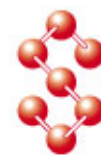




# ScinoPharm Management Presentation

TWSE 1789

November 10, 2014



ScinoPharm

# 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
- Financial & Operating Results
- 2014 CPhI Observation
- First New Drug Development in China
- Product Launch Table
- Q&A

# Overview of ScinoPharm

- An API + ANDA Company

Active Pharmaceutical Ingredients  
Abbreviated New Drug Application

# Background

- Established in 1997 in Taiwan by founders from Syntex, listed in 2011
- Major shareholders including Uni-President Group, National Development Fund, & Taiwan Sugar
- Facility & organization designed & built in Taiwan by experienced Syntex team, received multiple regulatory inspections from US FDA, Australia, EU, Japan, etc.
- Specializing in high potency (cytotoxic, steroid), peptide, & injectable APIs
- Expanding in China with a new plant in Changshu and sales & marketing base in Shanghai

# Business Overview

- ScinoPharm has established its leading position in Oncology APIs and is integrating into formulation; running two GMP compliant facilities in Taiwan & China, and building an injectable plant in Taiwan.
- Developed 70+ generic APIs with 27 launched; Filed 47 DMFs in US (677 DMFs WW), a leader in oncology injectable APIs with 22 US DMFs
- 80+ NCE CRAMs projects, with 6 in phase III for NDA filing in 2-3 years & 5 already launched; The only company in Asia supplying APIs for multiple commercial NCEs

# 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:

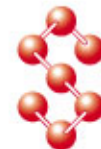
Developing dossiers per our difficult-to-make APIs to increase value proposition in the supply chain

- Innovative Delivery Formulations:

Targeted delivery & extended release of proven APIs via 505(b)2 fast track

- Brand New Chemical Entities (New Drugs):

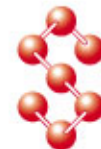
Collaborating with academic research institutes, focusing on unmet oncological medical needs of high prevalence in Asia





# Keys to Generic Formulation Biz

- Expanding formulation portfolio:
  - ✓ Injectable (oncology & non-oncology): 11 drugs planned
  - ✓ Oral (oncology & non-oncology): 10 drugs planned
  - ✓ Ophthalmic: 3 drugs planned
  - ✓ To be launched in 2016 through 2024
- Building on-site oncological injectable facility and establishing a complete supply chain
- Sustaining B2B model, promoting our formulations via strategic alliance, especially in China and US
- Acquiring critical resources via M&A





# Financial & Operating Results

# Cumulative P&L - Consolidated

In NT\$ million, except for EPS	1Q~3Q,'14 (Reviewed)	1Q~3Q,'13 (Reviewed)	YoY
Net Sales	3,248	3,764	-14%
Gross Profit	1,306	1,909	-32%
<i>Gross margin</i>	<i>40%</i>	<i>51%</i>	
Operating Expenses	(798)	(794)	0%
Operating Income	509	1,115	-54%
<i>Operating margin</i>	<i>16%</i>	<i>30%</i>	
Other Rev.(Exp.)	19	20	-6%
Net Income before Tax	528	1,135	-54%
Net Income after Tax	479	1,009	-52%
<i>Net margin after tax</i>	<i>15%</i>	<i>27%</i>	
EPS (after tax)	0.68	1.43	-52%

# Balance Sheet- Consolidated

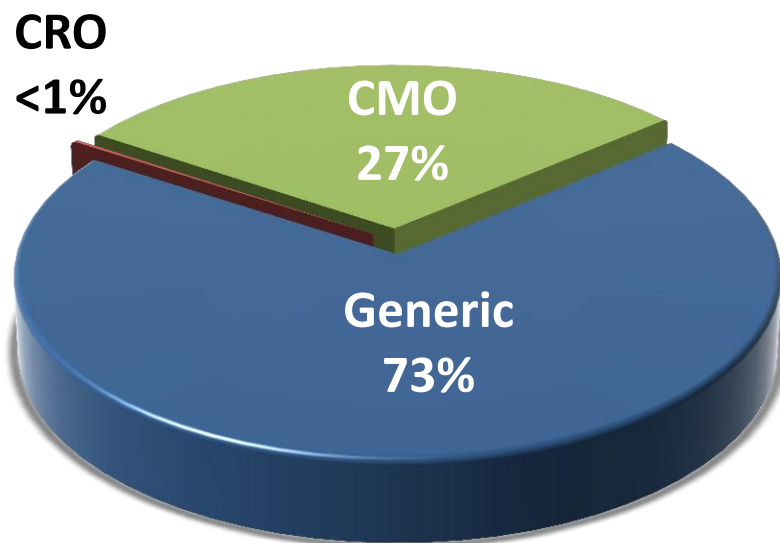
In NT\$ million	2014/09/30 (Reviewed)		2013/09/30 (Reviewed)	
Cash and Cash Equivalents	1,303	12%	2,734	25%
Accounts Receivable	866	8%	689	6%
Inventories	2,669	24%	2,359	21%
Long-Term Investments	251	2%	264	2%
Property, plant and equipment	4,884	43%	4,020	36%
Other Current/Non-Current Assets	1,268	11%	1,054	10%
<b>Total Assets</b>	<b>11,241</b>	<b>100%</b>	<b>11,120</b>	<b>100%</b>
Current Liabilities	1,849	16%	1,706	15%
L-T Liabilities and Others	67	1%	66	1%
<b>Stockholders' Equities</b>	<b>9,325</b>	<b>83%</b>	<b>9,348</b>	<b>84%</b>

# Cash Flows- Consolidated

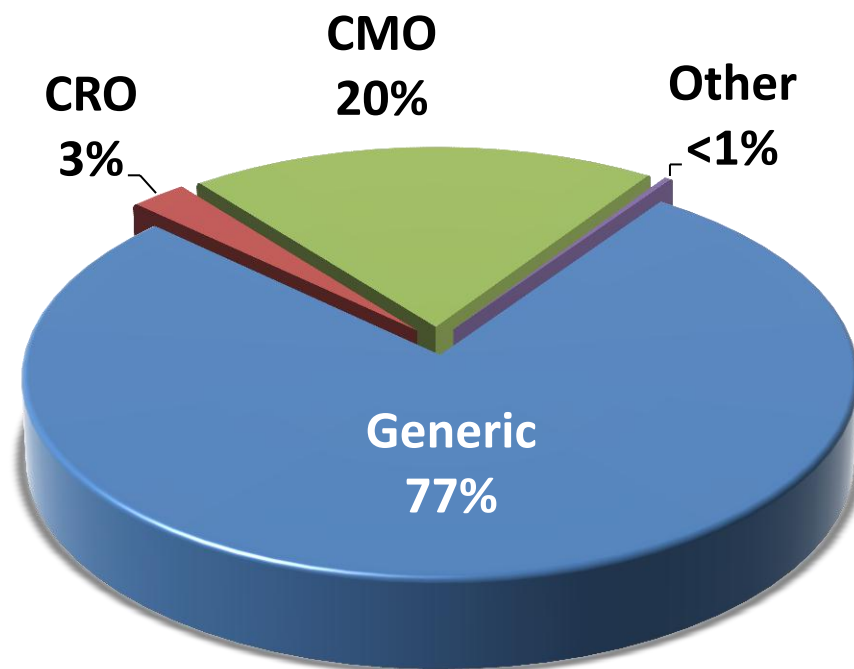
In NT\$ million	1Q~3Q 2014 (Reviewed)	1Q~3Q 2013 (Reviewed)
Cash and cash equivalents at beginning of period	2,289	3,035
Cash flows from operating activities	278	971
CAPEX	(897)	(866)
Long-term Investment	-	(107)
Short-term borrowings	433	479
Cash Dividends	(811)	(780)
Others	11	2
Cash and cash equivalents at end of period	1,303	2,734

# Sales by Business

2013 Q1-Q3

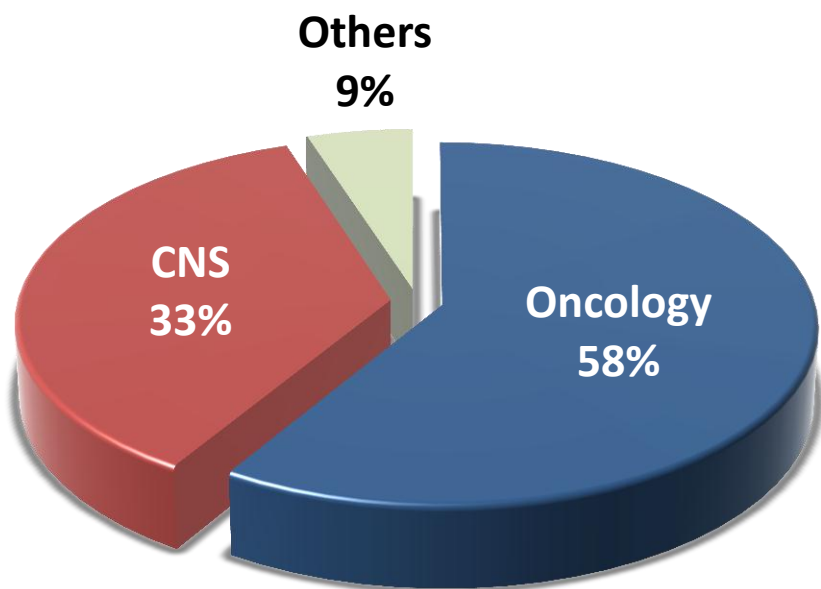


2014 Q1-Q3

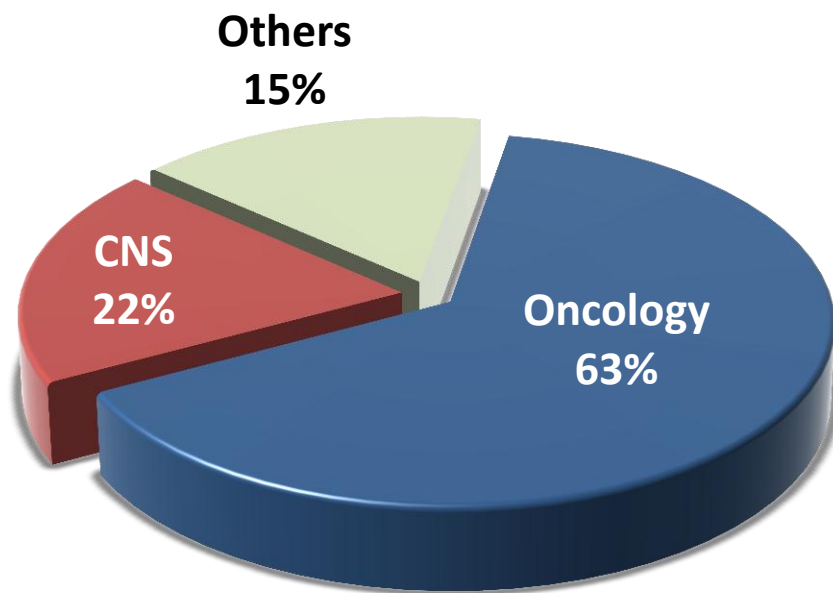


# Sales by Indications

2013 Q1-Q3

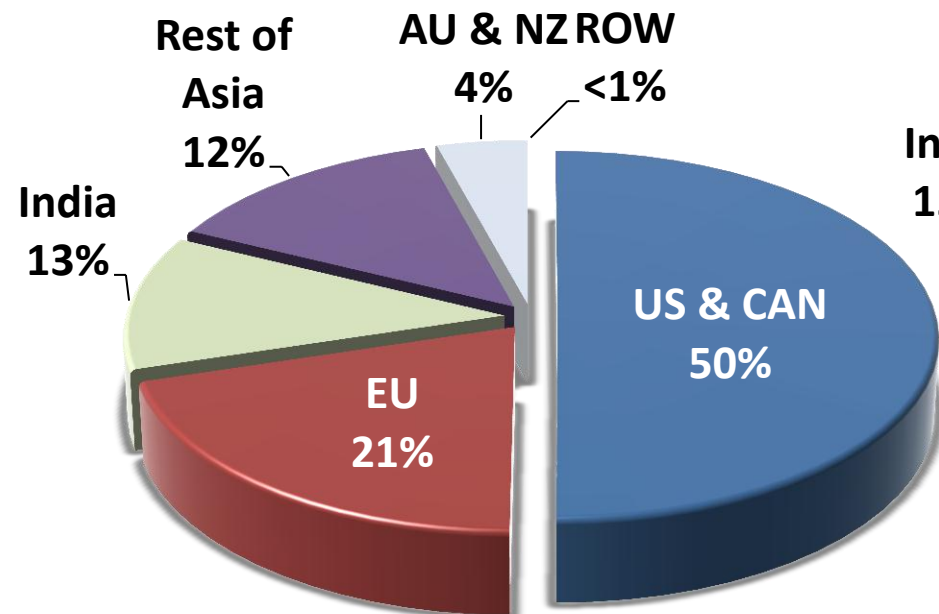


2014 Q1-Q3

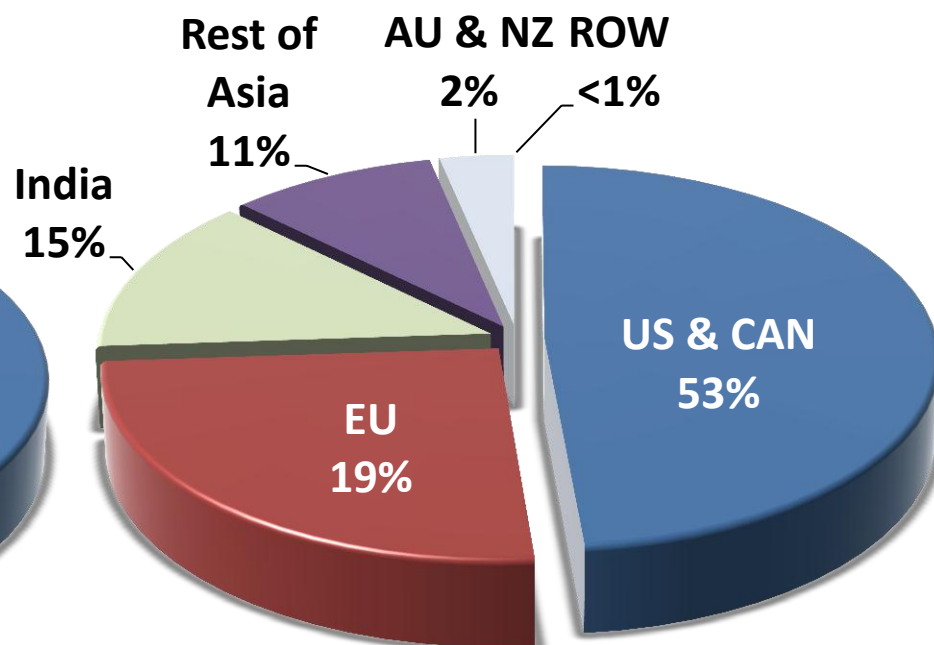


# Sales by Region

2013 Q1-Q3



2014 Q1-Q3



ScinoPharm



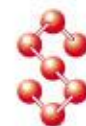
# **2014 CPhI Observation**

# Trend Observations

- Fierce competition in API makes product selection critical  
→ ScinoPharm to integrate into formulation to create higher value and long term competitive advantage
- Brazil, Russia & China are emerging and migrating into regulated markets by tightening their GMP rules  
→ ScinoPharm to apply its successful experiences in US/EU to penetrate into emerging markets
- China's active participation in global supply chain needs more support in US/EU registration and marketing  
→ ScinoPharm to bridge China's value creation to US/EU per its track record in strong R&D and high quality

# World Class Recognition

- Awarded as “API Supplier of the Year” at Global Generics & Biosimilars Awards, co-hosted by Generics bulletin and Ark Patent Intelligence
- Competed against leading pharmas, e.g., Dr. Reddy’s, Teva, Perrigo, Unichem, etc.
- Other categories including Company of the Year, Innovation of the Year, Business Development of the Year, Patent Litigation of the Year, etc.



# **First New Drug Development in China**

# Collaboration in Regadenoson

- ScinoPharm's first new drug development project under Category 3.1 regulation in China
- Application for clinical trials expected to be filed in late 2015 and the drug product launch by 2020 in China
- ScinoPharm develops & produces the API while both parties jointly develop injections. NKF leads the filing of drug license application with the CFDA and then market this drug after launch.
- ScinoPharm & NKF to share the end profit in China

# Market Info of Regadenoson

- Regadenoson is a novel “stress agent” for diagnostic use in the heart scan of “radionuclide myocardial perfusion imaging” to see the blood flow in the heart muscle with a similar effect on the heart as exercise.
- The drug dosing is not dependent on patient weight and can be administered by quick injection. It has a rapid onset and short duration of action with less side effects.
- Brand name drug was launched in the US in 2008 and in the EU in 2011. Drug license has not been filed in China.
- Market value exceeded US\$530 million in 2013 WW. Sales in China are expected to reach RMB200-300 million.

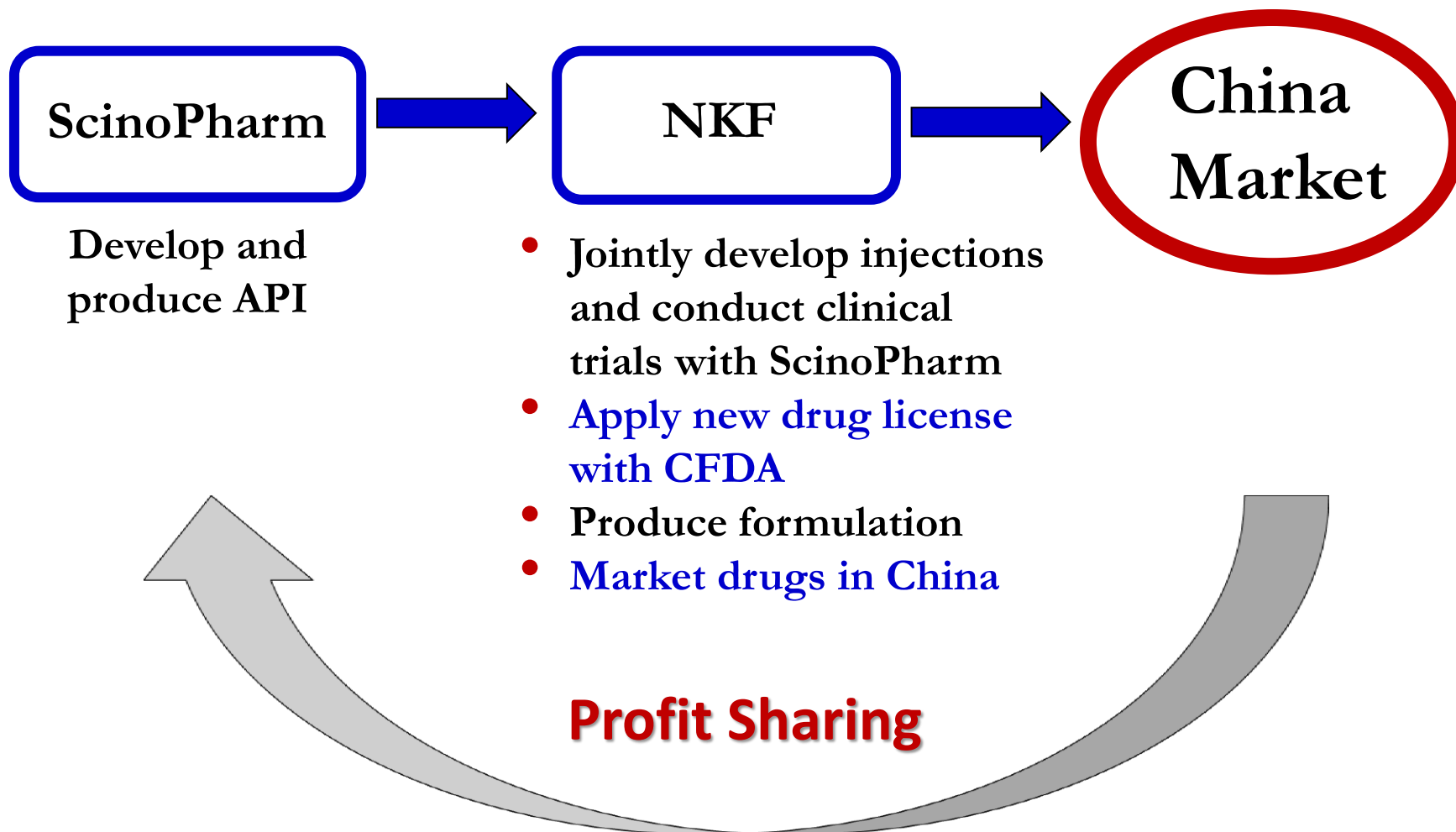
# Background on NKF



- **Nanjing King-Friend Biochemical Pharmaceutical Co. is in Jiangsu, China. Its factory has been certified by China, EU, Germany, Japan, and US.**
- **NKF has engaged long-term customers in top 500 pharma companies worldwide, mainly for production of heparin sodium and low molecular weight heparin. NKF's heparin sodium products account for more than 10% of global market share.**



# Collaboration Flow Chart



# **2014 Product Launch Plan**

# 2014 Product Launch Plan

	API	Region	Indications	Brand Marketer	Regional Sales	WW Sales
	Azacitidine	US	MDS, Anti-cancer	Celgene	US\$358MM*	US\$818MM*
✓	Dantrolene (injectable)	US	Malignant hyperthermia	JHP Pharmaceuticals	US\$20MM*	US\$46MM*
✓	Decitabine	US	MDS, AML Anti-cancer	Eisai	US\$250MM*	US\$289MM*
✓	Docetaxel trihydrate	JP	Anti-cancer	Sanofi Aventis	US\$180MM** (Taxotere)	US\$1,422MM*
✓	Entecavir	TW	Hepatitis B virus	BMS	US\$67MM***	US\$1,413MM*
✓	Exemestane	US	Breast cancer	Pfizer	US\$99.5MM*	US\$300.1MM*
✓	Riluzole (liquid)	EU	Amyotrophic lateral sclerosis	Sanofi Aventis	US\$66MM*	US\$187MM*
	Zoledronic acid	JP	Osteoporosis	Novartis	US\$120MM***	US\$1,361MM*

Source: \* IMS Data (Year 2013)

\*\* Datamonitor

\*\*\*In-house research

✓ Launched





## Brand Quality with Asian Advantages

[www.scinopharm.com](http://www.scinopharm.com)