THIRD QUARTER 2020 RESULTS

Investor Presentation

1795.TT

NOVEMBER 2020

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Today's Agenda

1. Financial Review Q3'20
2. Business Update
3. Major Deliverables YTD'20

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FINANCIAL REVIEW
Q3'20

ANOTHER SOLID QUARTER DELIVERED IN Q3’20 WITH CONTINUED ADVANCEMENT IN PIPELINE

BUSINESS GROWTH

- ✓ EPS of >NT$1 achieved for 2nd consecutive quarter with Global Oncology being major contributor >10%
  - Asian business, driven by the expansion into SEA, grew by 13.8% YoY excluding FX impacts
    - TH and VN being the key contributors
  - Export business, with sales increase more than double again, continues to be the major growth driver
    - Significant contribution from the oncology products in terms of licensing fees and supply revenues; for the first time accounting for >10% of the total sales
    - Market share of gSuboxone being stabilized around 35% since Q2 and maintained lead position among generics

PROFITABILITY IMPROVEMENT

- ✓ Continuous focus on improvement in profitability
  - Operating margin consistently stays above 15% in Q3’20, up from 14.8% in Q3’19
    - R&D consolidation completed in this quarter will improve operational efficiency and deliver savings in the long run
  - Finance costs further decreased by ~10% QoQ since refinancing completed in early Q2

CREATE LONG TERM VALUE

- ✓ Tentative approval for ANDA of Lenalidomide from US FDA received in Sep’20 as scheduled
- ✓ GMP certificate granted by Brazil ANVISA paves Lotus’ leading pipeline into Brazil, the largest market in LATAM

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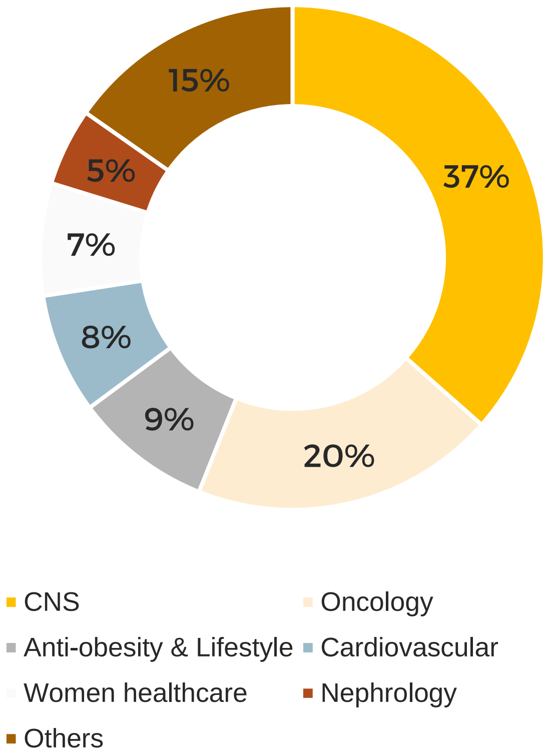
DIVERSIFICATION ACROSS THERAPIES AND MARKETS

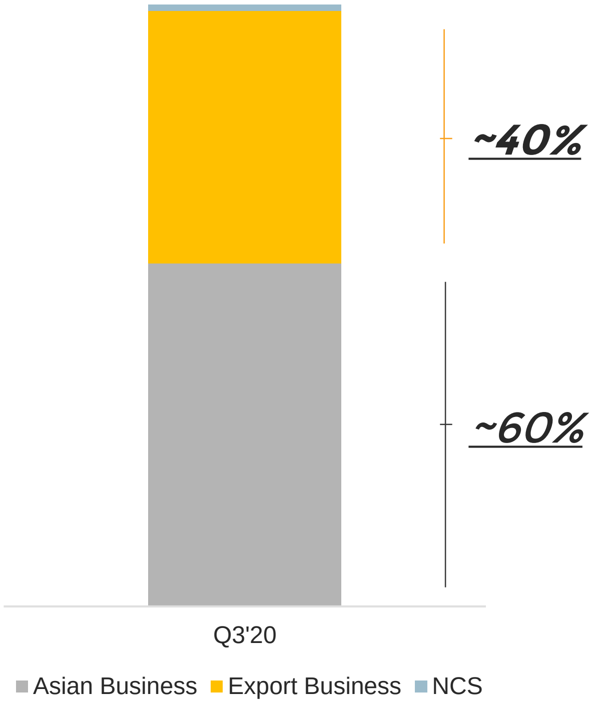
With Diversified Portfolio

Q3'20 Revenue Breakdown by TA



Q3'20 Revenue Breakdown by Market

Q3'20 Revenue = NT$2,886mn



Export Business

- Global Oncology ~10% contributed by licensing fees and supply revenues
- gSuboxone ~30%

Asian Business

- Steady growth from KR and TW in local currency
- Strong growth contribution from the infusion of SEA markets

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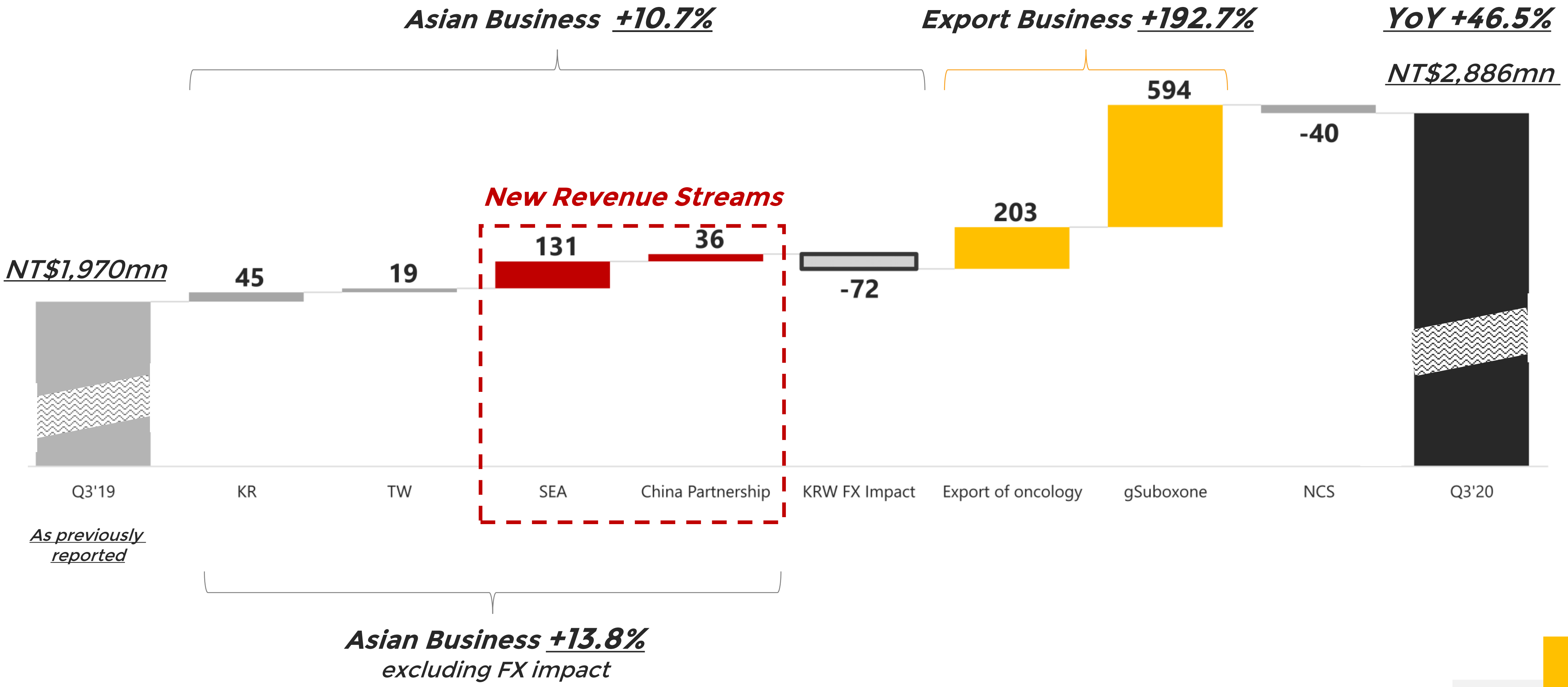
SALES BRIDGE OF Q3'20 YOY

Outstanding performance from both Asian Business and Export Business



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THIRD QUARTER 2020

Continued and Steady Growth Concluded 9M’20 with a Record High EPS of NT$2.92

FINANCIAL HIGHLIGHTS

Key Finanicals (in NTD millions, except for EPS)	Q3'20	Q3'19*	YoY %	Q2'20*	QoQ %
Net Sales	**2,886**	**1,970**	**46.5%**	**2,677**	**7.8%**
Cost of Goods	(1,631)	(939)	**73.7%**	(1,600)	
Gross Profits	**1,255**	**1,031**	**21.7%**	**1,077**	**16.6%**
%	*43.5%*	*52.3%*		*40.2%*	
R&D	(173)	(135)	28.0%	(86)	101.4%
SG&A	(642)	(604)	6.2%	(575)	11.6%
Operating Expenses	(815)	(740)	10.2%	(661)	23.3%
Operating Income	**441**	**292**	**51.1%**	**416**	**5.9%**
%	*15.3%*	*14.8%*		*15.5%*	
Non-OPEX					
Finance costs	(75)	(91)		(83)	
Net of other gain/loss	(3)	23		42	
Earnings Before Tax	363	224	62.1%	375	
Net Income	**279**	**200**	**39.4%**	**299**	**-6.8%**
EPS (NTD)	**1.15**	**0.82**	**40.2%**	**1.23**	**-6.5%**

** As previously reported*

Strong growth momentum in Net Sales:
- Stabilized market share of gSuboxone
- Strong performance from Global Oncology
- Infusion of SEA markets

Key impact on Gross Margin:
- Revenue mix
- Extraordinary scrapping

OPEX:
- Higher R&D expenses due to impairment of Ulipristal

Non-OPEX items:
- Finance costs further decreased by ~10% QoQ since refinancing completed in early Q2

Normalized EPS in Q3’20 would be **NT$1.56** if excluding:
- Extraordinary scrapping
- Impairment of Ulipristal

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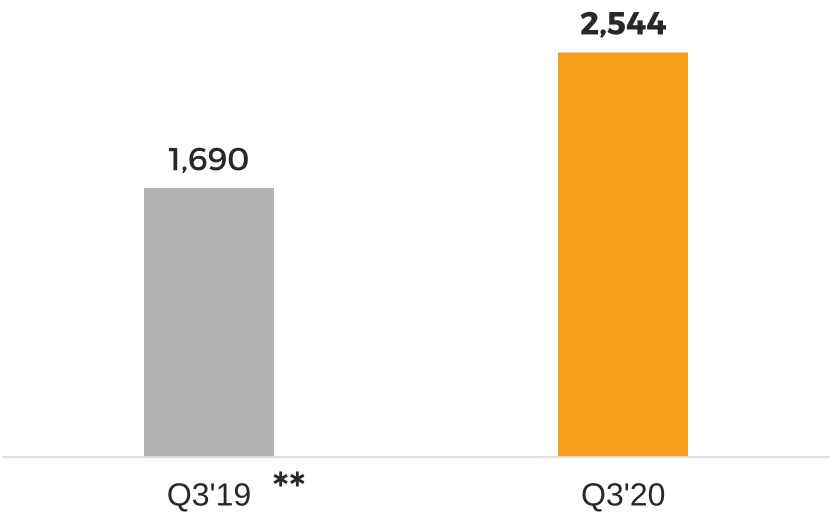
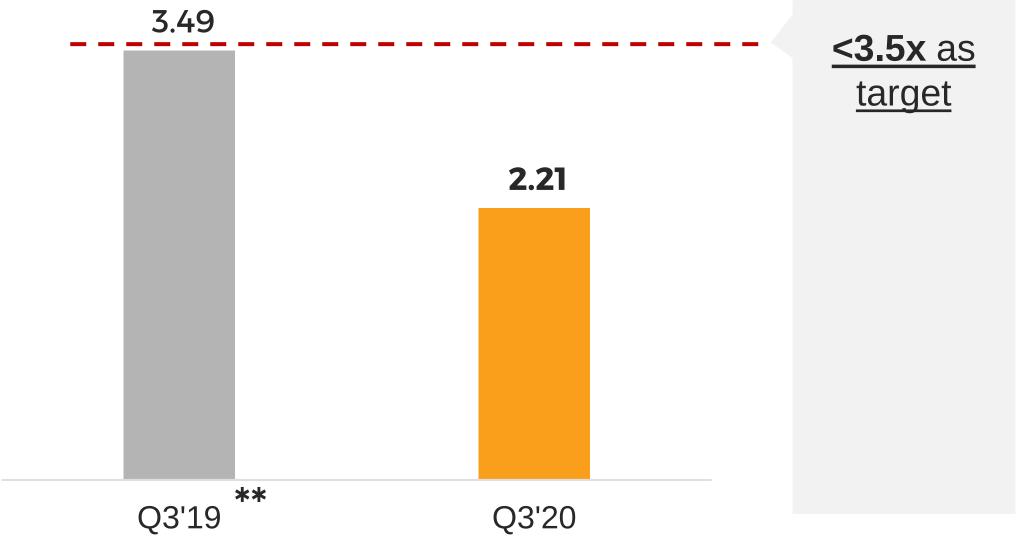
STABLE CASHFLOW FROM STEADLIY GROWING OPERATIONS IMPROVED CAPITAL STRUCTURE SIGNIFICANTLY

LTM EBITDA* (NT$mn)



NET DEBT/LTM EBITDA* (X)



*EBITDA =EBIT + Depreciation + Amortization + Non-cash provisions

*** As previously reported*

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BUSINESS UPDATE

SOLID FUNDAMENTAL IN ASIA + COMPELLING GROWTH DRIVERS FROM EXPORT TO ENSURE SUSTAINABLE PROFITABLITY

COMMERCIAL

- Strong foundation in KR and TW provides stable cash flows and profits
  - Both grew steadily and generated stable cash inflow from operations
  - Stalevo/Comtan (Orion portfolio) launched as scheduled
- Additional growth driven by the expansion into SEA
  - Strong portfolio and pipeline by own development and in-licensed products as well as brand acquisitions keep evolving
  - Oncology portfolio accounted for >50% of sales in ASEAN
  - Exclusive marketing rights of Darbepoetin Alfa , the 5th biosimilar pipeline, secured for TW and selected SEA markets via partnership with CKD
- Strong performance of Export business driven by new agreements and supply revenues from the uptake of launched products
  - 9M'20 Global Oncology has already exceeded FY2019 numbers with contribution >10% of total revenue first ever
  - Stable market share lead among generics of gSuboxone market share in the US
- 8 more out-licensing deals signed in Q3'20
  - Existing and pipeline products mainly in oncology TA for Africa, LATAM, EU
  - Settlement for Lenalidomide with BMS for NZ (market size ~US$17m in 2019 as per IQVIA)
  - GMP certificate granted by Brazil ANVISA in Oct'20 further paves Lotus' pipeline in the largest market of LATAM

R&D / REGULATORY

- 33 MA submissions made – 19 in APAC + 14 for the rest of the world
  - Pazopanib in VN
  - Enzalutamide in CA, CL
- 1st company to obtain tentative approval in the US for generic Lenalidomide
- 27 approvals granted – 16 in APAC + 11 by partners in multiple counties
  - 10 new approvals for Lenalidomide

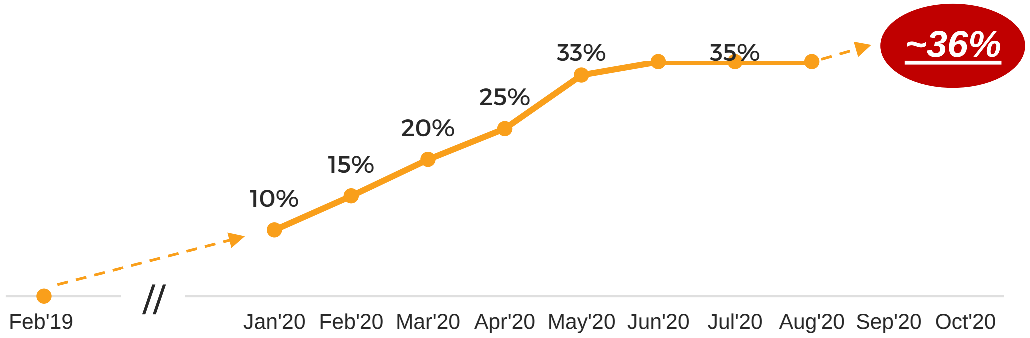
OPERATIONAL EFFICIENCY

- Integration of R&D resources completed as scheduled
- Site master plan carried out on track – new warehouse construction to be finished by year end

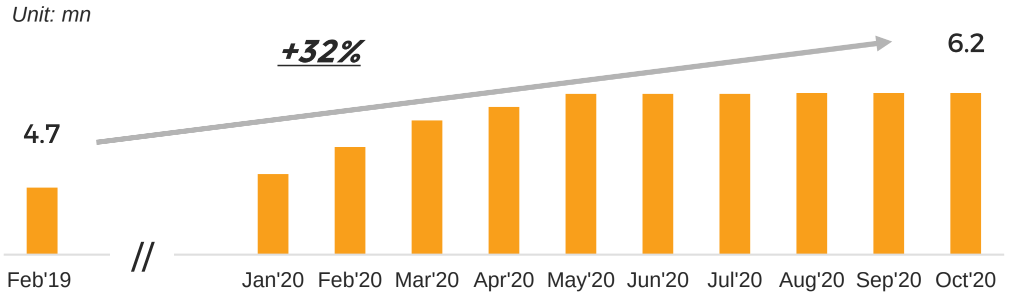
MARKET LEADERSHIP MAINTAINED WITH UPSIDE POTENTIALS FROM KEY PRODUCTS

Buprenorphine/Naloxone Film Market in US

- Lotus/Alvogen **market share** has **maintained the leadership among generics** since Apr'20



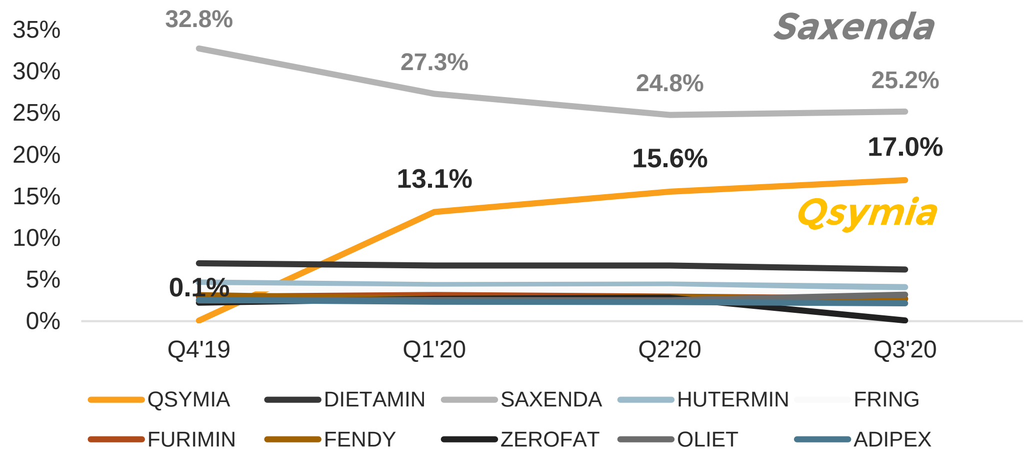
- The whole market continues to expand with **increasing Avg. Weekly EUTRx**



Top Anti-obesity Products in KR

- Overwhelming market acceptance has made Qsymia become **#2 among ALL** anti-obesity products with continued market share gain
- Qsymia is the only approved long-term treatment among all narcotic appetite suppressants medical drug in KR

Anti-obesity Top 10 Products



Source: IQVIA; Company data

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R&D PIPELINE EXECUTION

Continuously Investment in Building up Differentiated Portfolio

- During Q3'20 –
  - *19* submissions filed
    - Oncology portfolio filings in SEA
  - *16* approvals received
  - ***Tentative Approval for Lenalidomide from US FDA***

R&D PIPELINE & STATUS

	Early Stage	Clinical Phase	Registration Process
TTL Pipeline =	***13***	***9***	***10***
US	*More Under Evaluation*	4 • Pazopanib • IPR (Respiratory) • LP654 (IPF) • LP657 (AML)	1 • **Methotrexate**
EU/RoW	8 • LP644 (Prostate cancer) • LP670 (Breast cancer) • LP664 (Ph+ CML) • LP117 (RA) • LP179 (Women Health) • LP723 (CP/Ph+ CML) • LP677 (HCC & DTC) • LP715 (NSCLC)	5 • **Lenalidomide (JP)** • Pazopanib • LP654 (IPF) • LP777 (OAB) • LP661 (MM)	4 • Enzalutamide (2) • Sunitinib • Pazopanib *5 CN* • Oseltimivir • Melphalan • Pyridostigmine • Temozolomide • Lenalidomide

GREAT MARKET POTENTIALS TO BE CAPTURED WITH LEADING PRODUCTS

	Approved*	Under Registration*	Under Preparation*	Market Potentials (IQVIA market size '19)		Launched*
Lenalidomide	32 +10 + 1 TA (US)	41	9	82 countries covered	US$9,000mn+	15
Gefitinib	31 +1	10	12	53 countries covered	US$180mn+	18
Vinorelbine	23	18	3	44 countries covered	US$110mn+	17

** Number of countries as of Q3'20*

Lotus' accessible markets of 3 leading oncology products ~ US$9,300mn

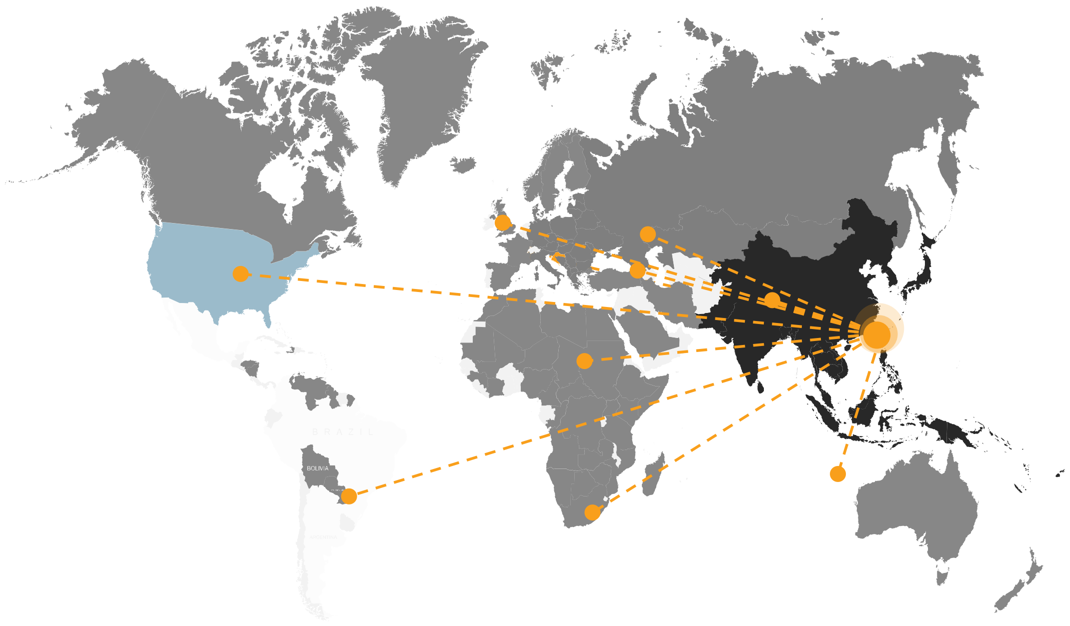
MARKET EXPANSION THROUGH INCREASING PARTNERSHIP WITH INDUSTRY LEADERS GLOBALLY

Global Partnership*

# of Deals Signed*	29	+8
# of Submissions	62	+14
# of Approvals	28	+11
# of Launches	3	

** As of Q3'20*

150+ licensing deals are signed to cover more than **130** markets – all Lotus self-developed products



Note: black – direct market; grey & blue – b2b parterships

50	NA+ LATAM
49	EU
34	MENA
11	AFRICA
8	ASIA
4	OCEANIA

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STRENGTHENED CAPABILITIES FOR NICHE MARKETS

Lotus' Leading Portfolio + Strong Partnership Alliance for LATAM

- **14 partners** secured with **34** out-licensing **deals signed** for **Global Oncology,** including existing products and pipeline

LENALIDOMIDE
ENZALUTAMIDE
GEFITINIB
LP117
SUNITINIB
PAZOPANIB
LP670
IMATINIB
VINORELBINE
TEMOZOLOMIDE

- As of Q3'20, **8 approvals** are received with **24 more** products **under registration**

... **and Lotus' GMP Certificate Granted by ANVISA** Paves the Way **for Brazil**

- **3** licensing deals **signed** and **7 more** agreements **under discussion** with **4 partners in Brazil**

Brazil Pharma at Growth Stage

Population: ~210 million in 2019

Pharma Industry: US$32 billion in 2019, ~2.6% of global market share
Exp. Growth Rate: 169% (between 2017 and 2030)

Market Dynamics: Increasing aging population at a CAGR of 4.5% + increasing obesity rate of the County

Major Segment: >74% of total deaths are caused by non communicable diseases

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MAJOR DELIVERABLES YTD'20

MAJOR DELIVERABLES ACHIEVED AS SCHEDULED THROUGHOUT YTD'20

BUSINESS GROWTH

- ✓ Maintaining leading position among the generics of gSuboxone with market share ***<u>at 36%</u>*** + gross margin at least 30%
- ✓ Continued market share penetration of Qsymia to lead KR anti-obesity area
- ✓ Launch of Stalevo/Comtan (Orion portfolio) to strengthen CNS franchise in APAC in Q3
- ✓ Contribution from Export Business/out-licensing deals as additional growth engine

PROFITABILITY IMPROVEMENT

- ✓ Record high quarterly EPS achieved with 2 consecutive quarters of >NT$1
- ✓ Continuous focus on improvement in profitability through 2nd source projects or manufacturing facilities upgrade to ensure competitive cost structure
- ✓ Prudent and dynamic financing strategies to further reduce finance costs

CREATE LONG TERM VALUE

- ✓ Tentative approval for ANDA of Lenalidomide from US FDA received in Sep'20 as scheduled
- ✓ Portfolio diversification through internal R&D and BD; in-licensing of complex generics, proprietary products, and brand acquisitions
  - **96** submissions made + **52** approvals received + 3 new in-licensing deals signed
- ✓ Continued execution of Site Master Plan as scheduled