



Example Investment Risk Profile

Reinforced by Advanced Scenario Planning

Pharmaceuticals & Biotech

High Level Outlook for Industries in Malaysia

Amplios

Amplios Consultants Pte Ltd,

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1. Executive Summary

Purpose

The purpose of this report is to summarize the results of the workshop for future studies attended by members of the education community in Kuala Lumpur with interest in biotechnology. The risk factors have now been updated to reflect recent developments in operational risk management.

The Investment Opportunity

The strong and steady development of the emerging economies has created a demand for new pharmaceutical products services of all kinds, however risks in the developed economies are of great concern.

Investment Required

The investment required for participation in the industry sector varies with the investor's strategy.

Return on Investment

Preliminary studies indicate that the return on investment in the industry sector may be attractive, but should be assessed only after detailed financial modeling has been done.

Risks

The main risks in the short term include the regulations requiring exhaustive field testing.

Recommendation

The result of our risk profiling study is a recommendation that the prospective investors should **proceed with caution** to the strategy development stage. This should however still involve discussions with all stakeholders.

Details are given overleaf.



The threat of global food shortages is growing.



Regulations are becoming more stringent and expensive.

Overview of Risk Profile

To arrive at our recommendation ***proceed with caution***, we have assessed more than 100 relevant future events using our copyright ***Rapid Due Diligence*** methodology. The details of the calculations and assumptions are shown in the graphic below:

The Futurist Institute

Global Scenario Snapshot

Strategic Foresight

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Purpose: to demonstrate the application of scenario building via estimation of future events

Select events and trends from the drop-down lists. For events that are a consequence of the one above, select "F".

Select Risk Probability (High,Medium,Low) Impact (Positive,Negative), Degree of Impact (High Medium,Low)

To indicate those events within management's control, select "C". (Control has no effect on score.)

The overall score combined with the bar chart shows the overall sense of risk.

To edit the events labels, click on the "Edit Events" tab. Both tabs are visible together. To edit trend labels, click on the

The recommendation changes as the overall score changes from positive to negative. When your data entry is complete, enter "Yes" here:

Yes

Controllable =

Global Scenario Snapshot - Top 10 Events										Score out of 100 =				17.2	
Row	Event No.	Event Label	Trend	F	P	D	I	C	Score	<Negative Positive>					
1	2	USA & EU markets size	- increasing	I	H	M	P	U	40.0						
2	3	USA & EU markets regulation	- improving	I	M	M	P	U	25.0						
3	4	Emerging Markets cost competitiveness	- improving	I	H	H	P	C	64.0						
4	5	EM speed to market	- improving	I	M	M	P	C	25.0						
5	6	access to global capital	- improving	I	H	H	P	U	64.0						
6	8	market share of vaccines	- increasing	I	M	M	P	U	25.0						
7	10	emergence of "western" diseases	- increasing	I	L	L	P	U	4.0						
8	12	pricing pressure and controls	- increasing	I	M	M	N	U	-25.0						
9	14	delays in registration	- increasing	I	M	M	N	U	-25.0						
10	15	cost of stainless steel facilities	- rising	I	M	M	N	U	-25.0						
* F =Follows, P= Probability of occurrence, I= Impact, D= Degree, C= Controllability										Recommendation:		Proceed with caution			

Our Rapid Due Diligence methodology has allowed us to generate a high level summary report as shown below:

Event

Summary Report from Rapid Due Diligence

- 1
For this research topic, the most important issue will be USA & EU markets size, which is most likely to be increasing.
The probability of this occurring during the investment timeframe is high.
This will have a medium positive impact on our business case which will be beyond our control.
- 2
Another independent issue will be USA & EU markets regulation which is most likely to be improving.
The probability of this occurring during the investment timeframe is medium.
This will have a high positive impact on our business case which will be beyond our control.
- 3
Another independent issue will be Emerging Markets cost competitiveness which is most likely to be improving.
The probability of this occurring during the investment timeframe is high.
This will have a high positive impact on our business case which will be within our control.
- 4
Another independent issue will be EM speed to market which is most likely to be improving.
The probability of this occurring during the investment timeframe is medium.
This will have a medium positive impact on our business case which will be within our control.
- 5
Another independent issue will be access to global capital which is most likely to be improving.
The probability of this occurring during the investment timeframe is high.
This will have a high positive impact on our business case which will be beyond our control.
- 6
Another independent issue will be market share of vaccines which is most likely to be increasing.

The probability of this occurring during the investment timeframe is medium.

This will have a medium positive impact on our business case which will be beyond our control.

- 7
Another independent issue will be emergence of "western" diseases which is most likely to be increasing.
The probability of this occurring during the investment timeframe is low.
This will have a low positive impact on our business case which will be beyond our control.
- 8
Another independent issue will be pricing pressure and controls which is most likely to be increasing.
The probability of this occurring during the investment timeframe is medium.
This will have a medium negative impact on our business case which will be beyond our control.
- 9
Another independent issue will be delays in registration which is most likely to be increasing.
The probability of this occurring during the investment timeframe is medium.
This will have a medium negative impact on our business case which will be beyond our control.
- 10
Another independent issue will be cost of stainless steel facilities which is most likely to be rising.
The probability of this occurring during the investment timeframe is medium.
This will have a medium negative impact on our business case which will be beyond our control.

Summary

A combined risk factor for this set of related future events as per the Amplios Strategic Foresight Risk Index is, on a scale of -100 to +100, positive 17.