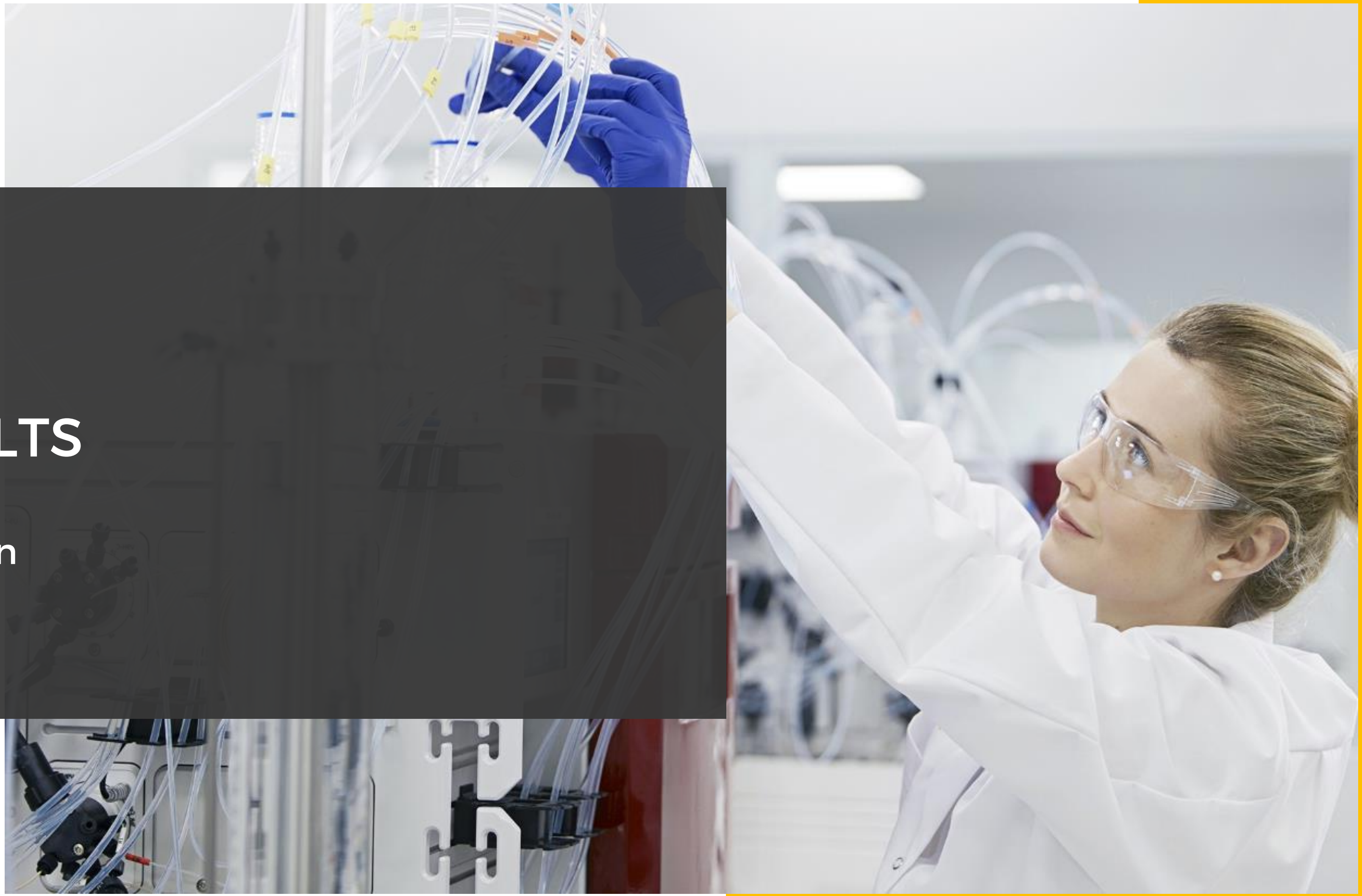
Lotus

FY2019 RESULTS

Investor presentation

1795.TT
MARCH 2020



Safe Harbor Statement

Except for historical information contained herein, the matters set forth in this presentation are forward looking statements that are subject to risks and uncertainties that could cause actual results to differ materially. These forward looking statements are not based on historical facts but rather on management's expectations regarding future growth, results of operations, performance, future capital and other expenditures, competitive advantages, business prospects and opportunities. Statements in this presentation about our future plans and intentions, results, level of activities, performance, goals or achievements or other future events constitute forward looking statements. Wherever possible, words such as "anticipate", "believe", "expect", "may", "could", "will", "potential", "intend", "estimate", "should", "plan", "predict", or the negative or other variations of statements reflect management's current beliefs and assumptions and are based on the information currently available to our management. **Investors are cautioned not to place undue reliance on these forward looking statements, which are made as of the date of this presentation** and we assume no obligation to update or revise any forward looking statements.

Today's Agenda

1. Key Takeaways
2. FY2019 Results
3. Key Initiatives in FY2020

KEY TAKEAWAYS FROM FY2019

- Strong year delivered with 43% top line growth, driven by successful execution of export portfolio
  - Buprenorphine/Naloxone sublingual film as 1st wave generics in the US
  - 1st to market of 3 leading oncology products in EU
- Significant strategic deliverables designed to drive further growth
  - Acquisition of ~50 marketed products to further expand in ASEAN markets
  - Portfolio diversification with leading brand products throughout APAC region
  - Settlement of Lenalidomide in the US signed
  - 60+ licensing deals signed to grow our export business
- Excellent outcome from the inspections by USFDA with 0 observation, 5 customer audits and 2 HA inspection at Nantou plant
- Commitment in investing pipeline and upgrading infrastructure to cultivate sustainable growth
  - 15 R&D projects under development
  - 5-year site master plan initiated

Lotus

FY2019 RESULTS

FULL YEAR 2019
FRUITFUL YEAR WITH REMARKABLE ACHIEVEMENTS

FINANCIAL RESULTS

Key Financials **(in NTD Millions, except EPS)**	**2018**	**2019**	**YoY %**
Net Sales	**6,429**	**9,175**	**43%**
Cost of Goods	3,289	4,927	
Gross profit	**3,139**	**4,248**	**35%**
%	*49%*	*46%*	
Operating expenses	(2,691)	(3,135)	
Operating Income	**449**	**1,113**	**148%**
%	*7%*	*12%*	
Earnings before tax & MI	164	876	
Net Income	**124**	**678**	**447%**
EPS (TWD)	**0.42**	**2.74**	**552%**

Revenue

+43%

Strong revenue growth driven by successful expansion of export portfolio

+

OP Income

+148%

Improving operating leverage

=

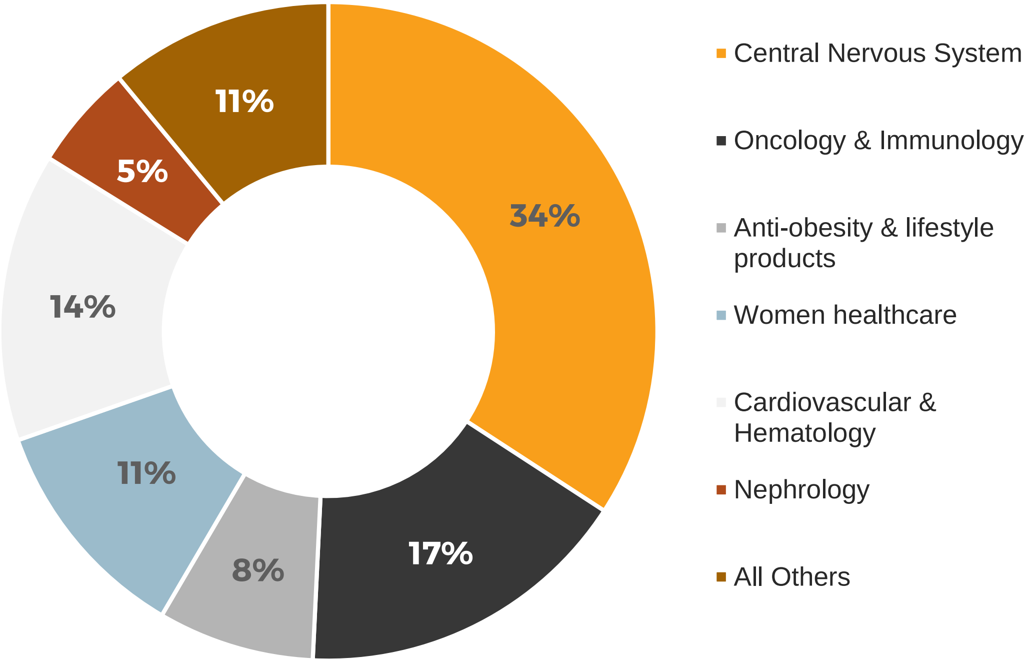
EPS

+552%

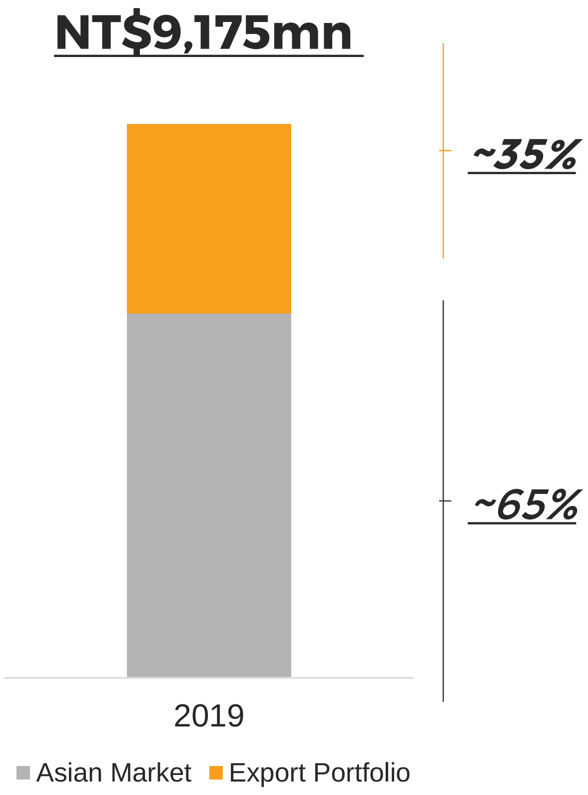
Record high net profits achieved!

DIVERSIFICATION ACROSS THERAPIES AND MARKETS

2019 Revenue Breakdown by TA



2019 Revenue Breakdown by Market



Export Portfolio

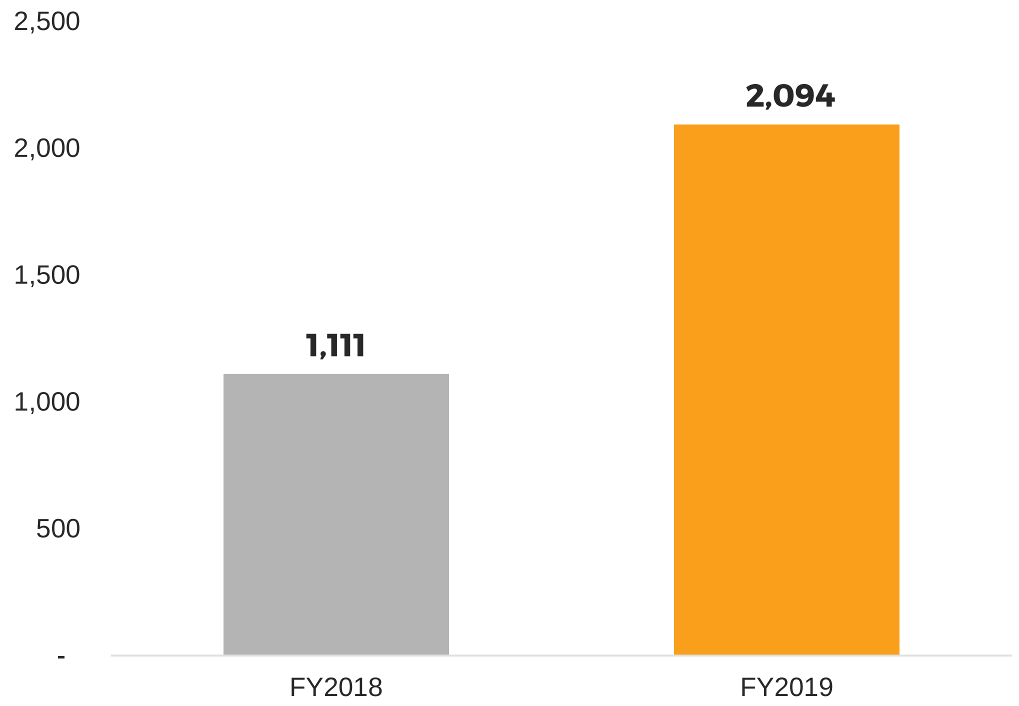
- gSuboxone contributed ~30%
- First-wave launches of oncology products also kicked in

Asian Business

The absolute dollar amount remained comparable to last year with more balanced % contribution

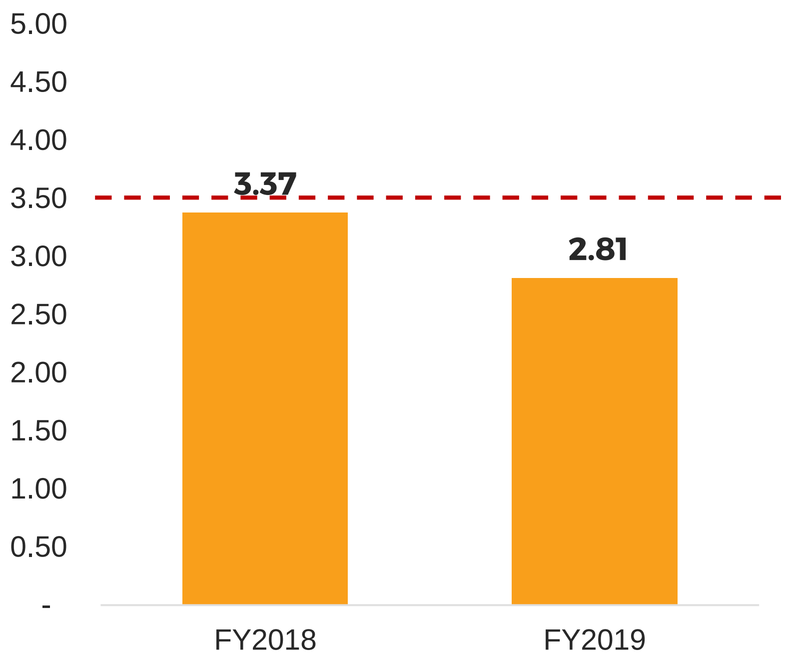
ENHANCED PRORITABILITY LOWERING LEVERAGE RATIO

EBITDA (NT$mn)



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

NET DEBT/LTM EBITDA (X)



<3.5x as committed

Lotus

KEY INITIATIVES IN FY2020

FY2020 STRATEGIC DELIVERABLES

Further strengthen existing portfolio with combined efforts from R&D / BD / RA

- Continued market share expansion of Buprenorphine/Naloxone
- 2 submissions of biosimilar products in Taiwan to extend the portfolio
- GUDFA TAD for Lenalidomide in Jul'20
- 23 licensing deals under discussion

Efficiently execute new launches as scheduled

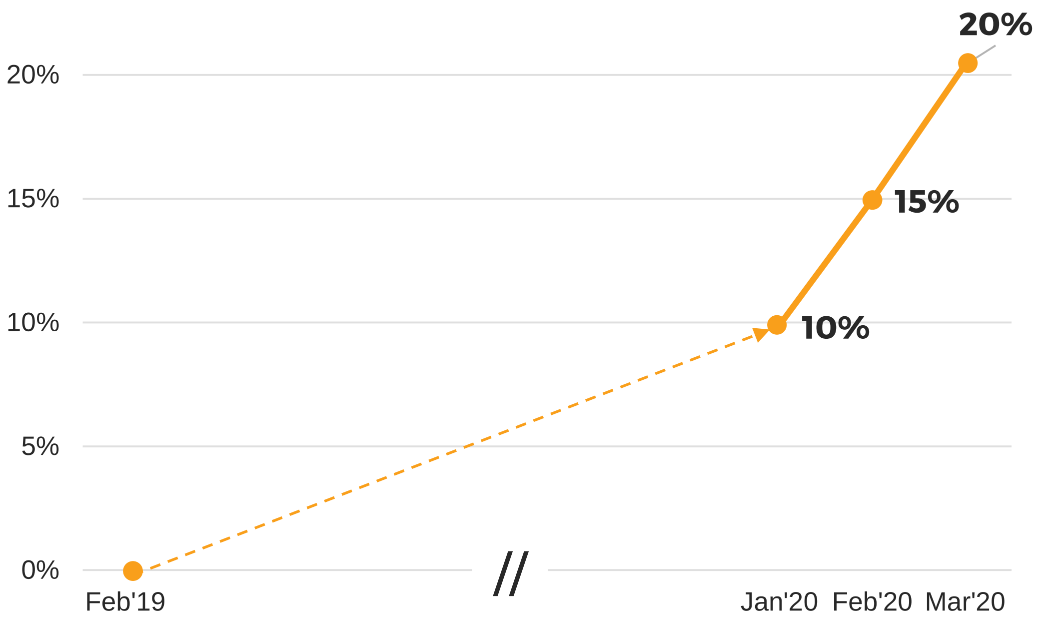
Continuously investing in pipeline to cultivate future growth

- Further enhancement on oral oncology portfolio
- 505(b)2 oncology programs under discussion
- Expansion of brand/proprietary products

CAPITALIZING ON SUCCESSFUL LAUNCHES

Buprenorphine/Naloxone Market Share

Buprenorphine/Naloxone market share has ramped up as expected

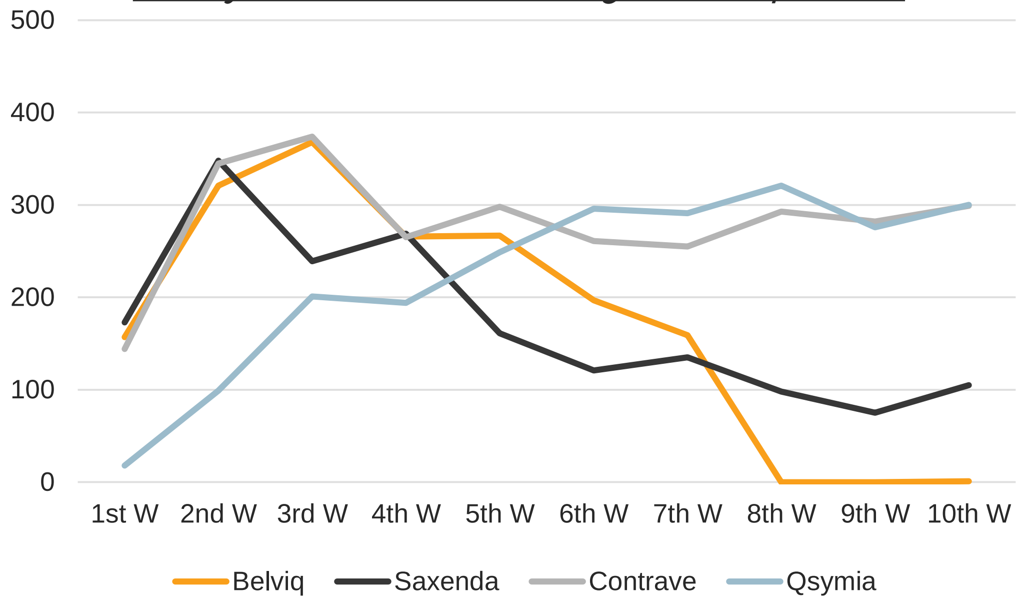


Source: IQVIA; Company data

Qsymia Launching Progress

Qsymia has taken **leadership position** in prescription number within 6th weeks after launch

Weekly UBIST data, within new generation products



Source: UBIST

Lotus

R&D PIPELINE EXECUTION

Focus on high value innovation for patients and customers

KEY ONCOLOGY PROJECT								
	Generic Name	**Indication**	**IQVIA market size '19 (US$mn)**	**Formulation**	**BE & CT**	**Submission**	**Approval**
1	Lenalidomide	Multiple Myeloma 血癌	Global: 10,000	Out-licensing scope continues to expand		Settled in US and launched in selected markets	*GDUFA TAD = Jul'20*
2	Enzalutamide softgel	Castration-resistant prostate cancer 去勢抗性的轉移性前列腺癌	Global: 2,144			Tentative Approval in TW	
3	LP173	Late stage hepatocellular carcinoma, renal cell carcinoma, thyroid carcinoma 晚期肝細胞癌、 晚期腎癌、分化型甲狀腺癌（ 皆非一線）	Global: 673				
4	LP661	Multiple Myeloma 血癌	Global: 1,516				
5	LP670	Treatment for advanced or metastatic breast cancer	Global: 5,458				
6	LP657 (SoftGel capsules)	Treatment for acute myeloid leukemia (AML)	Global: 205				

R&D PIPELINE EXECUTION (CONT'D)

Focus on high value innovation for patients and customers

N0N-ONCOLOGY PROJECT

	Generic Name	Indication	IQVIA market size '19 (US$mn)	Formulation	BE & CT	Submission	Approval
1	LP117	Treatment for moderately to severely active rheumatoid arthritis (RA)	Global: 1,432				

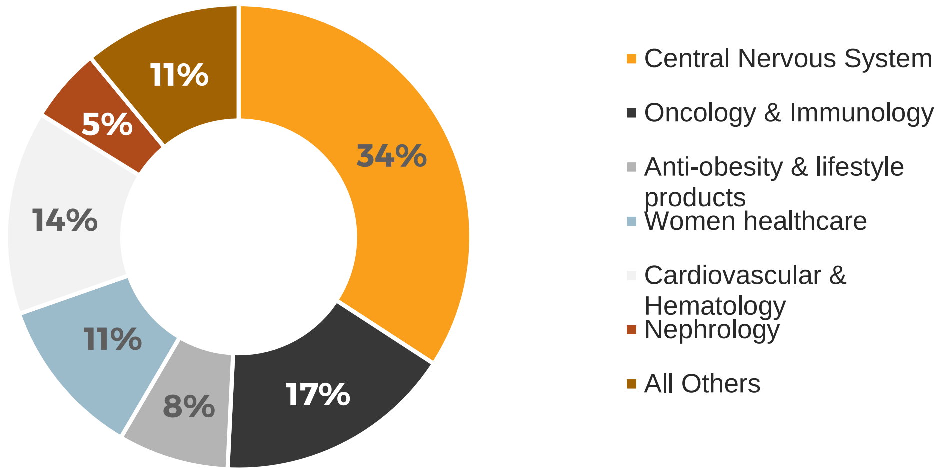
505(b)2 PROJECT

	Generic Name	Indication	IQVIA market size '19 (US$mn)	Phase I	Phase III	Submission	Approval
1	AK-R216	Type II diabetes 第二類糖尿病	Global: 432				

LOTUS IS WELL-POSITIONED TO BETTER PERFORM AGAINST NEAR TERM HEADWINDS FROM COVID-19

WITH DIVERSIFIED PORTFOLIO

2019 Revenue Breakdown by TA

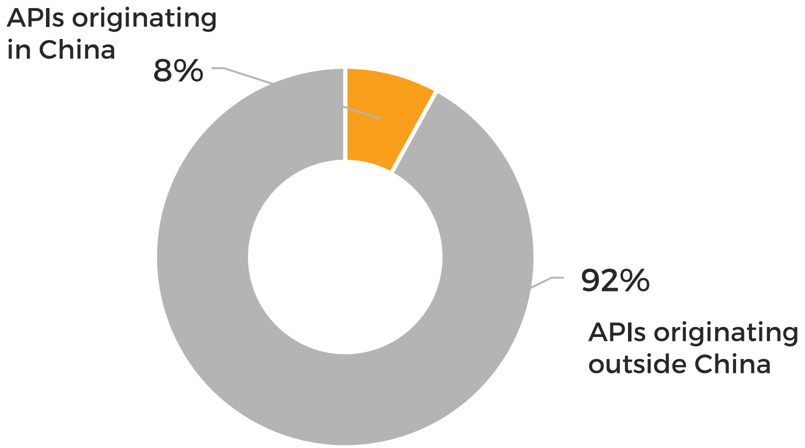


Two-pronged strategy mitigates the impact –

- Temporary impact in KR, which is in line with the industry norm
- Expansion of export portfolio provide the diversification of potential risks

AND PLANNED-AHEAD PROCUREMENT POLICY

- Not much APIs are directly sourcing from China
- Current inventory covers average 4-12 months of demand
- Dual sourcing strategy is under implementation



Lotus

MAJOR CATELYSTS TO WATCH IN FY2020

Expansion of **brand portfolio** in Asian markets

GDUFA TAD in Jul'20 for **Lenalidomide**

Development of ASEAN markets, including TH, VN, DX market

Qsymia launch

Solid sales stream backed by **successful export portfolio expansion** (Bup/Nal + key oncology products) in 2019 will **continue to provide stable contribution** throughout 2020

FY2019 | ***Throughout 2020***