



ScinoPharm Management Presentation

TWSE 1789

August 7, 2014



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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 include Uni-President Group, National Development Fund, Taiwan Sugar, etc.
- Facility & organization designed & built in Taiwan by experienced Syntex team, received multiple regulatory inspections from US FDA, Australia, EU, Japan, etc.
- Specializes in high potency (steroid, cytotoxic), peptide, & injectable APIs
- Expanding in China with a new plant in Changshu & 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 26 launched. Filed 47 DMFs in US (674 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



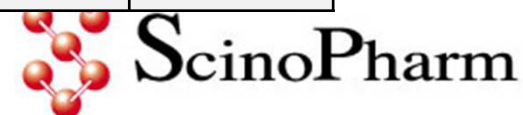
Financial & Operating Results

Quarterly P&L - Consolidated

In NT\$ million, except for EPS	2Q,'14 (Reviewed)	1Q,'14 (Reviewed)	2Q,'13 (Reviewed)	QoQ	YoY
Net Sales	1,148	1,097	1,339	5%	-14%
Gross Profit	500	433	724	15%	-31%
<i>Gross margin</i>	<i>44%</i>	<i>40%</i>	<i>54%</i>		
Operating Expenses	(287)	(250)	(267)	15%	7%
Operating Income	213	183	457	16%	-53%
<i>Operating margin</i>	<i>19%</i>	<i>17%</i>	<i>34%</i>		
Other Rev.(Exp.)	(1)	2	11	-107%	-102%
Net Income before Tax	212	185	468	15%	-55%
Net Income after Tax	193	165	406	16%	-53%
<i>Net margin after tax</i>	<i>17%</i>	<i>15%</i>	<i>30%</i>		
EPS (after tax)	0.28	0.24	0.60	17%	-53%

Half Year P&L - Consolidated

In NT\$ million, except for EPS	1H,'14 (Reviewed)	1H,'13 (Reviewed)	YoY
Net Sales	2,245	2,524	-11%
Gross Profit	933	1,379	-32%
<i>Gross margin</i>	<i>42%</i>	<i>55%</i>	
Operating Expenses	(538)	(534)	1%
Operating Income	395	845	-53%
<i>Operating margin</i>	<i>18%</i>	<i>33%</i>	
Other Rev.(Exp.)	2	30	-92%
Net Income before Tax	397	875	-55%
Net Income after Tax	358	756	-53%
<i>Net margin after tax</i>	<i>16%</i>	<i>30%</i>	
EPS (after tax)	0.53	1.12	-53%



Balance Sheet - Consolidated

In NT\$ million	2014/6/30 (Reviewed)		2013/6/30 (Reviewed)	
Cash and Cash Equivalents	2,184	18%	3,379	29%
Accounts Receivable	793	7%	870	7%
Inventories	2,676	23%	2,288	20%
Long-Term Investments	255	2%	273	2%
Fixed Assets	4,658	40%	3,897	33%
Total Assets	11,795	100%	11,702	100%
Current Liabilities	2,569	22%	2,527	22%
L-T Liabilities and Others	66	-%	66	-%
Stockholders' Equities	9,160	78%	9,109	78%

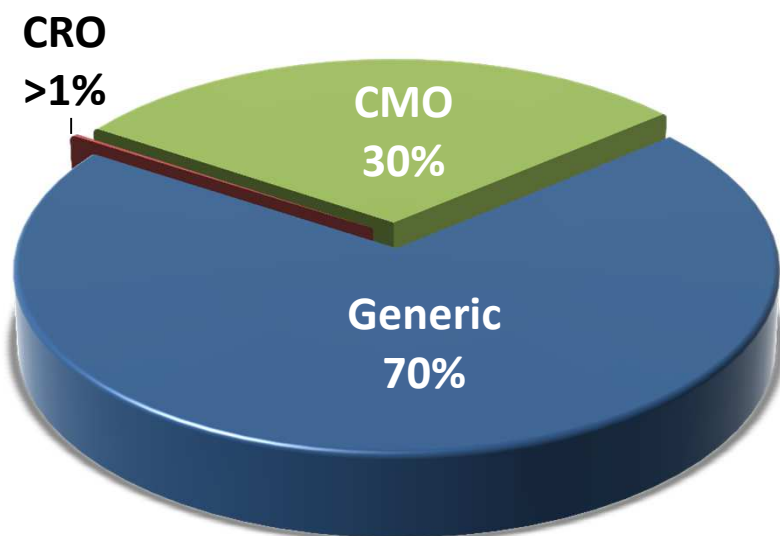


Cash Flows - Consolidated

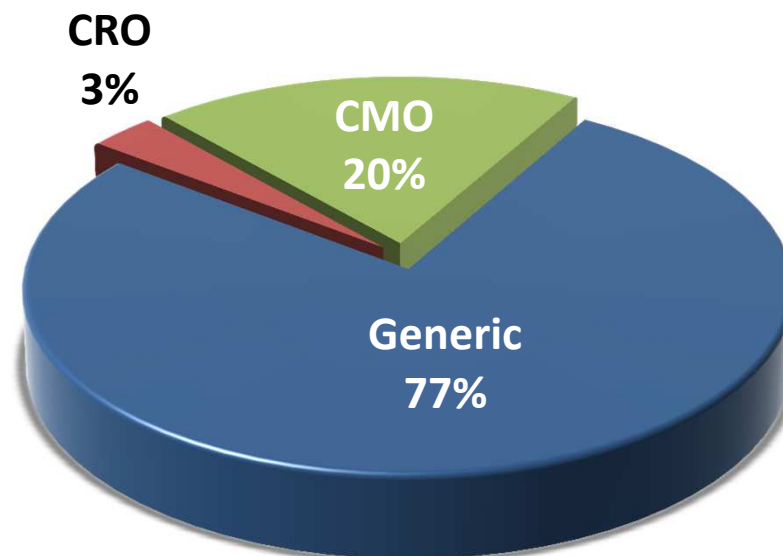
In NT\$ million	1H 2014 (Reviewed)	1H 2013 (Reviewed)
Cash and cash equivalents at beginning of period	2,289	3,035
Cash flows from operating activities	248	457
CAPEX	(694)	(506)
Long-term investment	-	(107)
Short-term borrowings	317	491
Others	24	9
Cash and cash equivalents at end of period	2,184	3,379

Sales by Business

1H 2013

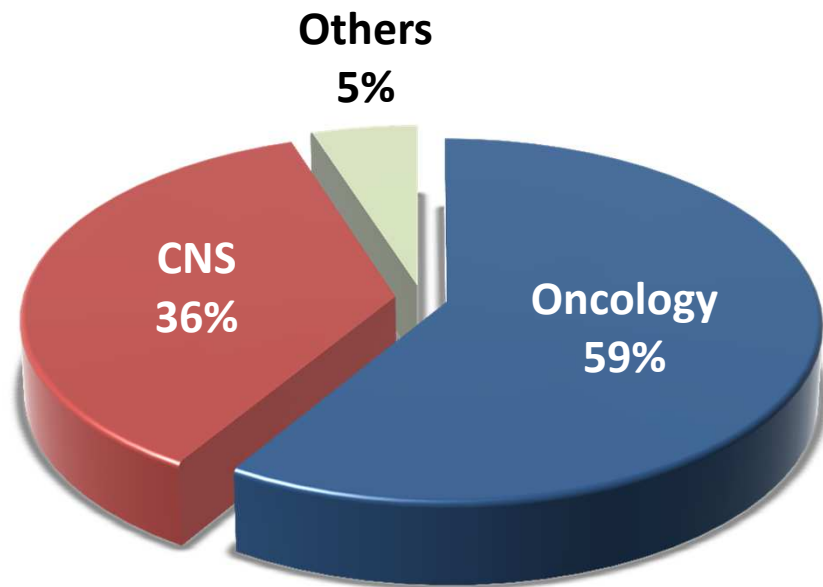


1H 2014

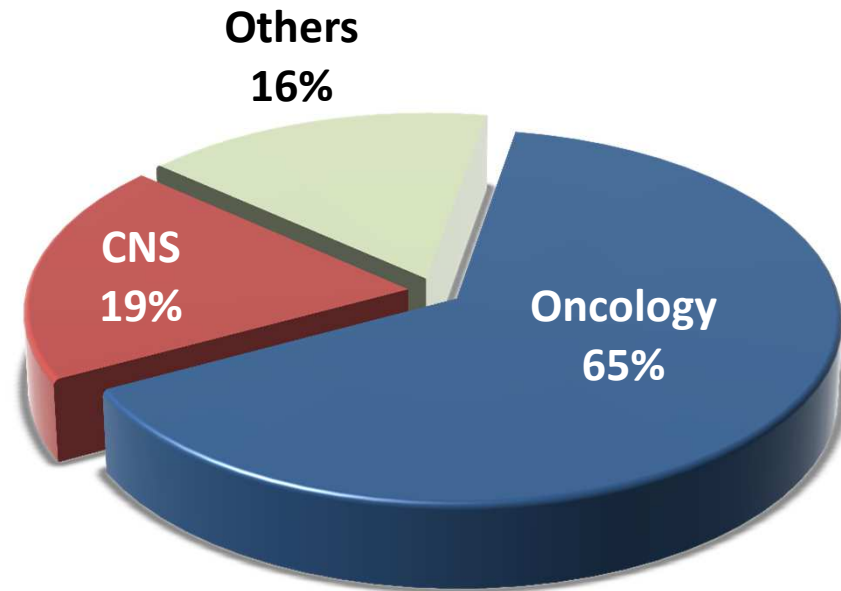


Sales by Indications

1H 2013

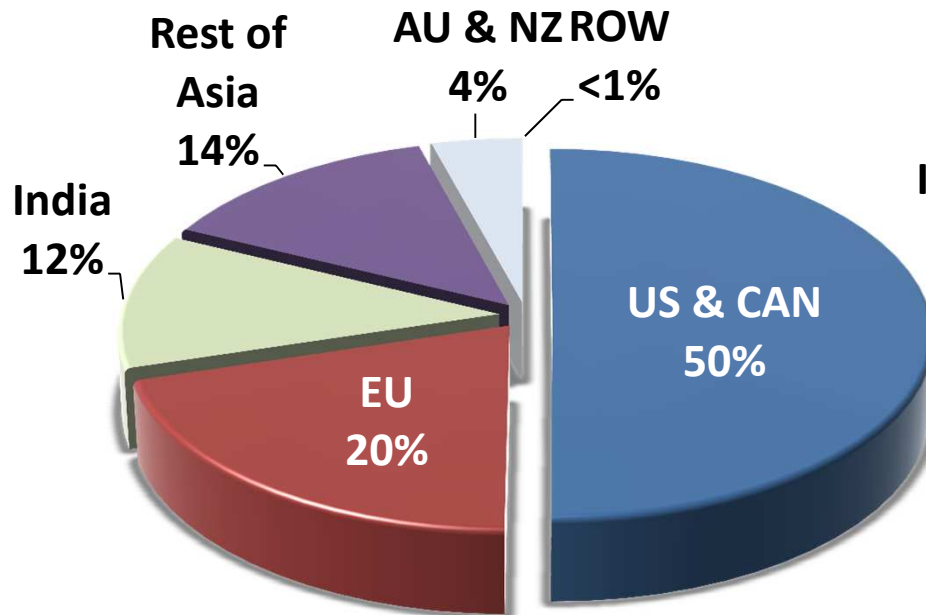


1H 2014

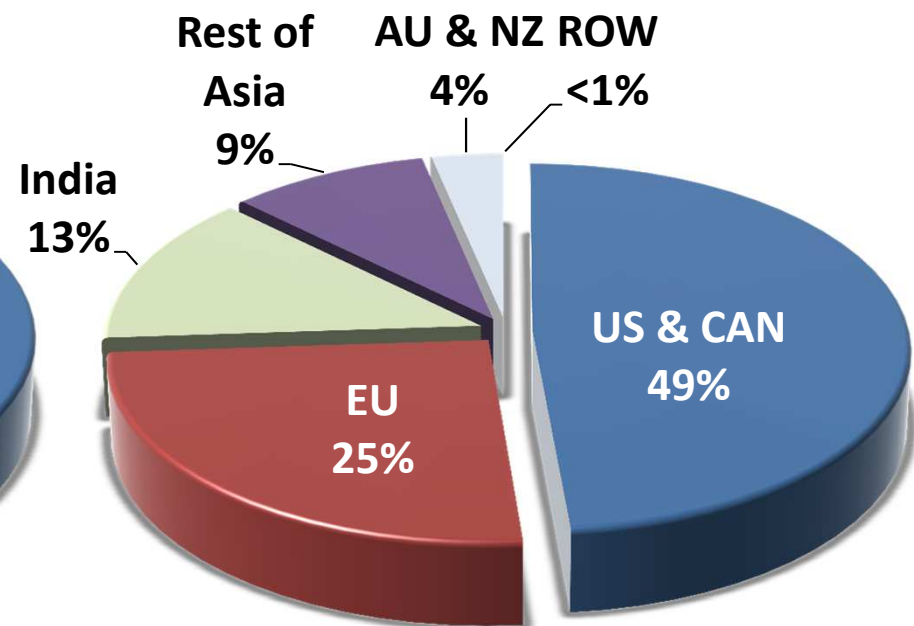


Sales by Region

1H 2013



1H 2014



First US ANDA Filing

Allied with Sagent

Background on Sagent



- Sagent Pharmaceuticals (Nasdaq: SGNT), ScinoPharm's long term customer, is a leading specialty pharma emphasizing on the injectable. Sagent has well-developed marketing channels into hospitals throughout the US
- Sagent's China facility -- Sagent (Chengdu) is one of the few US FDA-qualified injectable plants in China. The company has also produced the first batch of oncological injectable products approved for direct export from China to the US

Collaboration in Oncological Product

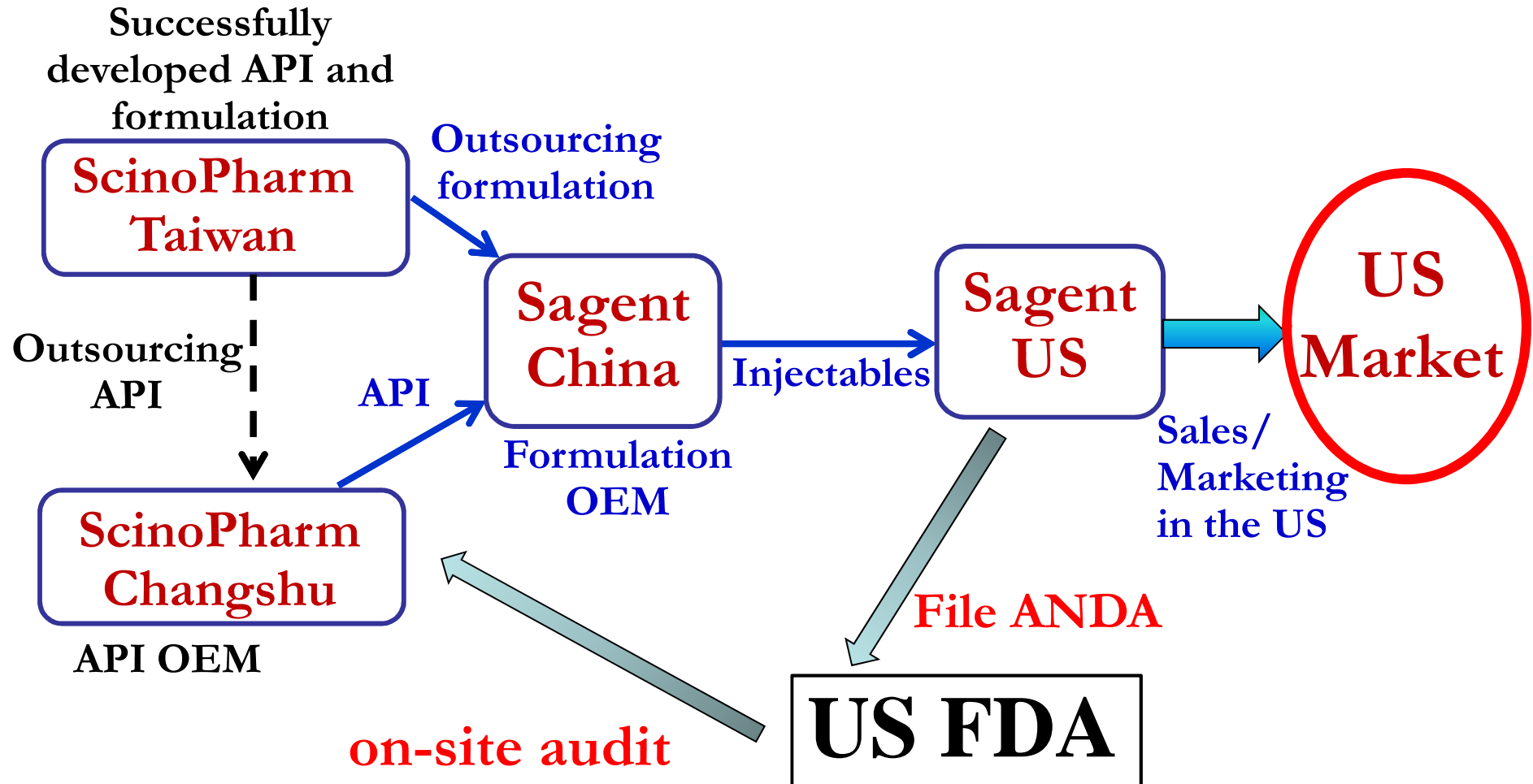
- ScinoPharm and Sagent have jointly developed and produced an oncological injectable product used for the treatment of myeloid leukemia
- Its market value exceeded US\$280 million in 2013 WW, while US\$250 million from the US
- ANDA has been submitted to the US FDA, which will help trigger FDA to audit ScinoPharm's Changshu site (SPC) and enable SPC's volume API shipments into the US regulated market
- Commercial launch upon US FDA approval, expected as early as late 2016



Collaboration Scheme

- ScinoPharm Taiwan developed the API and lyophilized formulation processes
- ScinoPharm Changshu produces the API
- Sagent's China affiliate in Chengdu prepares the injectable formulation
- Sagent leads filing the ANDA with the US FDA and eventually marketing this drug after launch

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