



佳醫集團

用心 Dedication | 自主 Discipline | 創新 Innovation | 前瞻 Proactive

Excelsior Medical Co., Ltd.
2021 H1 Investor Conference

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Chairman
Group President

Tony Fu

“Dedication, Discipline, Innovation, Proactive” are the core values of Excelsior.

“Human Healthcare” is the basis of medical service industry.

Therefore, “Dedication” to our service target is what matters the most.

We focus on public healthcare, using the innovative management model, providing the most suitable product and service to the market.

Meanwhile, achieve our vision of becoming the most valuable total healthcare solution provider among Asia.



The Most Valuable Total Healthcare Solution Provider among Asia with Exceptional Investment and Operating Teams !

Excelsior Medical Co., Ltd. was established in 1988, Excelsior started with the distribution of hemodialysis equipments and supplies. Gradually transformed into integrated medical services channel provider.

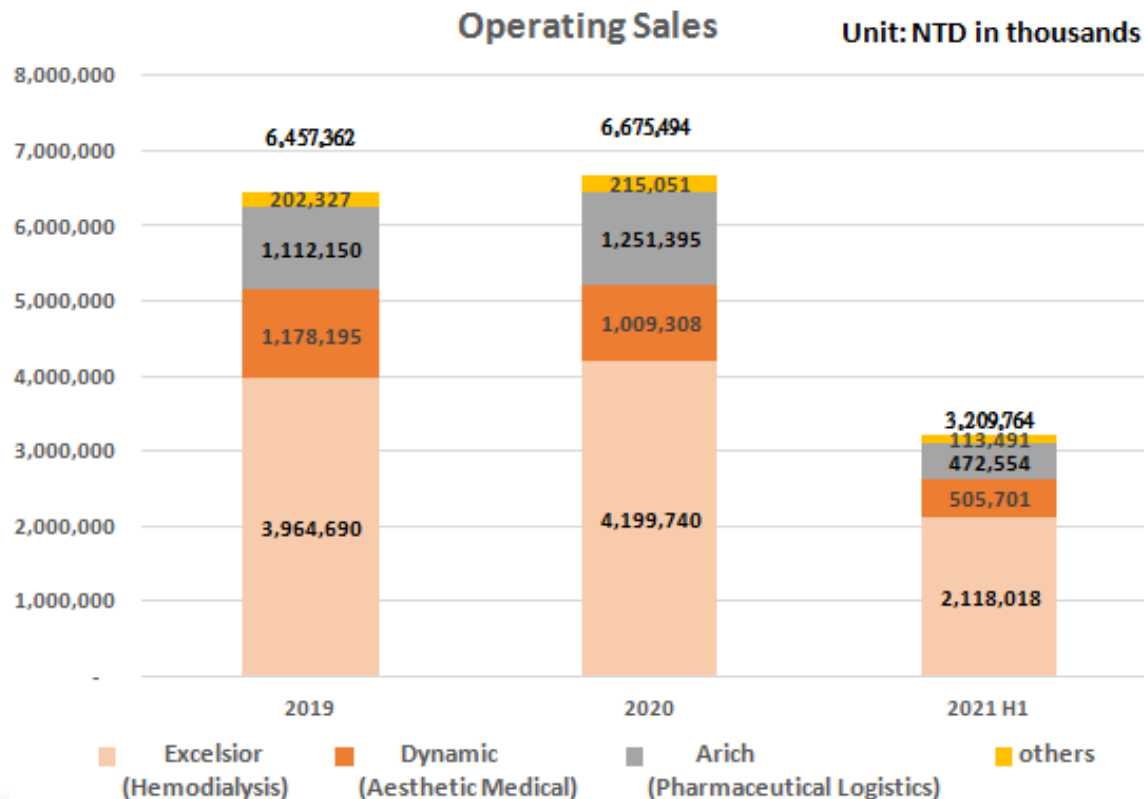
In 2001 “Enfield Medical Co., Ltd.” successfully listed on the OTC. With the success in integration and diversification, Enfield became a listed company in Taiwan Stock Exchange (TSE) in 2007. Enfield was later renamed as **Excelsior in 2009.**

Up to now the Group has three listed companies (**Excelsior : listed at TSE ,stock code 4104. Dynamic and Arich : listed at OTC, stock code 4138 and 4173).**

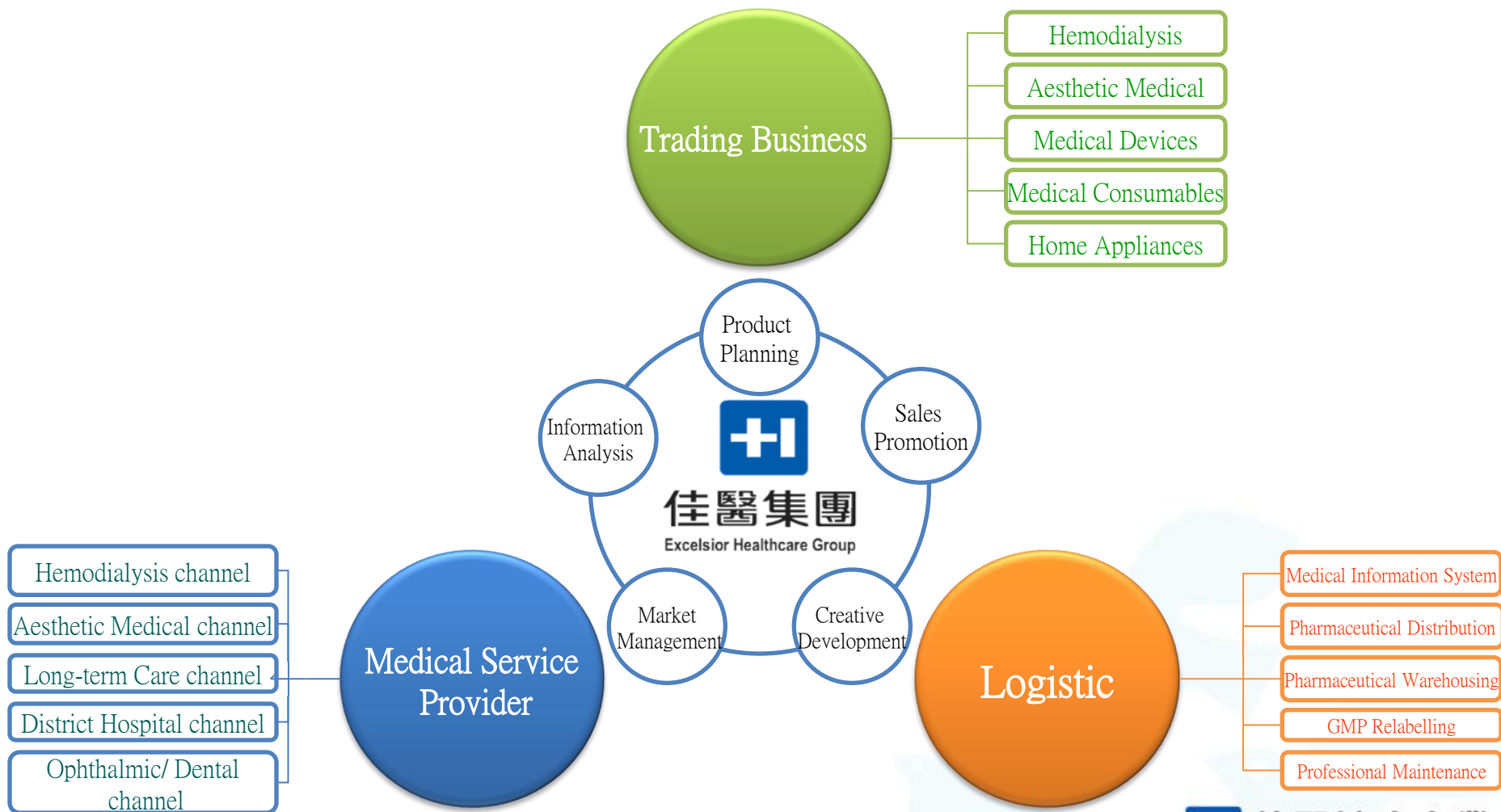
In the future, Excelsior will continue to **expand its investment and operation in biotechnology and medical industries**, based on “New Southbound Policy”, in the Southeast Asia region and countries around the world.

Revenue structure

Excelsior yearly consolidated sales is more than NT \$ 6.6 billion in 2020, the primary revenue comes from Excelsior (Hemodialysis), Dynamic (Aesthetic Medical), Arich (Pharmaceutical Logistics) and others. According to the company's function, the business type can be characterized as a trading business, medical service provider and Logistic.

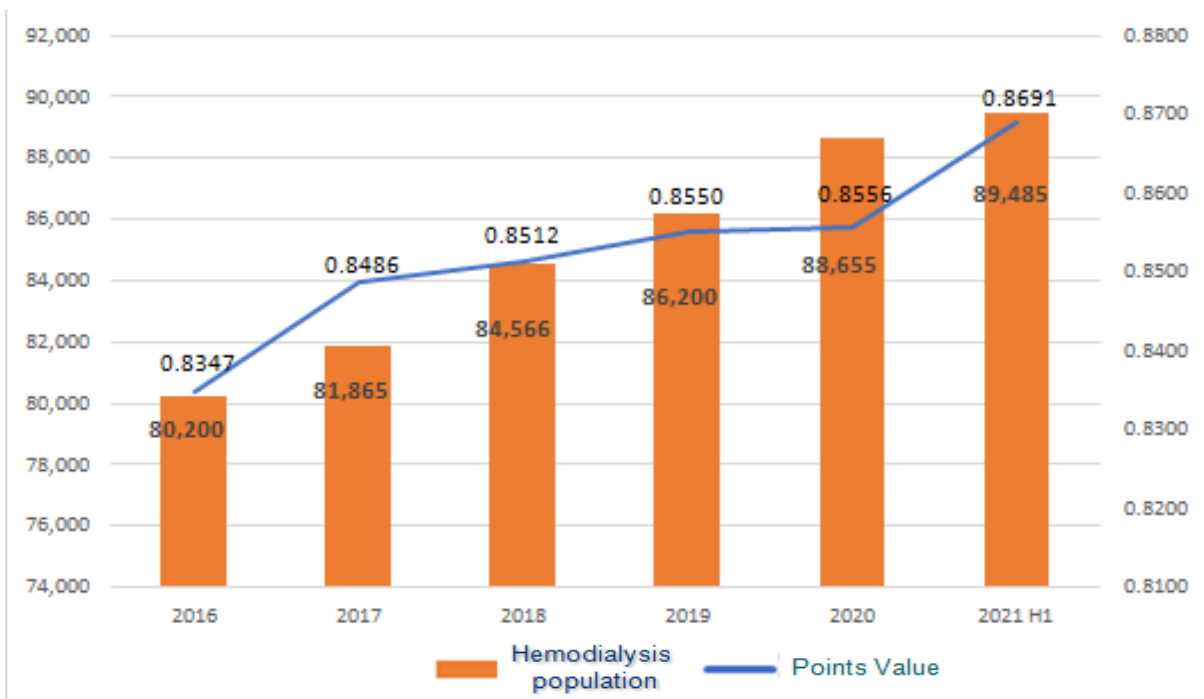


The Business Types



Excelsior(Hemodialysis)

Taiwan benefited from the implementation of the national health insurance system in 1995 and the hemodialysis technology and quality gradually mature, the patient's survival rate has gradually increased. According National Health Insurance Administration , as of the 2nd quarter of 2021, The total number of Taiwan hemodialysis and peritoneal dialysis populations has reached 89,485 people.



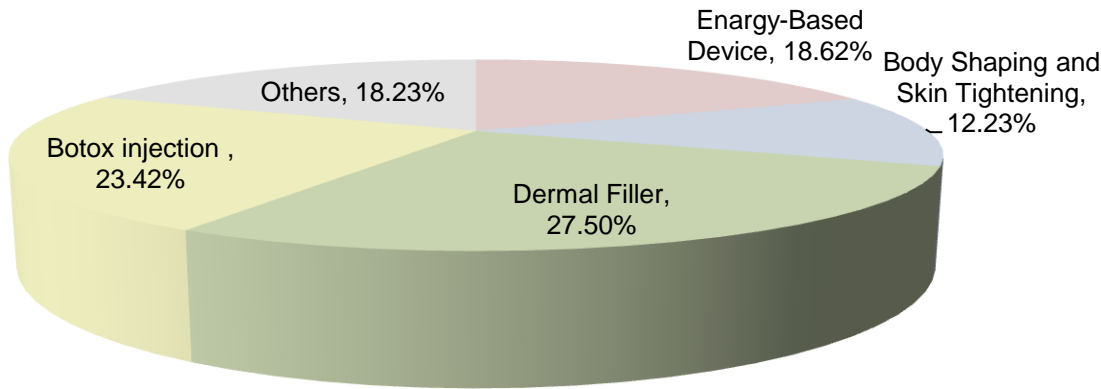
Hemodialysis brand



Dynamic(Aesthetic Medical)

According to the Asian-Pacific Market Study issued by Medical Insight, Inc. in Mar. 2021, total Asian sales of all aesthetic products and equipment reached US\$2.9 billion in 2019 and are expected to increase by 9.6% per year through 2024. Furthermore, medical aesthetic market can be divided into 4 sections: Energy-Based Device, Body Shaping and Skin Tightening ,Dermal Filler and Neurotoxin, and DMT's distributed products covers the first 3 sections.

Percentage of sales in Asian

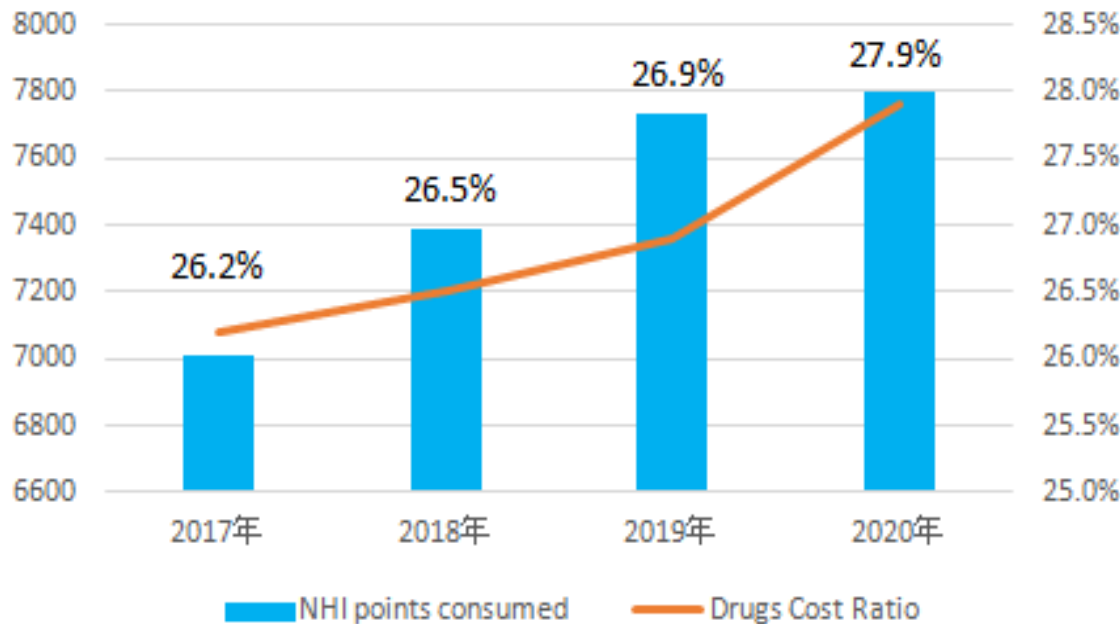


Product Portfolio

- ulthera (超声雷达)
- SQMSION
- LPG
- SYNERON CANDELA
- DR CYJ
- COCOON MEDICAL
- FAITH
- Medytox
- VIVEVE
- Fotona (choose perfection)
- REGEN Biotech, Inc.
- 佳醫健康事業 (Excelsior Medical)

Arich (Pharmaceutical Logistics)

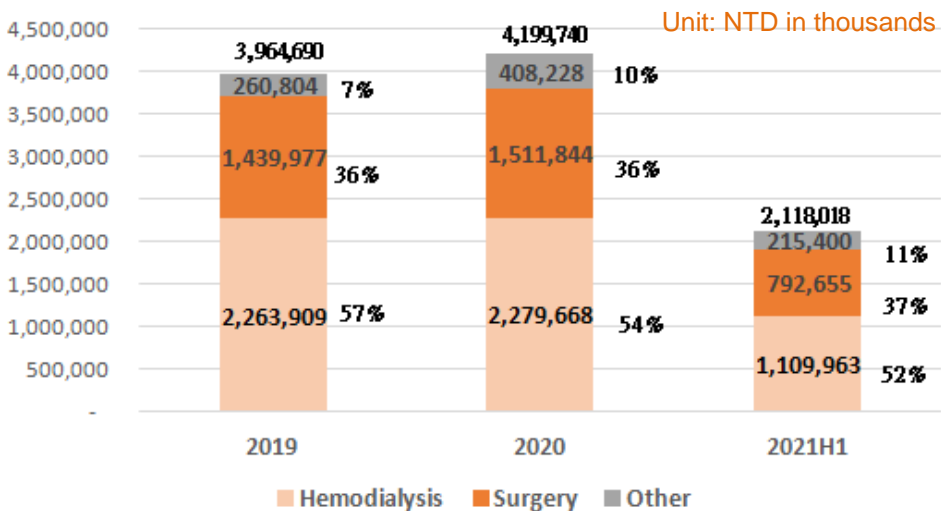
Drugs cost approximately 1/4 of National Health Insurance expenditures. In Taiwan, although demand for medication is growing, but the prices approved/reimbursed by NHI are declining. Consequently the multinational pharmaceutical companies keep on outsourcing, for the sake of cost down, the distribution/logistic service more and more.



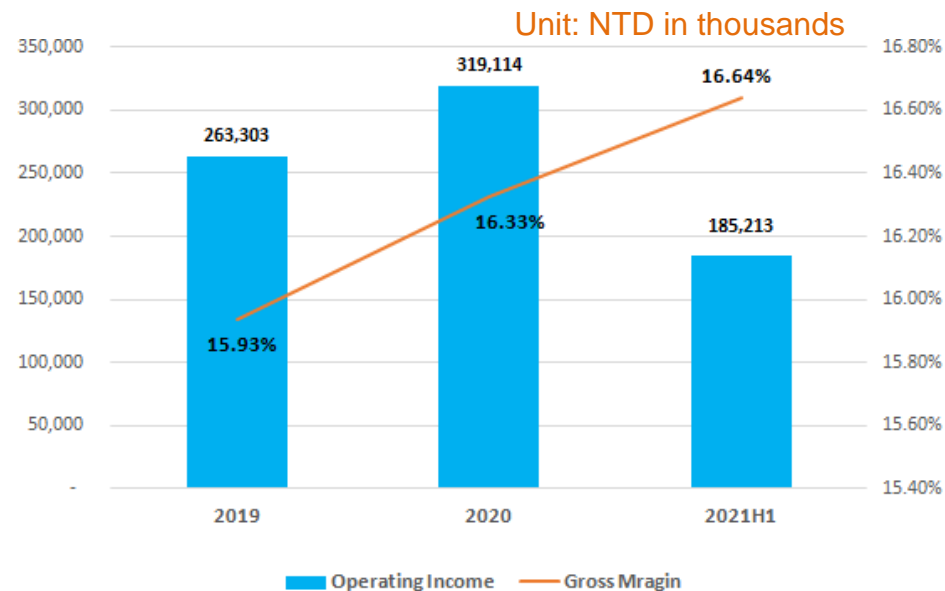
國際原廠客戶

Excelsior(Hemodialysis)

Revenue Ratio



Excelsior's operating income was NT \$ 319,114 thousands in 2020 and NT \$ 263,303 thousands in 2019; the growth rate was 21.2%. The greater profit in 2021 H1 than which of 2020 H1 is increased because of higher gross margin and control of operating expenses.

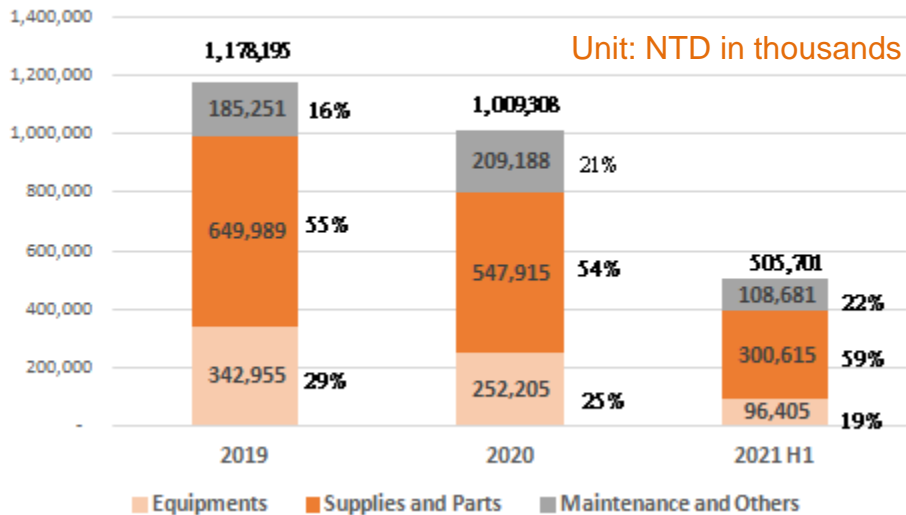


In 2021 H1, Excelsior's hemodialysis products accounted for 52% of its operating revenue, the surgical products accounted for 37%, the other products (blood bags, ostomy, preventive healthcare and home appliances) accounted for 11%. The greater revenues of 2021 H1 than which of 2020 H1 is due to the increase in sales of surgical products and blood bags.

In 2020 the sales of dialysis products increased by 0.7%, meanwhile the sales of surgical products increased by 5.0%. The overall operating revenue increased by 5.9%.

Dynamic(Aesthetic Medical)

Revenue Ratio

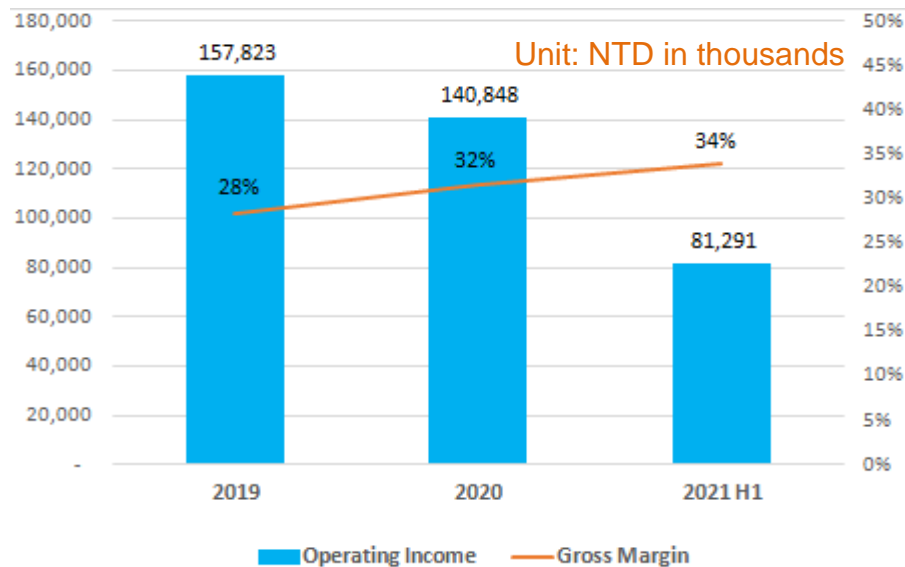


In 2021 H1, equipments accounted for 19% of the revenue, supplies and parts accounted for 59%, maintenance and others accounted for 22%. Revenues of 2021 H1 has increased compared with 2020H1. The revenue of 2020 was dropped since March due to COVID-19 epidemic while the revenue of 2021 H1 was increased since COVID-19 was under control and the sales of consumables and spare parts were increased.

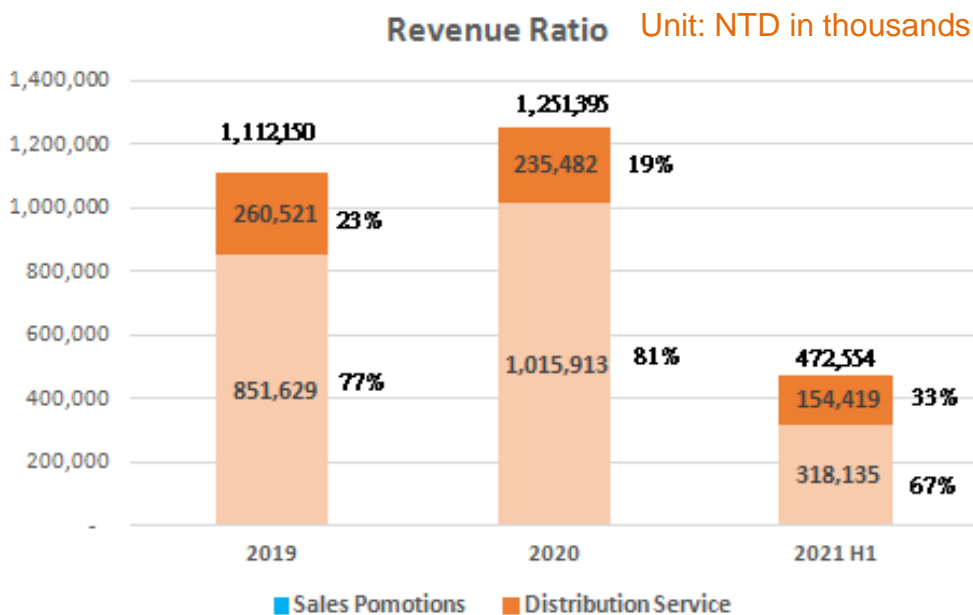
In comparison to 2019, revenues decreased by 14.3% in 2020: equipments -26.5%, supplies and parts -15.7%, maintenance and others +12.9%.

Operating income was NT \$ 140,848 thousands in 2020 and NT \$ 157,823 thousands in 2019 due to decline of revenues because of the pandemic. However, the company keeps optimizing the portfolio of products that leads to rise of gross margin offsetting the impacts from decline of revenues.

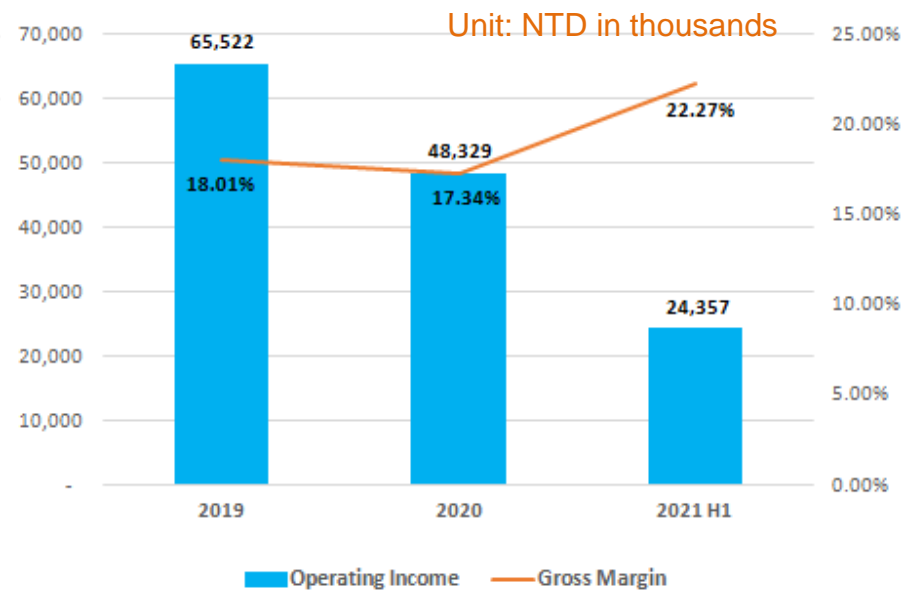
Operating Income of 2021 H1 has increased compared with 2020 H1. The revenue of 2020 was dropped since March due to COVID-19 epidemic while the revenue of 2021 H1 was increased since COVID-19 was under control and the business operation was gradually stabilized.



Arich (Pharmaceutical Logistics)



ARICH's operating income was NT\$ 48,329 thousands in 2020 and NT\$ 65,522 thousands in 2019, mainly due to employee stock subscription fees of cash capital increase in 2020, new storage rents and increased insurance premiums. Affected by COVID-19, ARICH's operating income in 2021 H1 was lower than 2020 H1.

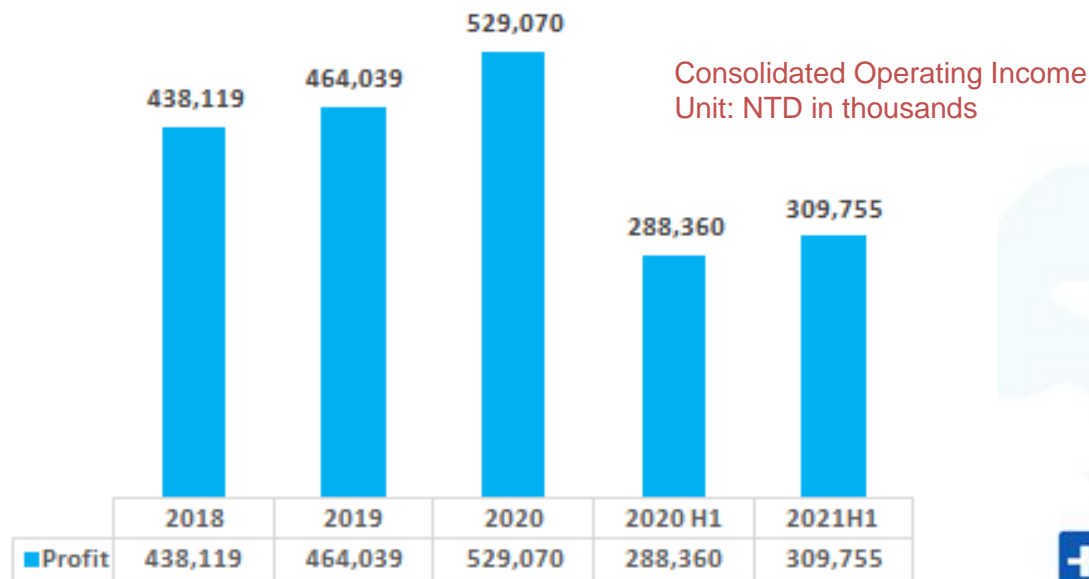
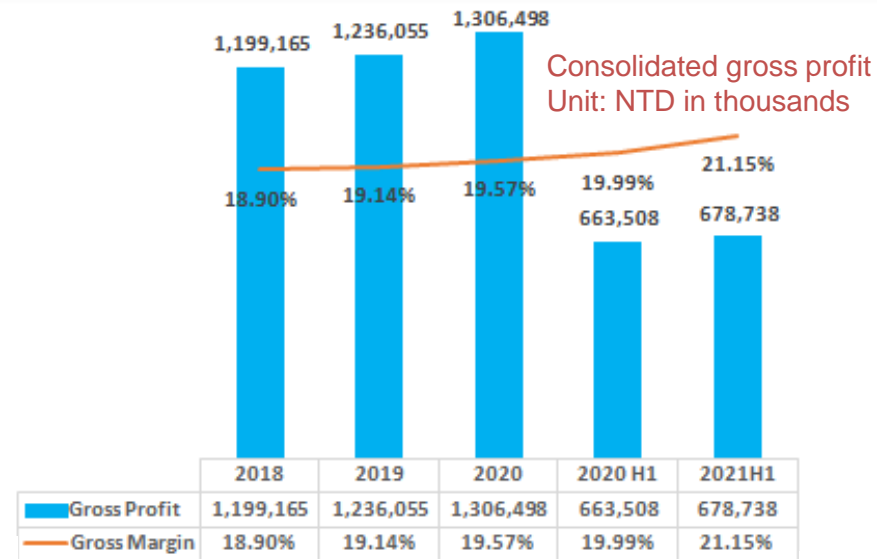
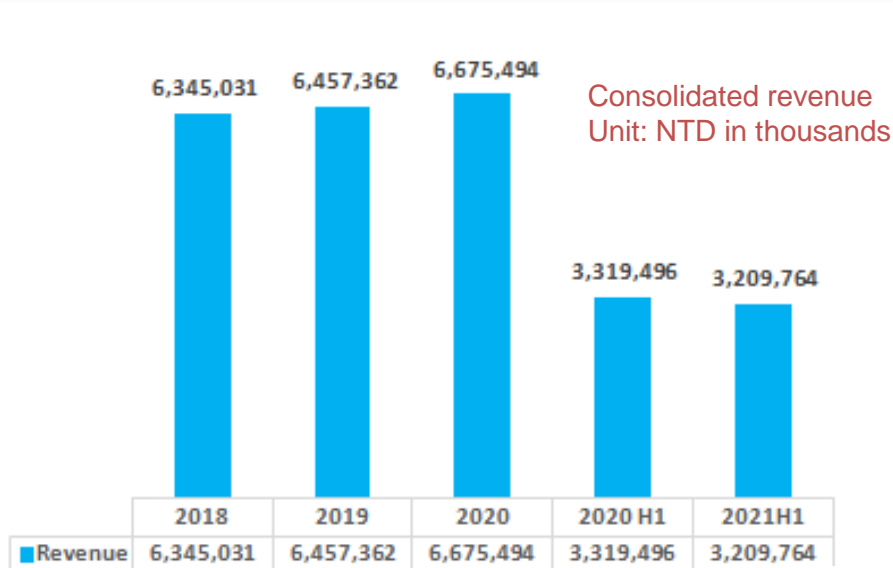


In 2021 H1, sales promotion revenue accounted for 67% of ARICH's operating revenue and distribution logistics revenue accounted for 33% of ARICH's operating revenue.

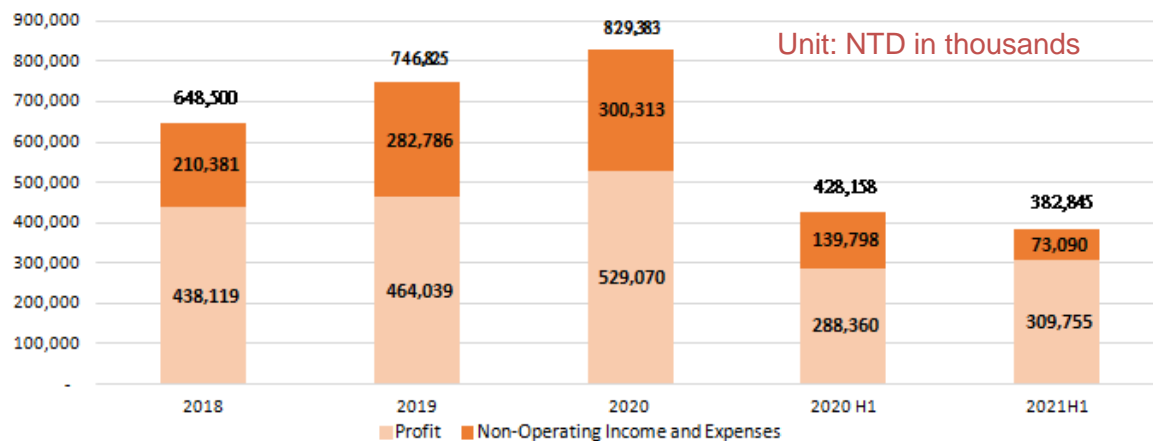
Affected by COVID-19, ARICH's operating revenue in 2021 H1 was lower than 2020 H1.

The increase in operating revenue in 2020, is mainly due to the increase in sales promotion revenue of PCV vaccine.

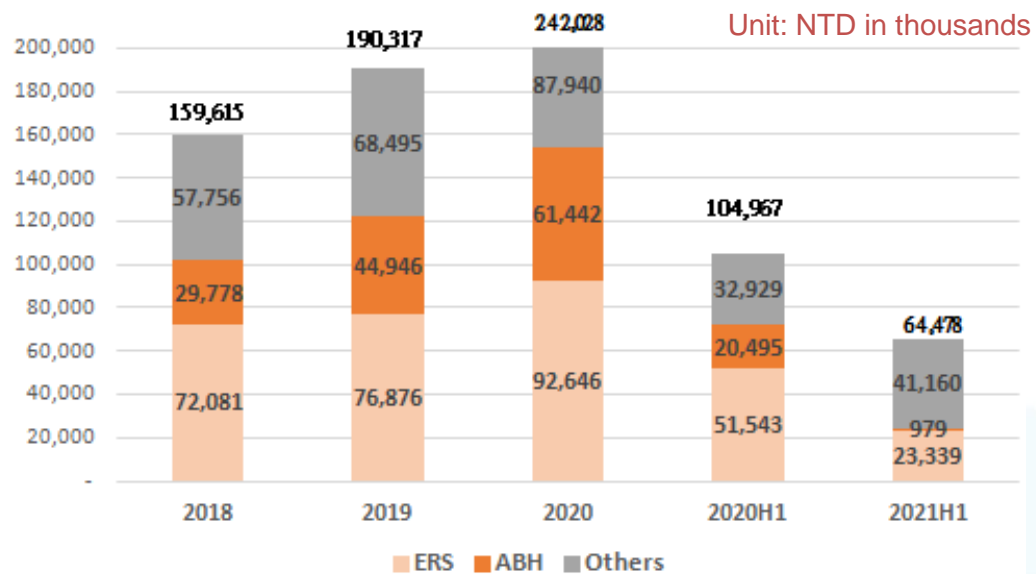
Financial Overview



Profit before Tax

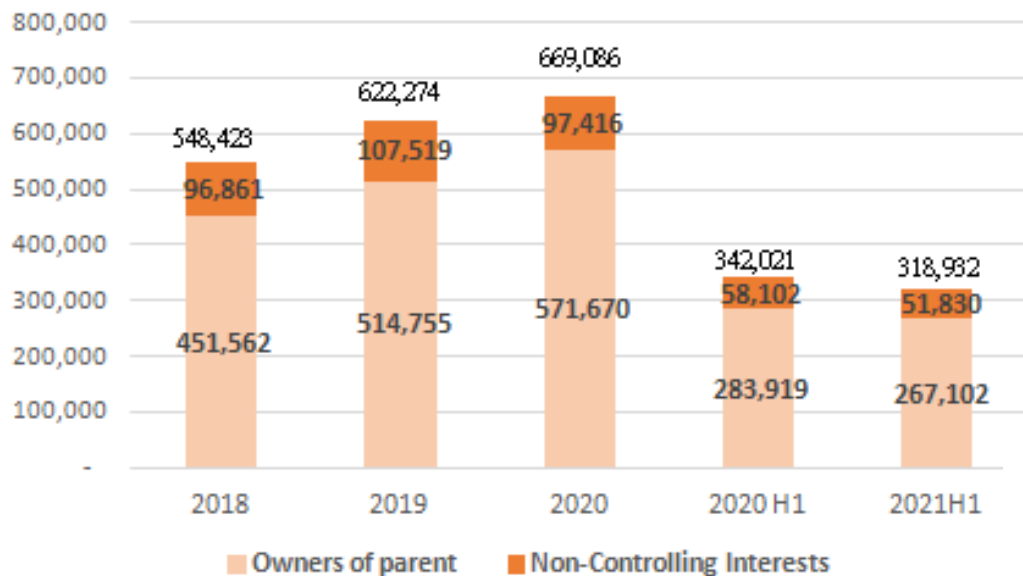


Investment Income

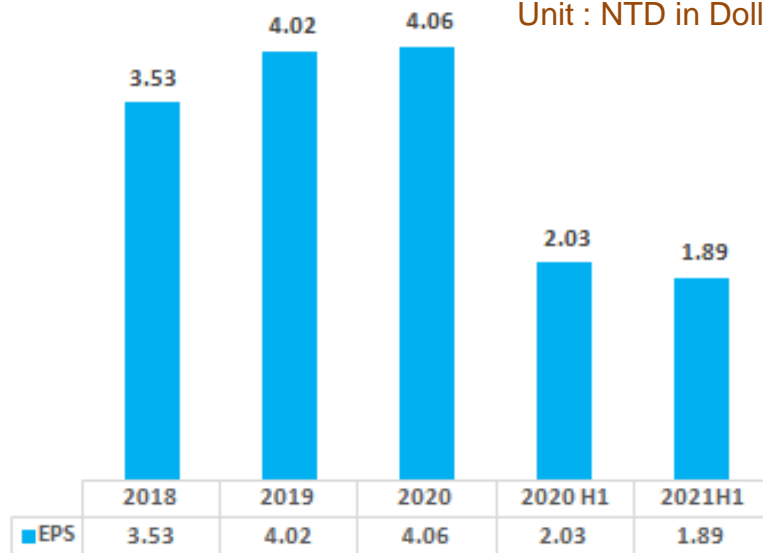


Profit after Tax

Unit: NTD in thousands



Unit : NTD in Dollars



Hemodialysis channel – Excelsior Renal Service Co., Limited & Jiate Excelsior Co., Ltd



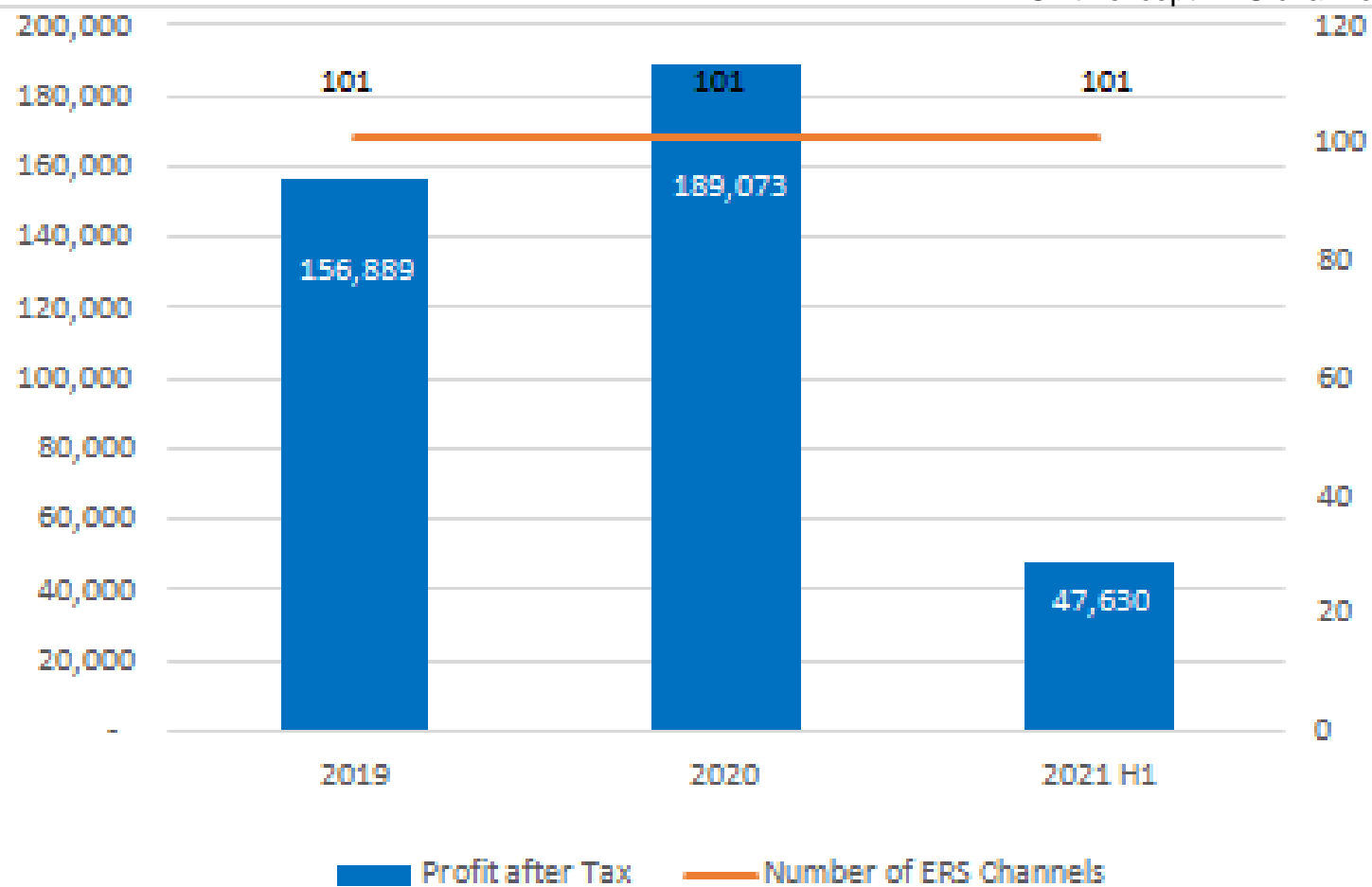
【 Hemodialysis channel Introduction 】

Excelsior has entered into a joint venture with Fresenius which is the world's largest manufacturer of dialysis products, and has established long-term cooperative relationship with more than 100 Hemodialysis Centers, also ERS is the largest professional medical services provider. Excelsior's professional hemodialysis team counsels dialysis Centers management, provides dialysis equipment and consumables with the best quality, professional training, and medical advisory team to help medical staff to provide the best care to patients with quality care and nutrition services.

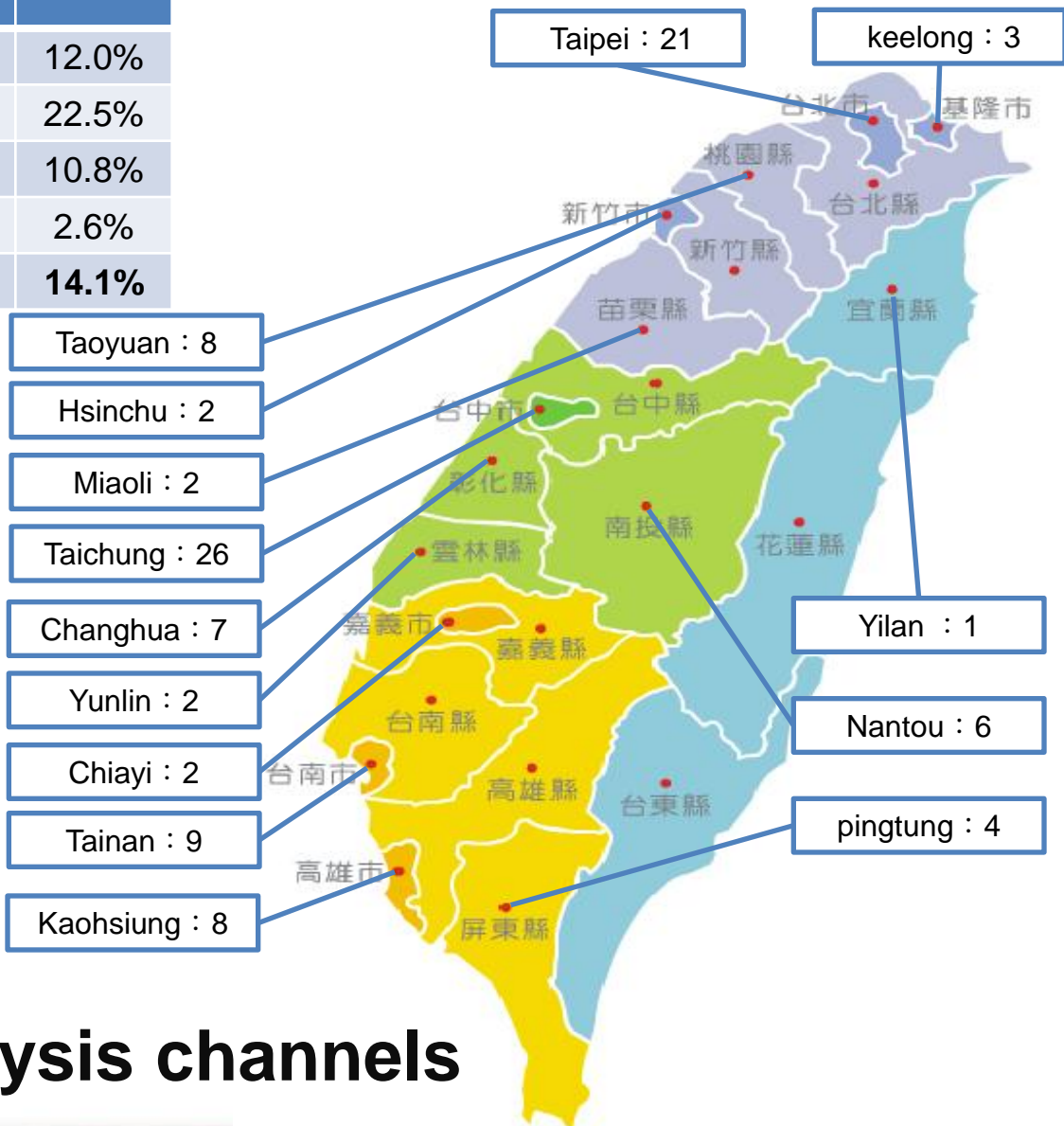


Hemodialysis channel – Excelsior Renal Service Co., Limited & Jiate Excelsior Co., Ltd

Unit : except ERS channels, NTD in thousands



| Area | Total channels | ERS channels | % |
|--------------|----------------|--------------|--------------|
| North | 284 | 34 | 12.0% |
| Central | 200 | 45 | 22.5% |
| South | 195 | 21 | 10.8% |
| other | 38 | 1 | 2.6% |
| Total | 717 | 101 | 14.1% |



Hemodialysis channels

Long-Term Care Channels– Asia Best Healthcare Co., Ltd.

Xi-zhi Nursing Home

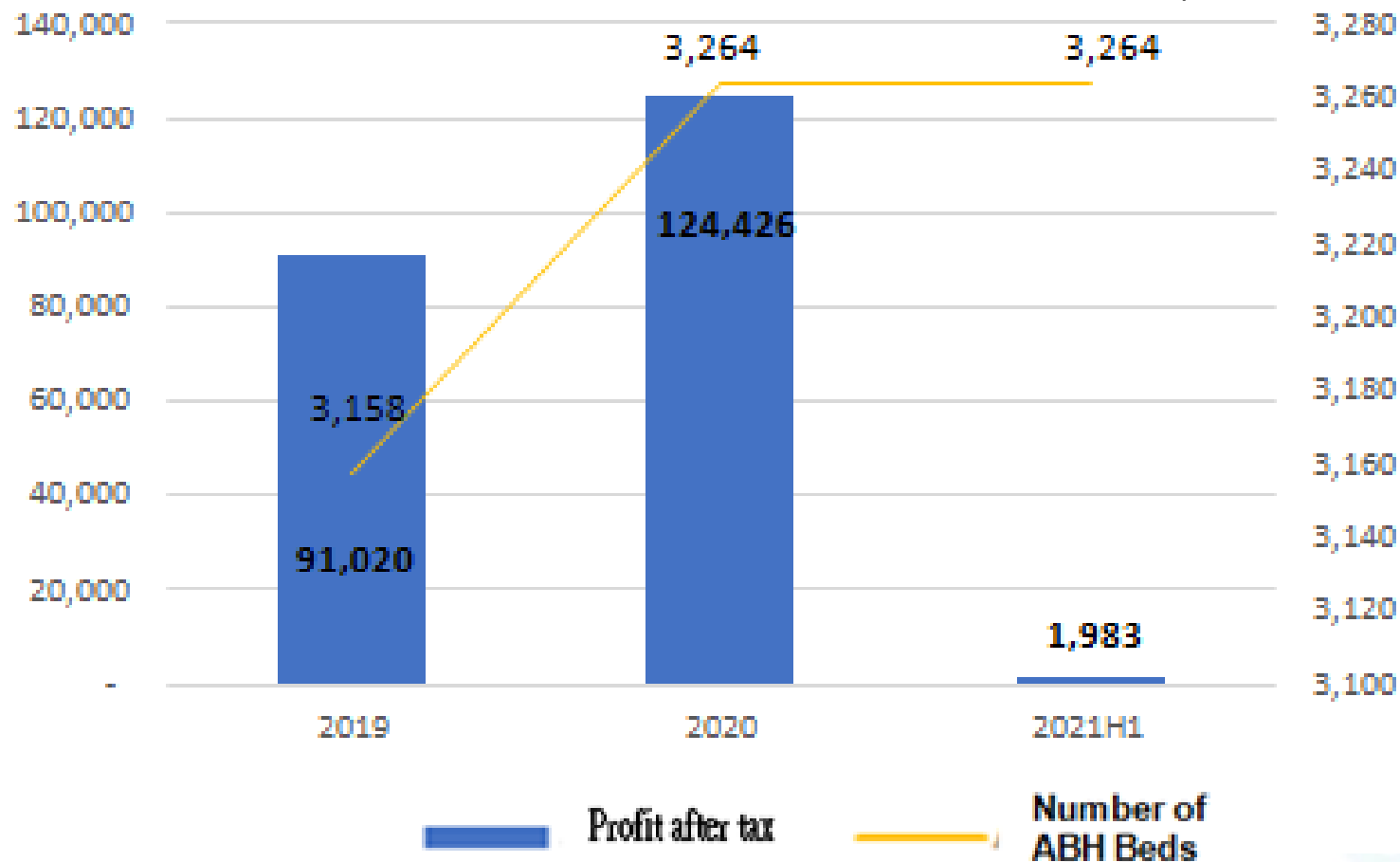


【 Long-Term Care Channels Introduction 】

Excelsior combines the experiences and advantages in the medical industry, with innovative concepts to build higher service standards of long-term care channels. We provide Long Term Care Facility Services and also provided Home-Based Care with professional medical care. Moreover, along with the implementation of the Ten-Year Long-term Care Program, we are now actively setting up a legal entity for long-term care. Together with daycare centers and medical clinics, we provide fine care for residents' health. Not only to enhance grading of care service for different levels, but we are also providing a care pattern that combines medical service with daily care. Furthermore, Excelsior long-term care centers have established a strengthening system with regional hospitals and medical centers to protect the residents of emergency medical requirements.

Long-Term Care Channels– Asia Best Healthcare Co., Ltd.

Unit: except ABH Beds, NTD in thousands



| Hospital/long-term care | Beds |
|-------------------------|--------------|
| Hospital | 532 |
| Long-term care | 2,732 |
| Total | 3,264 |

Long-term care channels

Xizhi



Ping-zhen



Tai-chung



Kaoh-siung



Keelung : 114 beds

Taoyuan : 204 beds

Taipei : 165 beds
New Taipei City : 1,292 beds

Taichung : 581 beds

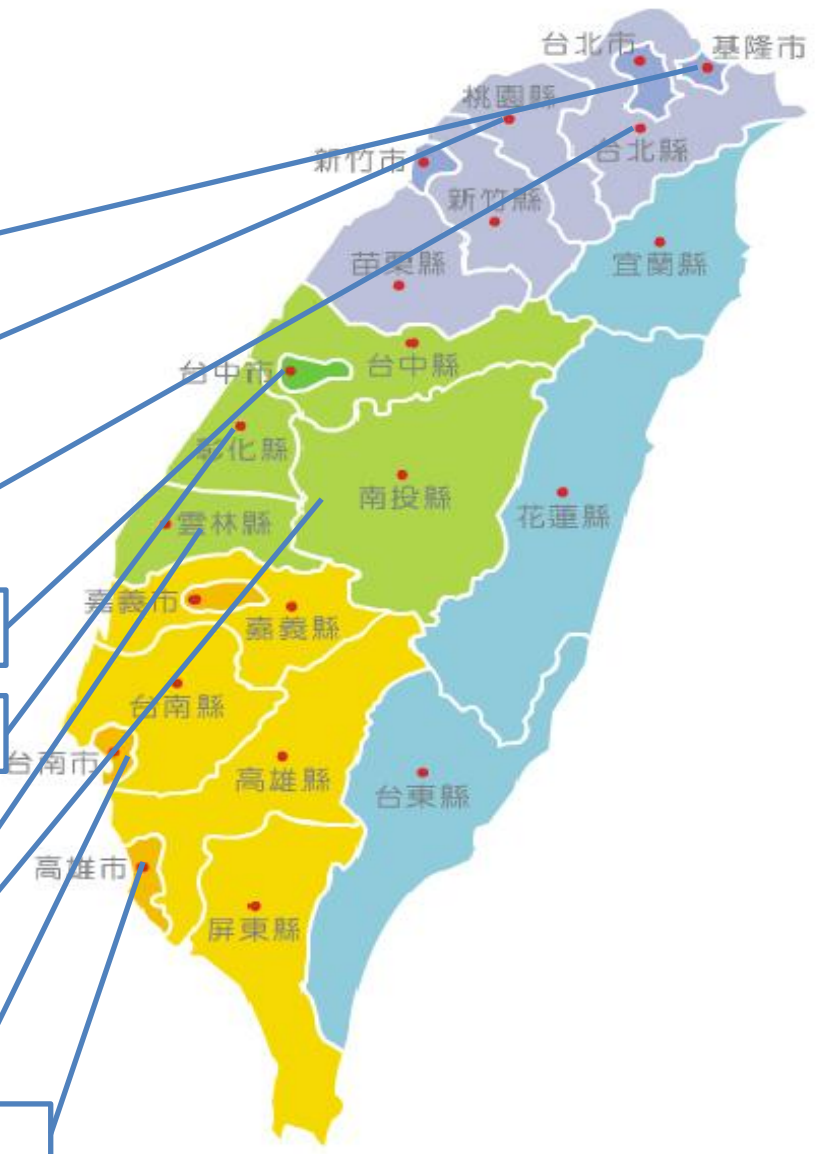
Changhua: 200 beds

Yunlin : 131 beds

Nantou : 294 beds

Tainan : 99 beds

Kaohsiung : 184 beds



Excelsior(Hemodialysis)

Short-Term Plan

In terms of hemodialysis, we will maintain the existing channels and scales of hemodialysis centers and increase the market shares of relevant devices and consumables. In addition, we will actively pursue for agency of medical products needed by other medical fields to develop diversified product marketing and sales.

Mid-Term Planning

- Externally, the Company will integrate medical resources, introduce competitive new products related to medical and health care, increase number of strategic partners, continue to expand medical channels, and to expand to the rest of Asia from our base in Taiwan to solidify a long-term, profitable basis.
- Internally, we will simplify the organizational structure to reduce various administrative and marketing costs and increase operation performance.

Long-Term Planning

Excelsior develops from Taiwan to Asia, and follows the government's direction "The New Southbound Policy", we will proceed to focus on Southeast Asia to lay a good foundation for long-term profit model.

Dynamic(Aesthetic Medical)



Arich (Pharmaceutical Logistics)

Short-Term Planning

1. Sales Promotion
 - A. Instruction medicine expand the product line to strengthen the coverage market.
 - B. Extend the channel of distribution from pharmacy to hospital.
2. Distribution Service
 - A. To stabilize relationship with key customers/pharmaceutical companies.
 - B. Ultra-low temperature cold chain.

Mid-Term Planning

1. Sales Promotion
 - Actively looking for the opportunity of promotion of new products.
2. Distribution Service
 - A. To find business opportunities in medical device logistic market.
 - B. Differentiation strategy, provide tailor-made service to fulfill customers' requirements.

Long-Term Planning

1. Sales Promotion
 - A. To seek strategic partners and to expand the variety of our products.
 - B. To integrate Excelsior group's dialysis and long term care centers and to enter into potential market.
2. Distribution Service
 - A. To establish an custom made logistic center according to Principal's request.
 - B. To keep investing in IT and warehousing system.

Appendix

Balance Sheet

| Unit: In thousands NTD | 2019.12.31 | 2020.12.31 | 2021.06.30 |
|---|-------------------|-------------------|-------------------|
| Assets | | | |
| Current Assets: | | | |
| Cash and cash equivalents | 2,828,776 | 2,618,464 | 2,787,869 |
| Receivables | 1,561,835 | 1,445,276 | 1,484,087 |
| Other receivables | 2,687,002 | 2,494,273 | 2,670,099 |
| Inventories | 853,185 | 851,236 | 873,528 |
| Other current assets | 683,887 | 1,092,551 | 1,213,915 |
| Total Current Assets | 8,614,685 | 8,501,800 | 9,029,498 |
| Non-Current Assets | | | |
| Non-current financial assets at fair value through other comprehensive income | 690,085 | 735,437 | 685,348 |
| Investments accounted for using equity method | 2,368,562 | 2,492,993 | 2,554,252 |
| Property, plant and equipment | 560,863 | 534,339 | 637,846 |
| Investment property, net | 788,628 | 1,005,090 | 1,022,819 |
| Other non-current assets | 742,161 | 734,973 | 689,001 |
| Total Non-Current Assets | 5,150,299 | 5,502,832 | 5,589,266 |
| Total Assets | 13,764,984 | 14,004,632 | 14,618,764 |

Balance Sheet

| Unit: In thousands NTD | 2019.12.31 | 2020.12.31 | 2021.06.30 |
|--|-------------------|-------------------|-------------------|
| Liabilities | | | |
| Current Liabilities | | | |
| Short- term borrowings | 1,212,967 | 404,498 | 360,926 |
| Payables | 1,059,278 | 882,266 | 920,283 |
| Other payables | 1,809,771 | 2,001,349 | 2,900,624 |
| Other current liabilities | 747,086 | 731,819 | 731,562 |
| Total Current Liabilities | 4,829,102 | 4,019,932 | 4,913,395 |
| Non-Current Liabilities | | | |
| Long- term borrowings | 644 | - | - |
| Other non- current assets | 303,326 | 404,996 | 364,589 |
| Total Non-Current Liabilities | 303,970 | 404,996 | 364,589 |
| Total Liabilities | 5,133,072 | 4,424,928 | 5,277,984 |
| Equity Attributable to Owners of Parent | | | |
| Share capital | 1,281,490 | 1,411,490 | 1,411,490 |
| Capital surplus | 2,816,807 | 3,276,107 | 3,276,107 |
| Retained earnings | 2,904,393 | 3,017,380 | 2,837,849 |
| Other equity | (56,349) | (114,080) | (114,359) |
| Total Equity Attributable to Owners of Parent | 6,946,341 | 7,590,897 | 7,411,087 |
| Non- controlling interests | 1,685,571 | 1,988,807 | 1,929,693 |
| Total Equity | 8,631,912 | 9,579,704 | 9,340,780 |
| Total Liabilities and Equity | 13,764,984 | 14,004,632 | 14,618,764 |

Statement of Comprehensive Income

| Unit: In thousands NTD | 2019 | 2020 | 2021 H1 |
|---|-----------|-----------|-----------|
| Operating revenue | 6,457,362 | 6,675,494 | 3,209,764 |
| Operating costs | 5,221,307 | 5,368,996 | 2,531,026 |
| Gross Profit | 1,236,055 | 1,306,498 | 678,738 |
| Gross Margin | 19.14% | 19.57% | 21.15% |
| Operating expenses | 772,016 | 777,428 | 368,983 |
| Operating Income | 464,039 | 529,070 | 309,755 |
| Non- operating income and expenses | 282,786 | 300,313 | 73,090 |
| Profit before tax | 746,825 | 829,383 | 382,845 |
| Tax expense | 124,551 | 160,297 | 63,913 |
| Net profit after tax | 622,274 | 669,086 | 318,932 |
| Net Profit Attributable to Owners of Parent | 514,755 | 571,670 | 267,102 |
| EPS (Dollars) | 4.02 | 4.06 | 1.89 |

Statements of Cash Flows

| Unit: In thousands NTD | 2019 | 2020 | 2021 H1 |
|---|------------------|----------------|----------------|
| Profit before tax | 746,825 | 829,383 | 382,845 |
| Adjustments | (108,145) | (98,489) | 31,251 |
| Cash Flows from Operating Activities | | | |
| Receivables (increase) decrease | 80,067 | 112,387 | (37,404) |
| Other receivables (increase) decrease | 1,085,152 | 196,476 | (71,057) |
| Inventories (increase) decrease | 149,014 | (36,471) | (43,439) |
| Payables increase (decrease) | 20,502 | (177,012) | 38,017 |
| Other payables increase (decrease) | (712,503) | 191,162 | 314,814 |
| Income taxes paid | (102,255) | (97,485) | (65,849) |
| Others | 35,839 | (50,518) | 52,454 |
| Net Cash Flows from Operating Activities | 1,194,496 | 869,433 | 601,632 |

Statements of Cash Flows

| Unit: In thousands NTD | 2019 | 2020 | 2021 H1 |
|--|------------------|------------------|------------------|
| Cash Flows from Investing Activities | | | |
| Acquisition of financial assets at amortized cost | (406,787) | (620,951) | (370,987) |
| Proceeds from disposal of financial assets at amortized cost | 113,666 | 365,699 | 213,601 |
| Net cash flow from acquisition of subsidiaries | (359,957) | - | - |
| Net cash flow from disposal of subsidiaries | 1,859 | - | - |
| Acquisition of property, plant and equipment | (51,275) | (30,716) | (144,716) |
| Proceeds from disposal of property, plant and equipment | 2,740 | 285 | 95 |
| Decrease (increase) in refundable deposits | (54,843) | 57,638 | (5,406) |
| Acquisition of investment properties | - | (209,877) | (21,267) |
| Decrease (increase) in other financial assets | 9,345 | (101,376) | (7,322) |
| Dividends received | 140,311 | 127,668 | 1,848 |
| Others | 62,721 | (3,220) | 19,382 |
| Net Cash Flows used in Investing Activities | (542,220) | (414,850) | (314,772) |

Statements of Cash Flows

| Unit: In thousands NTD | 2019 | 2020 | 2021 H1 |
|--|------------------|------------------|------------------|
| Cash Flows from Financing Activities | | | |
| Increase (decrease) in short- term borrowings | 74,867 | (808,469) | (43,572) |
| Repayments of long- term borrowings | (398,607) | (4,448) | (4,119) |
| Cash dividends paid | (384,447) | (465,792) | - |
| Capital increased by cash | - | 585,000 | - |
| Others | (176,747) | 90,425 | (40,731) |
| Net Cash Flows used in Financing Activities | (884,934) | (603,284) | (88,422) |
| Effect of exchange rate changes on cash and cash equivalents | (38,647) | (61,611) | (29,033) |
| Net increase (decrease) in cash and cash equivalents | (271,305) | (210,312) | 169,405 |
| Cash and Cash Equivalents at beginning of the period | 3,100,081 | 2,828,776 | 2,618,464 |
| Cash and Cash Equivalents at the end of the period | 2,828,776 | 2,618,464 | 2,787,869 |

Growing up with Long-term partners

Excelsior has been operating for 30 years, accumulated core competitiveness with new ideas created, new models to integrate various professional medical fields. Excelsior will keep taking root in the Asia market, the business scope includes Taiwan, Hong Kong, China, Philippines and Malaysia. Through continuously cooperate and integrate with long-term partners, Excelsior expects to become Asia's most valuable Integrated medical healthcare provider.





佳醫集團

亞洲最有價值 健康醫療產業投資經營團隊

www.excelsior.com.tw