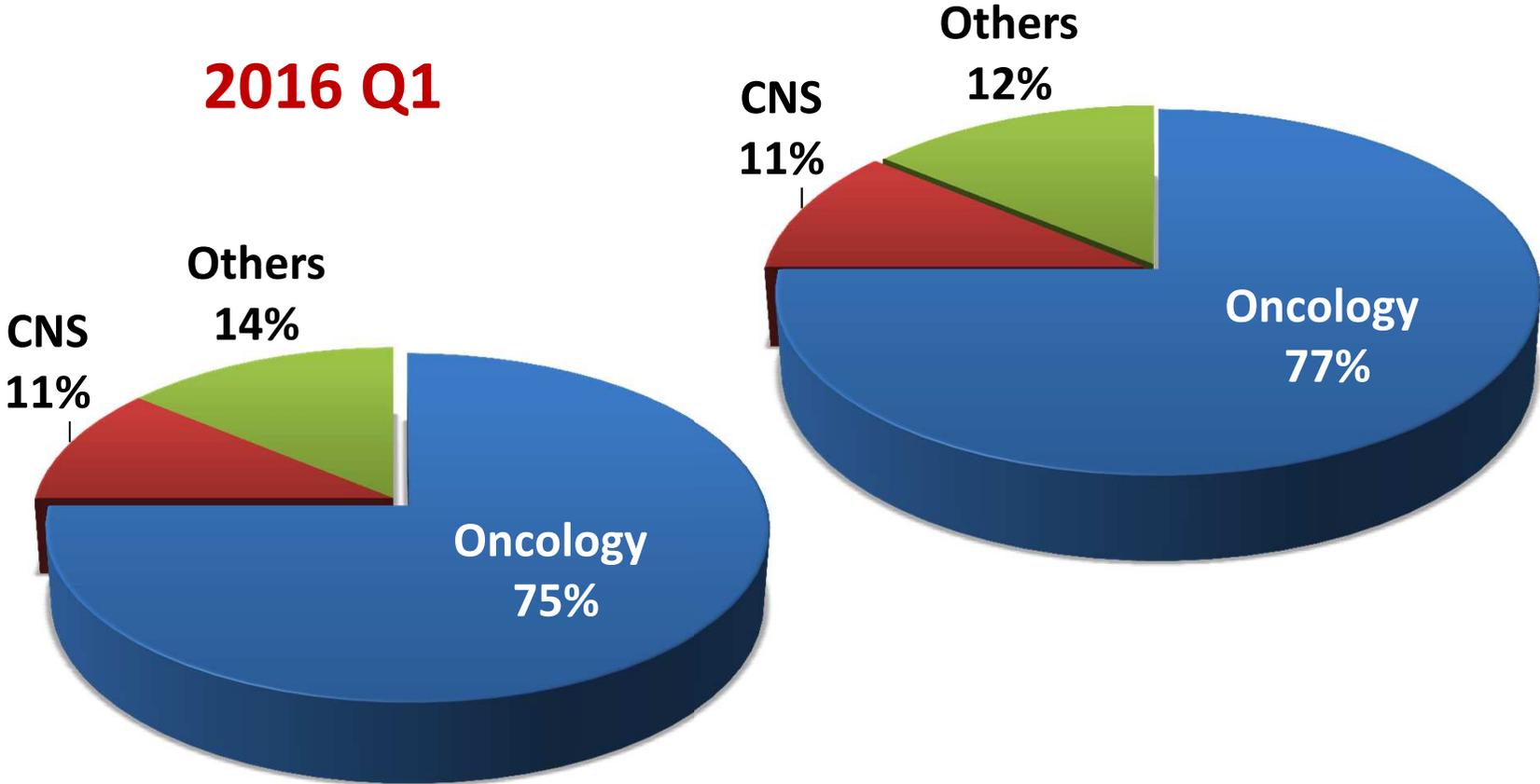
2016 Q1



Sales by Indications

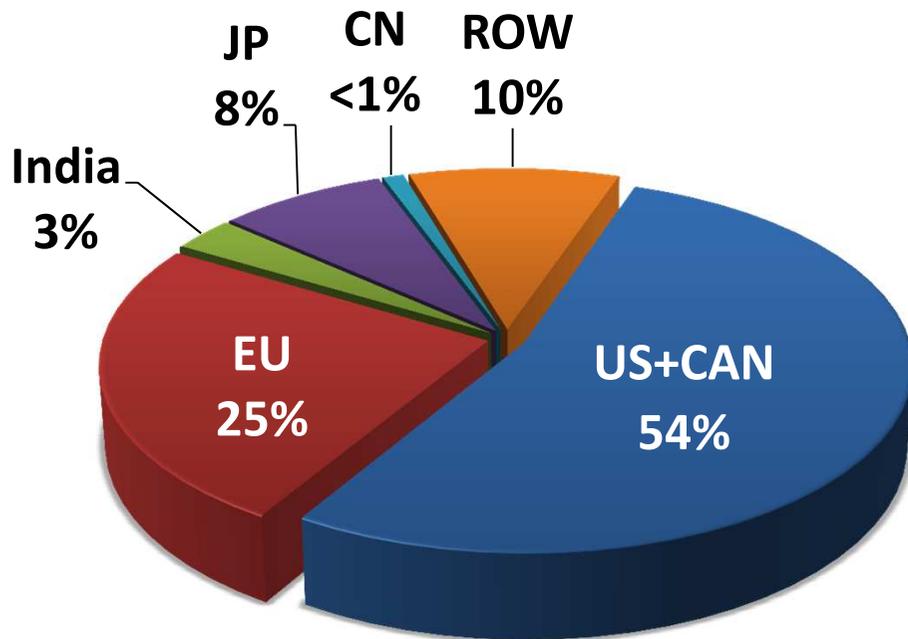
2017 Q1

2016 Q1

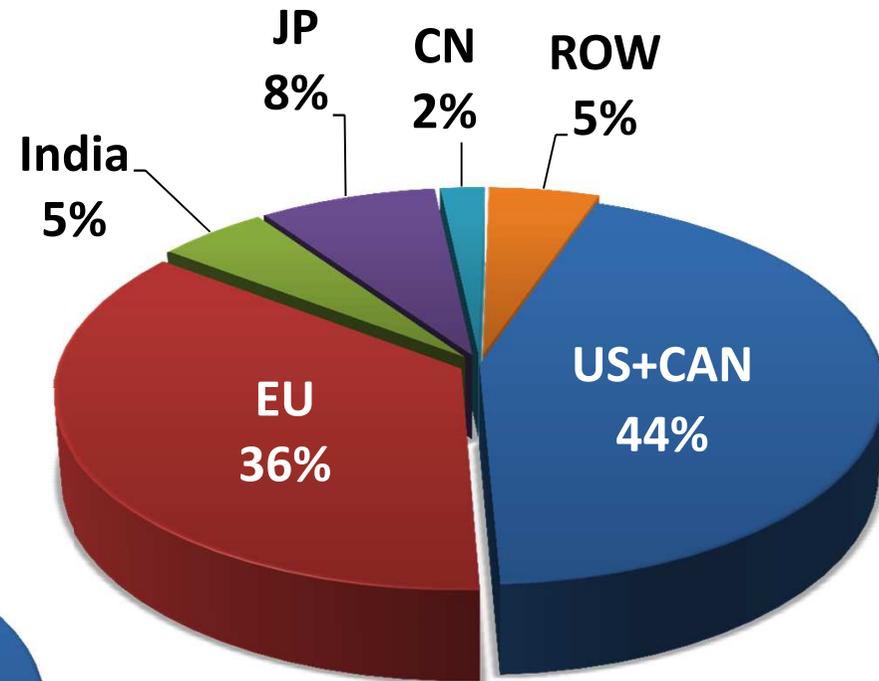


Sales by Region

2016 Q1



2017 Q1



Business Updates

Injectable Products Allied with Baxter

- ScinoPharm and Baxter Healthcare establish worldwide partnerships to co-develop and commercialize five niche generic injectable products at the initial stage
- ScinoPharm develops all APIs and injectable formulations. Baxter leads regulatory submissions in the US/EU and eventually market & sell the injectable products via its extensive presence in the hospital channel
- Both parties work on a cost-and-profit-sharing collaboration model
- Baxter has the right to add up to 15 additional injectables products for collaboration with ScinoPharm

Collaboration Framework

- Initial product portfolio including the generic injectables for breast cancer, lung cancer, multiple myeloma and antinauseant. Targeting US/EU markets first and expect to expand to other territories
- This exclusive partnership will utilize each other's strengths and expertise in order to achieve large scale of synergies in providing niche and affordable generic injectable products
- Commercial launch for the first 5 products upon FDA approval, with product launches beginning in 2020 and continuing thereafter
- Current branded sales of the initial five products included in this partnership total more than \$4 billion annually



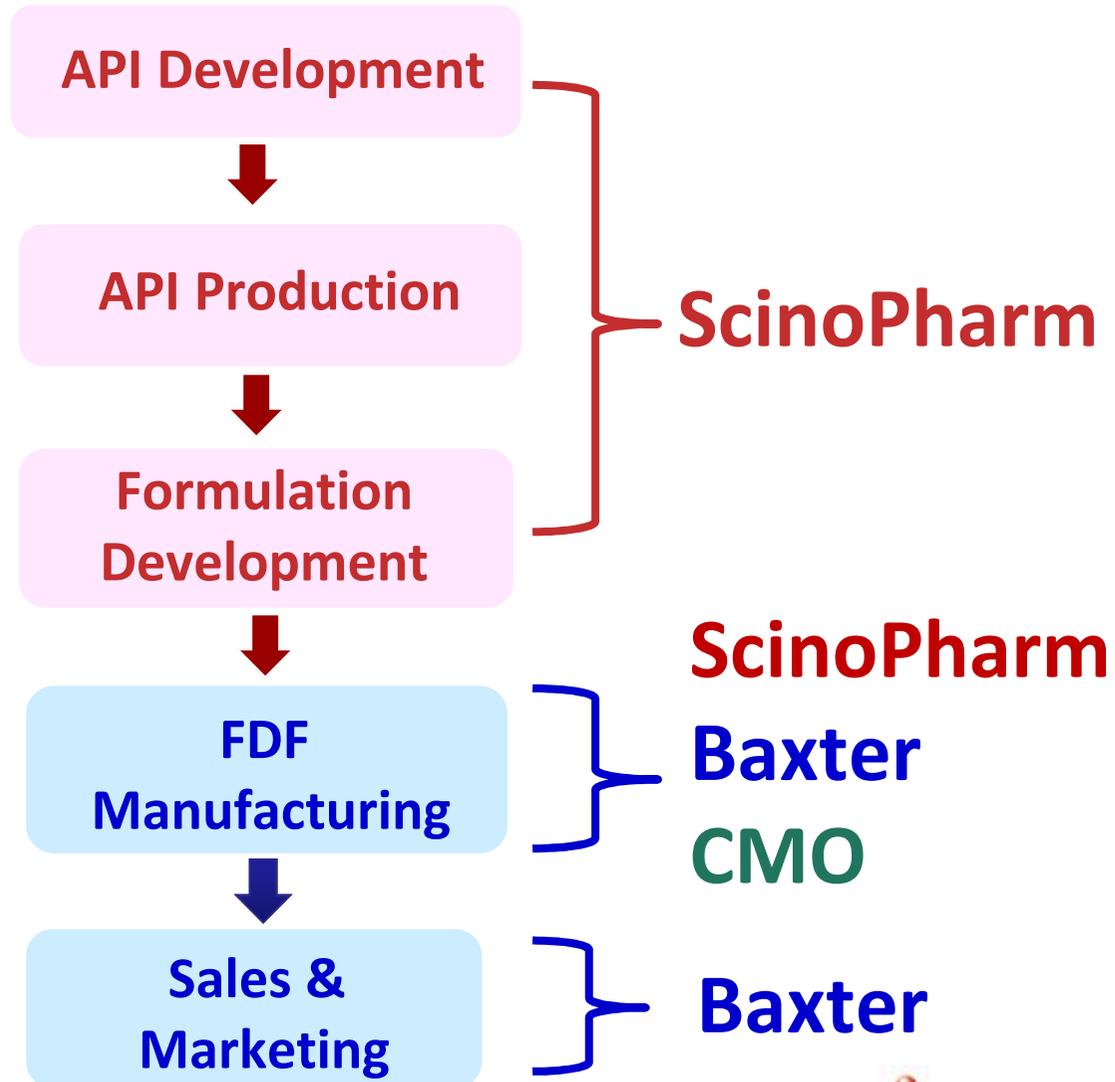
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Marketing Territory

- All countries throughout the world, excluding China and Taiwan



Responsibilities by ScinoPharm and Baxter



Benefits of the Collaboration

- **Aggressively expanding our “Double A” strategy for in-house developed/produced APIs and formulations. Providing an outlet for our injectable plant capacity**
- **A win-win solution and collaboration. ScinoPharm provides comprehensive APIs and formulation portfolio, while Baxter operates strong injectable product marketing channels throughout the US and worldwide**
- **Accelerate the momentum of our downstream integration strategy by establishing alliance with an world-renowned partner**

Strategic Alliance Highlights

* Already launched

Partner	Product	Indications	Region	Launch Year(E)	Remarks
Genovate	Entecavir	Hepatitis B Virus	Taiwan	2013*	1 st co-developed formulation product launch
Sagent	Oncology Injectable	Myeloid Leukemia	US	2017	1 st US ANDA filing, triggering US FDA inspection in Changshu, China site
Foresee	Leuprolide	Prostate cancer	US	2019	505(b)(2) NDA CRAM + Equity
Coland	Bortezomib	Multiple Myeloma	China	2020	1 st co-developed drug in China to trigger CFDA inspection in Changshu site
	Azacitidine	MDS	China	2021	Co-developed formulation in China
Lee's Pharma	Fondaparinux	Anti-thrombotic	China	2021	Co-development collaboration
	Travoprost & Bimatoprost	Glaucoma	China	2021	
Nanjing King Friend	Regadenoson	Stress agent for heart scan	China	2020	Co-developed formulation in China
US partner	Project A	Non-small cell lung cancer	US	2017	US NDA 505(b)(2) / The estimated launch year is subject to US FDA review
US & China partners	Project B	Imaging agent	US	2021	ANDA with Paragraph IV filing / The estimated launch year is subject to litigation results
Baxter	5 niche injectables	Anti-cancer & antinauseant	US/EU	2020& continuing thereafter	Baxter has the right to add up to 15 additional injectable products for collaboration
Indian Int'l partner	Niche injectable	Anti-thrombotic	US/EU	2018	1st self-developed US ANDA launched. Executive right for marketing & sales

CRO Phase III Product Portfolio

* Already Filed

Code	Est. NDA Filing Year	Indication	Sales Region	Production Site
A	2016*	Infectious Disease	US / EU / Asia	Taiwan
B	2018	Type I,II Diabetes	US/ EU	Changshu (Intermediate)
C	2018	Advanced Hepatocellular Carcinoma/ Myelofibrosis/ Autoimmune disease, etc.	CN	Changshu
D	2018	Prostate Cancer	US / EU	Taiwan
E	2018	Parkinson's Disease	US	Taiwan

2017 Product Launch Plan

Type	Product	Region	Indication	Brand Marketer	Regional Sales	WW Sales
Generic API	Desmopressin Acetate	USA	Polyuria	Ferring	US\$166M	US\$405M
Generic API	Tamsulosin HCl	USA	Benign Prostatic Hyperplasia (BPH)	Boehringer Ingelheim	US\$333M	US\$1706M
CMO API	Oral Product	USA EU	Antibiotics	N/A	N/A	N/A
Generic Drug	Oncology Injectable	US	Myeloid Leukemia	MDS	US\$183M	US\$278M

Source: IMS Data (2015Q3-2016Q2)



Q*uestions*

&

A*nswers*



Brand Quality with Asian Advantages

www.scinopharm.com