



维亚生物科技控股集团

VIVA BIOTECH HOLDINGS

(於開曼群島註冊成立的獲豁免有限公司)

股票代码: 1873

Viva Biotech

2021 Interim Results Presentation



Forward-looking Statements

The statements contained herein may contain certain forward-looking statements relating to the Group that are not historical facts but forecasts about future events based on the beliefs of the Group's management as well as assumptions made by and information currently available to the Group's management. Regardless of the Group's belief in the legitimacy of such forecasts, forward-looking statements contained herein may or may not be valid thereupon due to uncertainties in such future events. Such forward-looking statements are subject to risks including workable competitiveness of services provided by the Group, the Group's ability to keep to its schedule of service expansion and to protect intellectual properties of clients, competition in the industry, emergencies as well as impacts of force majeure events. Accordingly, reliance on such forward-looking statements involves known and unknown risks. All forward-looking statements contained herein shall be in regard to this part of reminder. All information contained herein speaks only as of the date of this material and is based on assumptions made on that date. The Group does not undertake obligation to update, revise or affirm any such forward-looking statements unless required by law.

Non- International Financial Reporting Standards

To supplement the Group's consolidated financial statements which are presented in accordance with the International Financial Reporting Standards ("IFRS"), the Company has provided adjusted Non-IFRS net profit, adjusted Non-IFRS net profit margin, and adjusted Non-IFRS earnings per share (excluding fair value loss on financial liabilities at FVTPL, interest expenses of the debt components of the Convertible Bonds, transaction costs relating to the derivative component of the Convertible Bonds, gain on repurchase of the Convertible Bonds, non-recurring loss on disposal of fixed assets, amortization of fair value increment in acquired assets transaction costs relating to the acquisition and listing expenses) as additional financial measures, which are not required by, or presented in accordance with, the IFRS. The Company believes that the adjusted Non-IFRS financial measures are useful for understanding and assessing underlying business performance and operating trends, and that the Company's management and investors may benefit from referring to these adjusted financial measures in assessing the Group's financial performance by eliminating the impact of certain unusual and non-recurring items that the Group does not consider indicative of the performance of the Group's business. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRS. You should not view the adjusted results on a stand-alone basis or as a substitute for results under the IFRS. The company provided detailed net profit to Non-IFRS net profit reconciliation in the appendix for reference.

2021 H1 Business Highlights

Internal Growth and Integration An Integrated drug discovery service and production platform

Business Highlights

- Revenue: RMB **1026.5 million**, **+419.5%** YoY
- Gross profit margin: RMB **316.3 million**, **+216%** YoY
- Adjusted net profit: RMB **204.9 million**, **+65.6%** YoY
- Adjusted basic earnings per share: RMB **0.11**

CDMO

- Langhua's 2021 H1 revenue: RMB **705 million**
- Clients: **759** (cumulative)
- Revenue from CDMO business: RMB **415 million**,
Growing together with gross profit margin
- Investment in R&D Center: RMB **56 million**
for building CMC R&D Center and developing formulation platform
- **Client solicitation** between CMC-CDMO is initially launched

Rapid Growth in CRO

- Revenue: RMB **321 million**, **+62.5%** YoY
- Clients: **936** (cumulative)
- Independent drug targets: **+172**
- Protein structures: **+5168**
- Order backlog: **+72%** to RMB **848 million**
- Top 10 customers constituted **31.9%**
- Client retention ratio: **93.4%**

EFS Incubation

- Completed **10** investments, **8** companies finished a new round of financing, raising over **US \$200 million**
- Pipeline projects of incubation companies: **140**, of which **18** **had entered into clinical stage**
- **Totient** and synthetic biology company **AbSci** reached the acquisition agreement

PART 1: CRO-CDMO

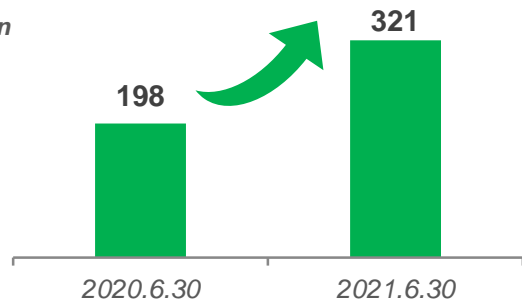
One-stop Platform



CRO: Drug Discovery Services with Rapid Growth

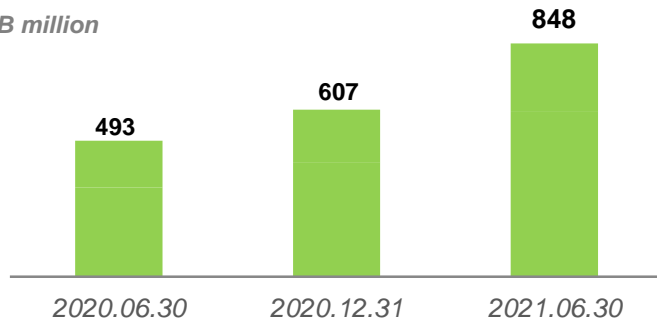
Revenue from drug discovery services +62.5% YoY

RMB million



Backlog Growth +72% YoY

RMB million



No. of targets and protein structures delivered both achieved record high

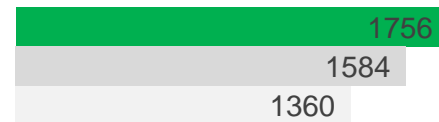


Independent targets : +172
Cumulative total: 1756

2021.06.30

2020.12.31

2020.06.30

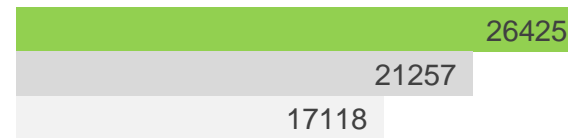


Protein structures : +5168
Cumulative total: 26425

2021.06.30

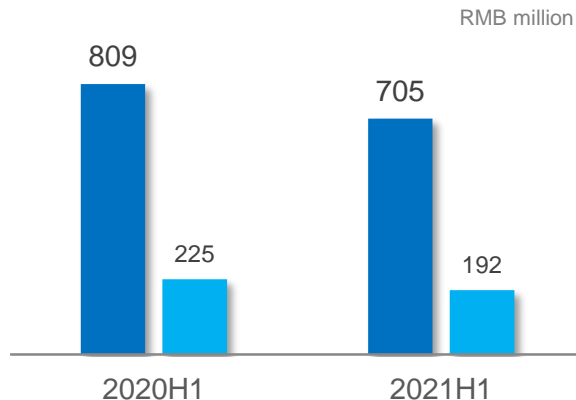
2020.12.31

2020.06.30



CDMO (Langhua Pharmaceutical): Diverting Clients, Increased CapEx in Production Capacities

Revenue & Adjusted Gross Profit (Langhua Pharmaceutical)



Langhua's total revenue: **RMB705 million**, a slight decline from RMB809 million YoY, mainly due to over-achievement of last year caused by pandemic plus the impact of exchange rates and adjustment of production structures.

Increased R&D investment, And new CMC center

Production capacity expected to achieve **900+m³**

Investment in R&D centers: **RMB56 million**, mainly used for purchasing equipment and lab construction and a GMP formulation plant

CMC R&D Center of approx. **10000 m²** and **GMP formulation plant and R&D production Center** of **3000 m²** will be put into use in November

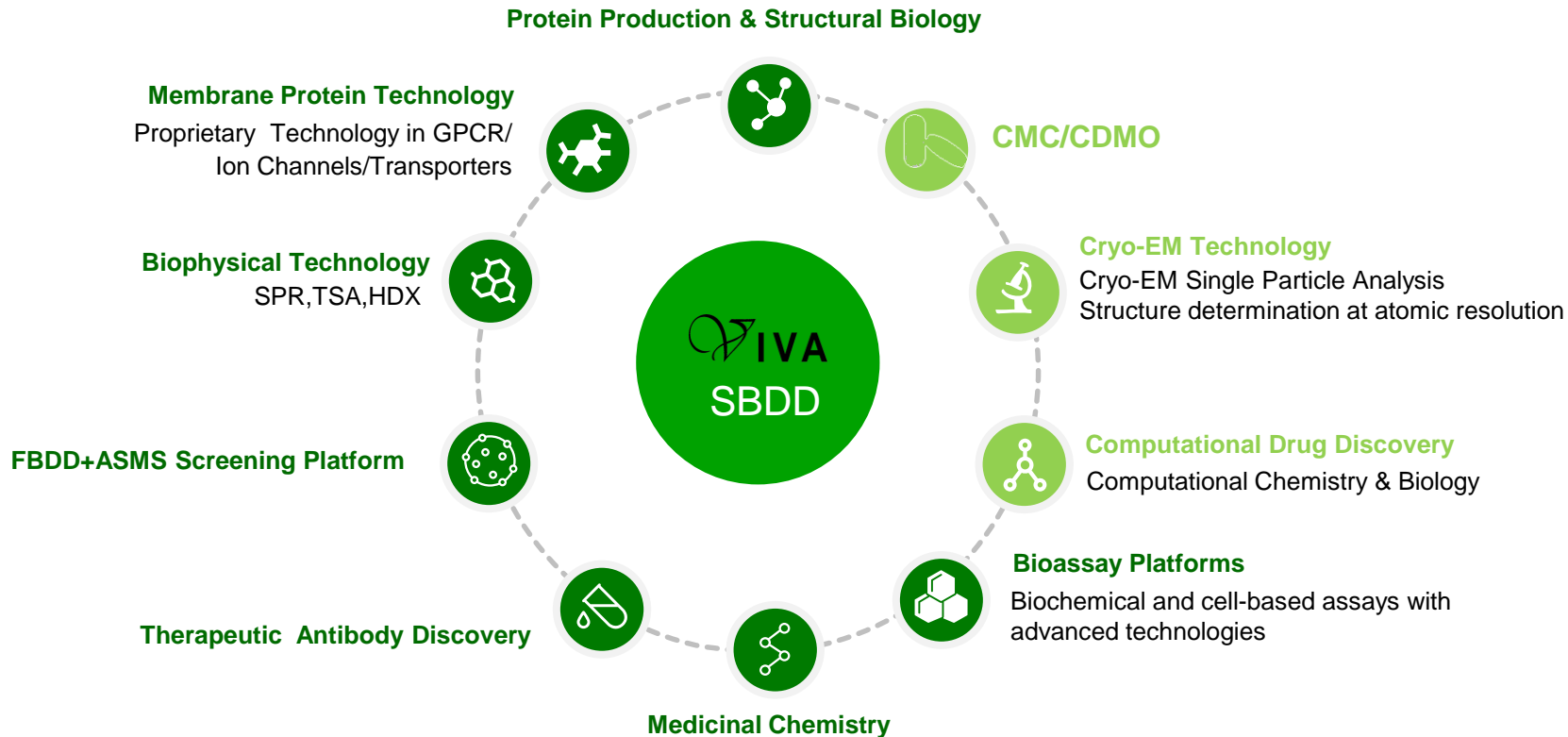
Diverting clients from CRO

With **completion of CMC R&D Center** in 2021 H2, expect to initially create a **conversion funnel** of orders from front-end projects

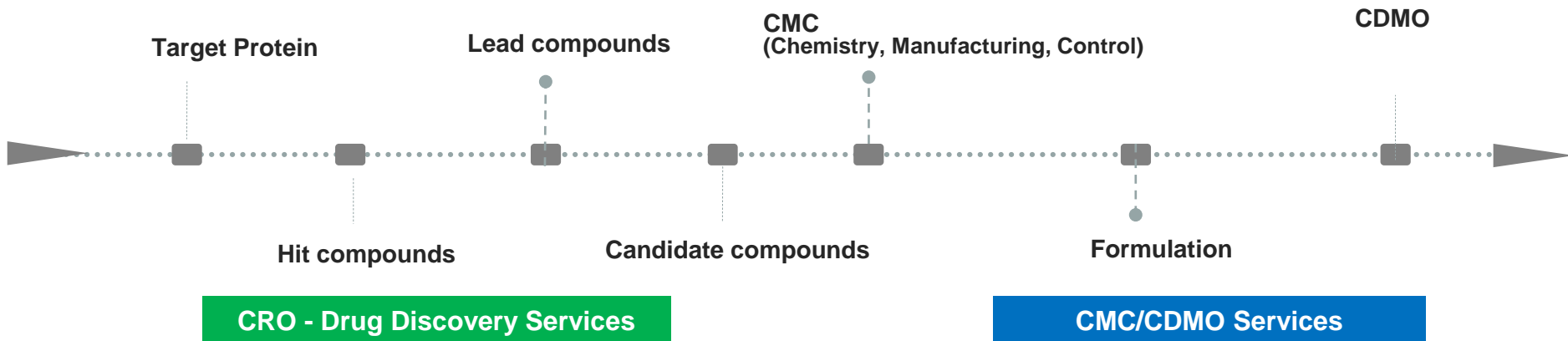
Example of client solicitation:
Scale-up production of **VivaVision's VVN001** clinical sample

Technology Barriers, Service Capabilities as a One-stop Platform

2021 H1 R&D cost: RMB37.5 million, approx. +67.9% YoY



Technology Barriers, Service Capabilities as a One-stop Platform

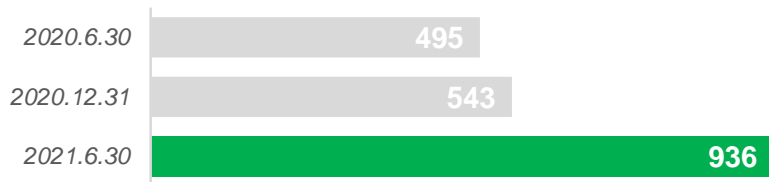


- **Cryo-EM: Micro ED technology**
- **Computational Pharmaceutical: AI Assisted Drug Discovery**
- **Synthetic Chemistry: Flow Chemistry & Photochemical Reaction Platform**
- **Therapeutic Antibody Discovery: Yeast Display, Nanobody (VHH) Tech, Bispecific Antibody**

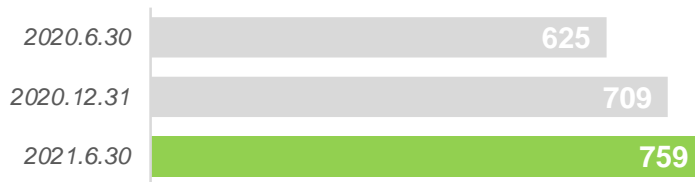
- Enhance **Flow Chemistry** and **Catalyst & Ligand Screening Platform**
- Expand **Oral Product Production Lines, Injectable Dosage Form Development Capability**
- Establish and verify technological platform for **Amorphous Solid Dispersion**
- **Further enhance automated manufacturing**

More Diversified Revenue Structure

CFS - No. of drug discovery clients



CFS – No. of CDMO clients



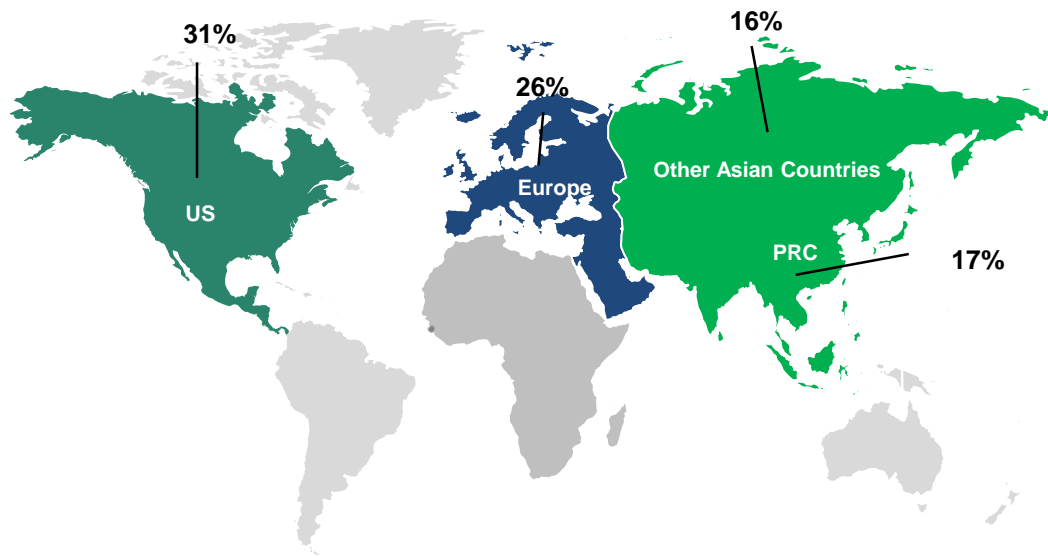
More diversified revenue structure Driven by novel drug clients from China

- Top 10 customers accounted for **31.9%** of revenue (vs. **41.5%** for corresponding period last year)
- USA clients constituted **74%** of revenue
- **Revenue from Chinese Area +91.4% YoY, accounting for 16% of total revenue**

CDMO revenue by regions

- Top 10 customers' proportion **dropped to 58.7%** (vs. **62%** for corresponding period last year)
- European Area: **35%**
- North American Area: **12%**
- **China Area: Rocketed from 9% to 17%**

More Pluralistic Client Structure, Strengthen Marketing Efforts to Acquire New Business Opportunities



The Group's total no. of clients: **1695**, Mainly located in North America, Europe and Asia.

Marketing of the CRO-CMC-CDMO integrated platform, participated in **64** meetings in 2021 H1 and brought cross-selling business opportunities internally.

Selling expenses of **RMB34.7 million** in 2021 H1.

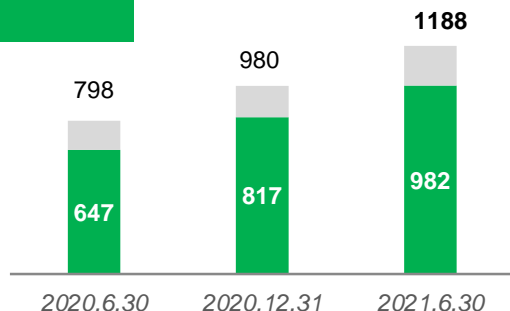


Fast Expansion of Staff & Facilities

New R&D Center and Capacity Expansion

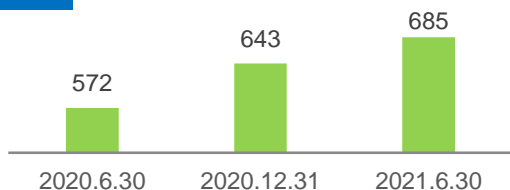
The Group's total employees: **1873** (30 June 2021)
2168 (30 August 2021)

CRO Staff



Proportion of R&D Staff reached 82.7%

CDMO Staff



Total no. of employees grew steadily
with doubled R&D staff

Viva Biotech New Headquarter, Shanghai:

- The Group's new headquarters in Zhoupu will be put into operation in late 2021 with a laboratory area of approx. **36328 sq.m.**
- Construction of the **GMP formulation plant and R&D production center** with over **3000 sq.m.** was completed and expected to initiate pilot production soon.
- Incubation Center in Faladi Road, Shanghai has been fully put into operation in the first quarter with an office area of approx. **2000 sq.m.** and a laboratory area of approx. **6000 sq.m.**

Chengdu, Sichuan

- Laboratory area covering **12000 sq.m.** will be put into use by the end of October.

Langhua Taizhou Plant, Zhejiang:

- Capacity expected to achieve **900+m³** by the end of 2021
- T02 production facility has completed the construction of its principal part and entered equipment installation stage
- T10 multifunction production facility has entered debugging and acceptance stage

Viva Drug Discovery Incubation Center, Hangzhou:

- Total area of 40 mu, with approx. **77500 sq.m.**
- Construction started in July

PART 2: Investment & Incubation



EFS, Covering Multiple Disease Area

- Reviewed **433** projects globally, added **8** biotech companies into the portfolio
- Made additional investment in **2** exiting portfolio companies in 2021 H1.

AiexplorerBio
索智生物

GP GEN
HOUSE 医药

<DORIAN
THERAPEUTICS

Ribogenics

ARGONAUT
genomics

Natural Killer
Therapeutics Inc.

FUSEBIO
THERAPEUTICS

absci.

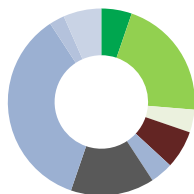
DTX
PHARMA

TOTIENT

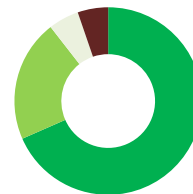
- As of June 30, 2021, invested in a total of **75 portfolio companies with an average equity holding around 18.41%.**



■ Small molecule
■ Biologics
■ Genes / Cell Therapy
■ Others



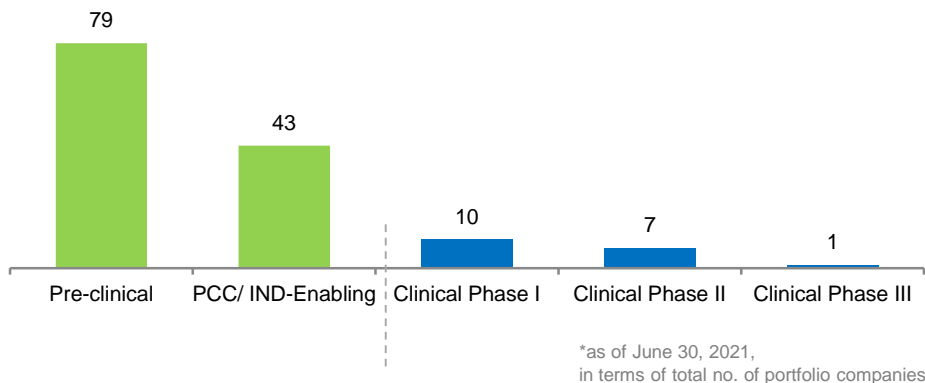
■ CVD
■ CNS
■ Immune
■ Metabolic
■ Ophthalmic
■ Cancer
■ Infection
■ Dermal
■ Others



■ North America
■ PRC
■ Europe
■ Canada

Pipeline Expansion & Financing

140 pipeline projects in portfolio companies



- Approx. **44% of pipeline projects** has entered PCC/IND-enabling stage;
- **18 pipelines** has entered clinical stage;
- **8** portfolio companies finished a new round of financing,
- Raising over **US \$200 million** in total



- ANJ900 is about to initiate phase III clinical trial;
- ANJ908 entered phase II clinical trial



- **Complete Series A financing**



- **Completed Series B financing for US \$ 100 million**



- VVN001 entered phase II clinical trial
- **Series D financing raised RMB300 million**



- Published phase II clinical data of AR882



- Two pipeline projects entered phase II clinical trial



- 1st dose given in Phase I clinical trial
- **Completed Series A financing**



- **Completed Series C1 financing**

EFS Portfolio Companies - *Totient & Arthrosi*

The logo for AbSci, featuring the word "absci" in a lowercase, red, sans-serif font.The logo for Totient, featuring a blue circular icon with a white stylized 'T' inside, followed by the word "TOTIENT" in a blue, uppercase, sans-serif font.

June, 2021: Synthetic biology company **AbSci Corporation** (*NASDAQ:ABSI*) announced to reach an **acquisition agreement with Totient Inc.**

The logo for Arthrosi Therapeutics, Inc., featuring the word "Arthrosi" in a red, italicized, sans-serif font, with "THERAPEUTICS, INC." in a smaller, blue, uppercase, sans-serif font below it, and a blue stylized feather icon to the right.The logo for Yipinhong Pharmacy, featuring a red stylized icon of three circles to the left of the Chinese characters "一品红" and the English name "ApicHope" in a red, sans-serif font.

July, 2021: **Arthrosi Therapeutics, Inc.** announced strategic collaboration with **Yipinhong Pharmacy Limited co.,Ltd.** on 2 novel drugs.

The logo for Totient, featuring a blue circular icon with a white stylized 'T' inside, followed by the word "TOTIENT" in a blue, uppercase, sans-serif font.

Dedicate to enabling next generation cell therapies and other therapeutic modalities by building the largest library of human-derived antibodies to novel and known tissue-specific antigens.

The logo for Arthrosi Therapeutics, Inc., featuring the word "Arthrosi" in a red, italicized, sans-serif font, with "THERAPEUTICS, INC." in a smaller, blue, uppercase, sans-serif font below it, and a blue stylized feather icon to the right.

Focuses on R&D of urate-lowering drugs and those targeting hyperuricemia-related diseases. Current R&D pipeline mainly consists of gout drug AR882 and anti-cancer drug AR035.

Awards & Branding Events

2021.1

Awarded “**Best Small and Medium Market Value Company**” in Golden Hong Kong Stocks Awards

2021.4

Awarded Frost & Sullivan “**2021 Greater China CRO Entrepreneurial Company of the Year**”

2021.5

Included in the **MSCI China Small Index Constituent Stocks**

2021.6

Awarded “**Golden List – Company with TOP Growth Potential**” by XueQiu (雪球)

2021.7

Viva BioInnovator received one of the first “**Great Enterprise Open Innovation Center**” (“GOI”) list in Pudong New District

2021.3

2nd Viva Biotech Partnership Summit

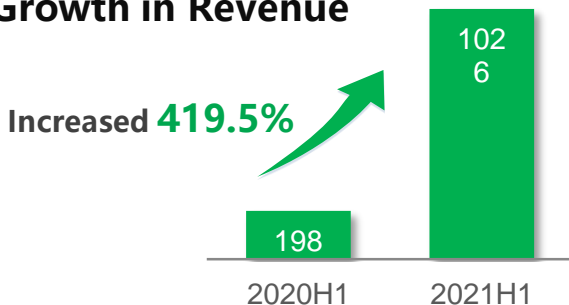


PART 3: Financial Performance

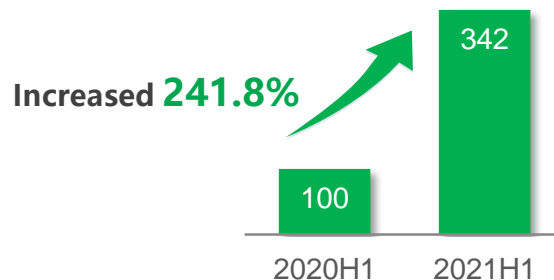


Financial Performance of The Group

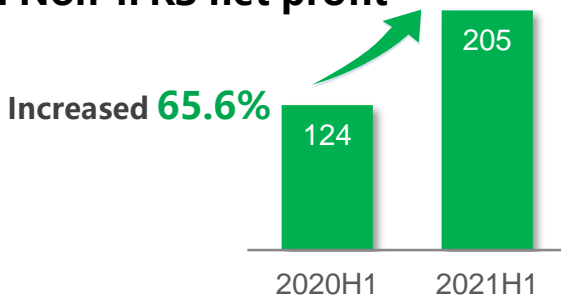
Rapid Growth in Revenue



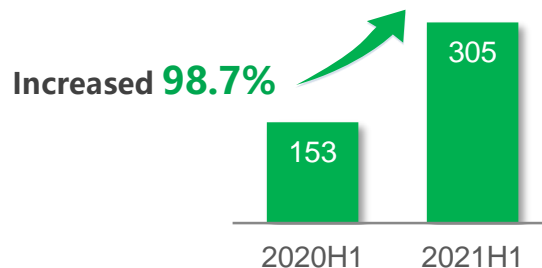
Adjusted Gross Profit



Adjusted Non-IFRS net profit

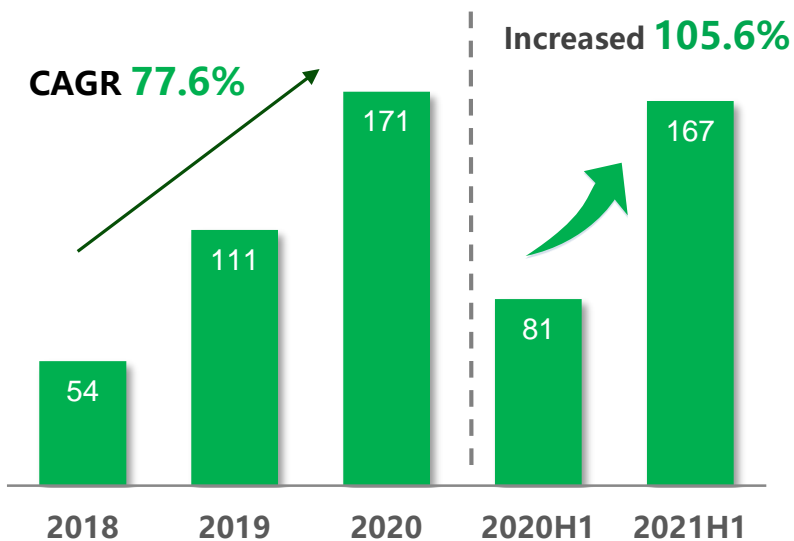


Adjusted EBITDA

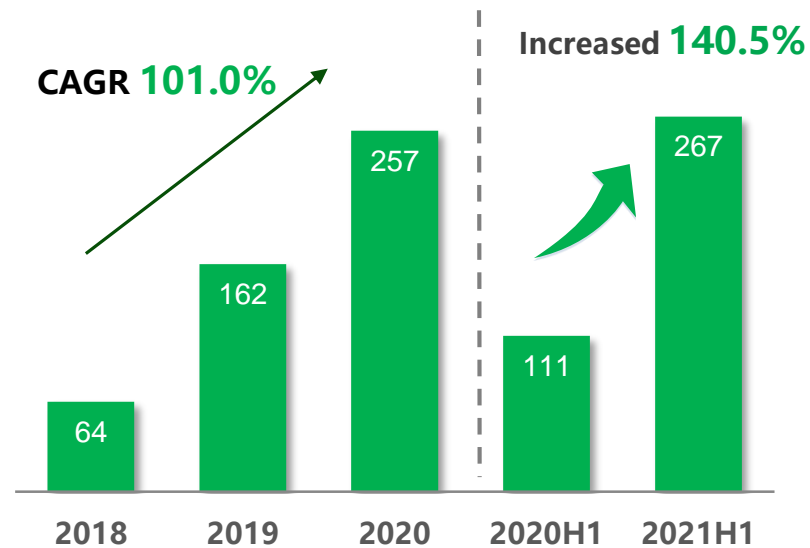


CRO&CDMO Financial Performance

Adjusted net profit

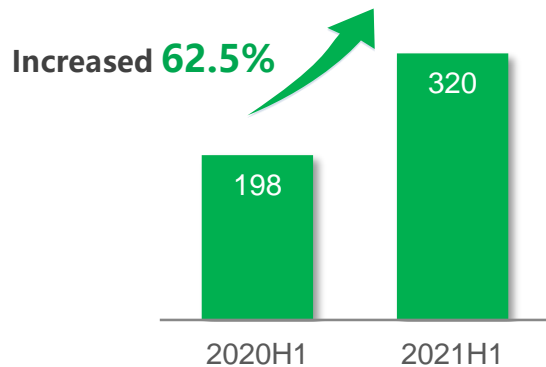


Adjusted EBITDA

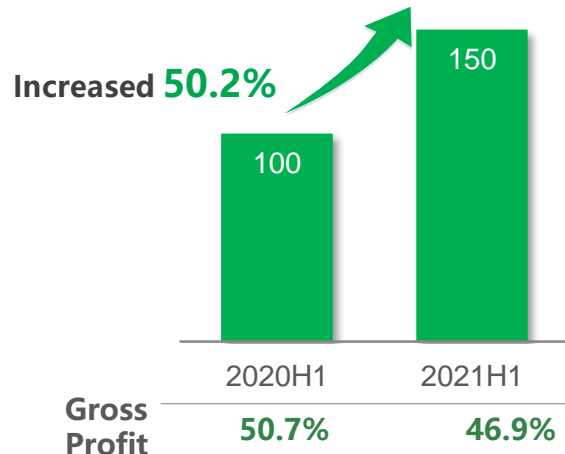


CRO BU Financial Statistics

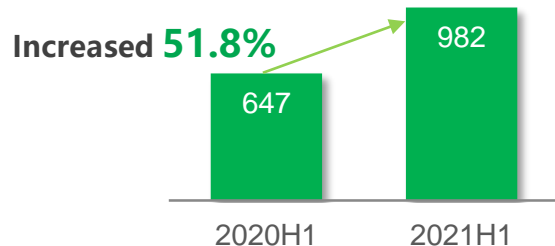
CRO Revenue



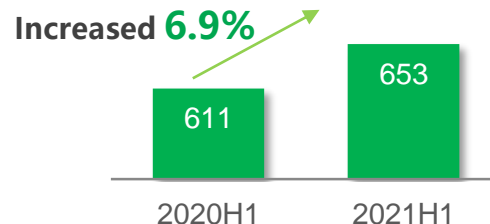
Adjusted Gross Profit



CRO R&D Personnel

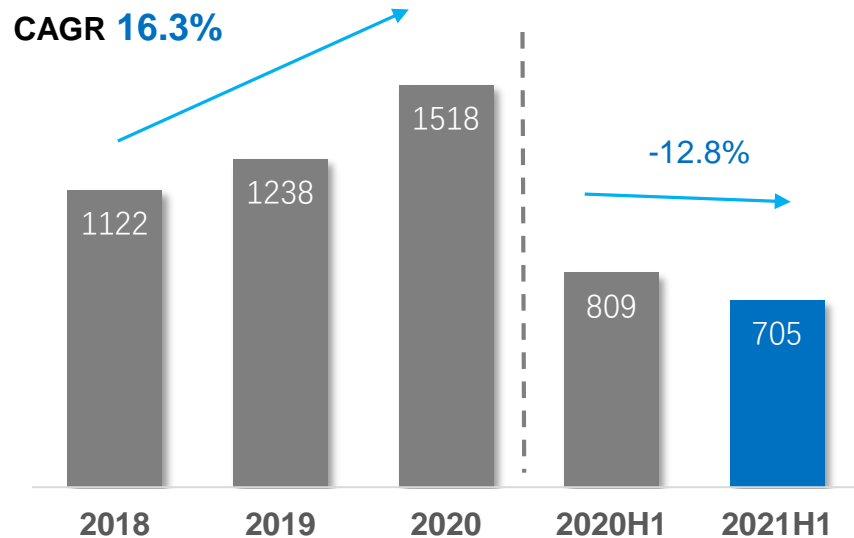


Annual revenue per CRO Personnel

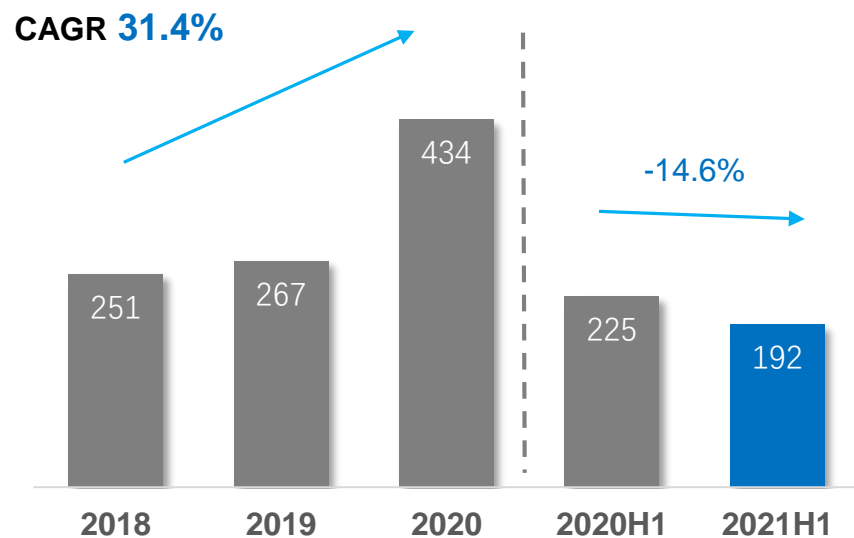


CDMO BU Financial Statistics

Langhua Revenue



Langhua Adjusted Gross Profit



Gross
Profit

Year	Gross Profit
2018	22.4%
2019	21.5%
2020	28.6%
2020H1	27.7%
2021H1	27.2%

Capital Expenditure and Financing

Liquidity & Financial Resources

As at 30 June, 2021, total cash and cash equivalents (including financial bank products) amounted to RMB **1,870** million

Bank facility of RMB**2,928** million

Capital Expenditure

For the Reporting Period, the Group's capital expenditure amounted to approximately RMB 660 million

Liability

Bank borrowing: balance decreased from RMB 1,460 million (RMB1,310 million due in more than one year) to RMB 810 million (RMB 610 million due in more than one year)

CB1: Unconverted bond amount to USD 32 million with a coupon rate of 2.5%

CB2: Unconverted bond amount to USD 280 million with a coupon rate of 1%

PART 4: Future Strategies



Quality Traffic + Whole Industrial Chain Service Capability

To establish an open and cooperative platform and a win-win ecosystem for global biopharmaceutical innovators

- Raise technology barriers + Expand servicing facilities and production capacity
- Enhance talent recruitment and staff incentives
- Advance business development worldwide, particularly in China
- Strengthen connection between CRO-CMC/CDMO businesses
- Continuously bolster cross-diversion between business sectors

Early-stage pre-clinical service

Clinical Phase I&II

Clinical Phase III

Commercialization



Strategic integration & cooperation along industrial chain



SCHRODINGER.



Enjoy a market size of hundreds of billions

Establish a one-stop service platform for global innovative drug R&D and manufacturing

Appendix



APPENDIX 1: EFS 2021 H1 New Incubated Companies

NAME	INDICATIONS		SHARES
Argonaut Genomics, Inc	Utilizing bioinformatics/proteomics to build a high-throughput discovery platform, which can mine from the dark genome for immune-dominant cancer antigens.	利用生物信息学/蛋白质组学构建高通量发现平台，从"dark genome"中挖掘免疫优势癌症抗原。	*0%
Ribogenics, Inc.	Pursuing the vast potential of small molecule medicines for RNA mis-splicing diseases.	开发小分子药物，治疗RNA错剪切疾病。	11.96%
索智生物科技（浙江）有限公司	Driven by AI technology, focusing on the R&D of novel drugs in the field of autoimmune system and neurodegenerative diseases.	以AI技术为主要驱动力，专注于自身免疫系统和神经退行性疾病领域的新药研发。	12.00%
勤浩医药（苏州）有限公司	Focusing on the development of global next-generation anti-cancer therapeutics.	专注于开发全球领先的小分子抗肿瘤新药。	3.80%
NAKI Therapeutics Inc.	With a focus on CAR-NK and NK cell-based immunotherapy.	专注于 CAR-NK 和基于 NK 细胞的免疫疗法。	20.00%
AbSci Corporation	Focusing on speeding drug development in the pre-clinical stages.	专注于加速临床前阶段的药物开发。	N/A
Dorian Therapeutics, Inc.	Working on a new class of therapeutics that can rejuvenate cells and tissues.	致力于研发可以使细胞和组织再生的创新疗法。	*0%
Fuse Biotherapeutics Inc.	Focusing on developing a platform of T cell engagers and NK cell engagers.	专注于开发T cell衔接器和NK cell衔接器的双抗平台。	14.18%

APPENDIX 2: Adjusted Non-IFRS Net Profit

	2021 H1	2020 H1	2020全年	2019全年	2018全年
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net Profit (Loss)	95,802	-530,272	-378,870	265,872	90,550
Add: fair value loss on financial liabilities at FVTPL	13,366	615,526	547,048	34,238	20,658
Add: interest expenses of the debt components of the Convertible Bonds	67,421	37,785	52,117		
Add: transaction costs relating to the derivative component of the Convertible Bonds		5,068	5,068		
Less: gain on repurchase of the Convertible Bonds		-4,447	-4,447		
Add: non-recurring loss on disposal of fixed assets	5,135				
Add: amortization of fair value increment in acquired assets	23,219		15,820		
Add: transaction costs relating to the acquisition			15,582		
Add: listing expenses				17,909	24,274
Adjusted Non-IFRS Net Profit	204,943	123,660	252,318	318,019	135,482
Adjusted Non-IFRS Net Profit Margin%	20.0%	62.6%	36.2%	98.4%	64.5%
Adjusted EBITDA	304,918	153,453	338,787	368,971	145,030
Adjusted EBITDA %	29.7%	77.7%	48.6%	114.2%	69.1%
Adjusted Non-IFRS Net Profit	204,943	123,660	252,318	318,019	135,482
Add: share-based payment expenses	10,023	2,360	14,047	8,330	8,602
Less: foreign exchange gain(loss)	8,051	8,710	-19,790	32,736	14,632
Adjusted Non-IFRS Net Profit & adjusted for ESOP and Foreign exchange gain/loss	206,915	117,310	286,155	293,613	129,452
Adjusted Non-IFRS Net Profit & adjusted for ESOP and Foreign exchange gain/loss %	20.2%	59.4%	41.1%	90.9%	61.6%