



维亚生物科技控股集团

VIVA BIOTECH HOLDINGS

(Incorporated in the Cayman Islands as an exempted company with limited liability)

Stock Code: 1873

Viva Biotech 2020 Annual Results

Shanghai · China

Mar. 31, 2021

Forward-Looking Statements

Certain information set forth in this presentation contains “forward-looking statements” which are not historical facts, but instead are predictions about future events based on our beliefs as well as assumptions made by and information currently available to our management. Although forward-looking statements contained in this presentation are based upon what management of the Company believes are reasonable assumptions, future events could turn out differently from those anticipated in such statements. There can be no assurance that forward-looking statements will prove to be accurate as such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause results and future events in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements. Accordingly, you are strongly cautioned not to place undue reliance on forward-looking statements. All information provided in this presentation is as of the date of this presentation and are based on assumptions that we believe to be reasonable as of this date the Company undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by applicable securities laws or listing rules.

Use of Non-IFRS and Adjusted Non-IFRS Financial Measures

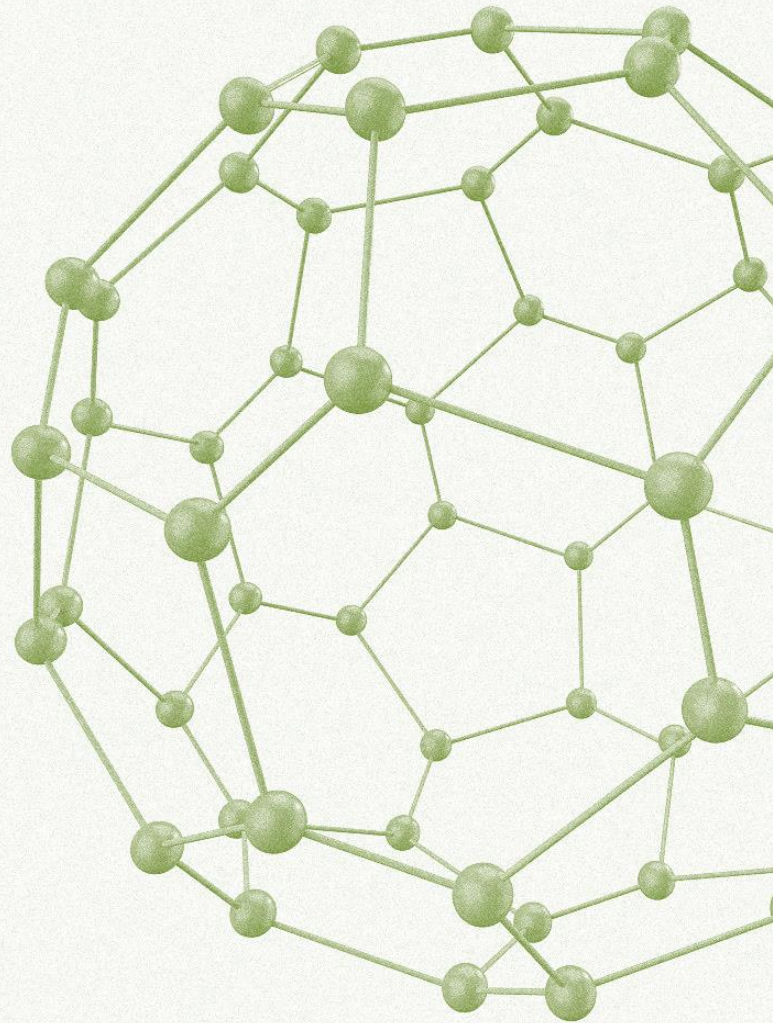
Except for Group’s consolidated financial statements which are presented in accordance with the International Financial Reporting Standards (“IFRS”), the Company has provided adjusted Non-IFRS statements to supplement, which are not required by, or presented in accordance with, the IFRS. Adjusted Non-IFRS statements includes, but is not limited to, (i) the adjusted Non-IFRS net profit, (ii) adjusted Non-IFRS net profit margin, and (iii) adjusted Non-IFRS earnings per share (excluding Listing expenses and fair value loss on financial liabilities at FVTPL). These adjusted Non-IFRS statements are provided to allow Company’s management and investors the understand and assess the underlying business performance, operating trends and 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.

Our Mission

Our mission is to become a cradle for promising biotechnology companies from all over the world.

We operate a leading structure-based, integrated drug discovery platform with a number of world-leading technologies and a scalable business model to share the upside of our customers' IP value.

We are dedicated to establishing a one-stop service platform for global innovative drug R&D and manufacturing clients.





01 Industry Overview

Evolving Trend of CXO

01

Global outsourcing drives the increasing demand for China-based CXO

02

Capital barriers and technical barriers higher for late comers

Specialization vs. generalization

03

Vertical integration
biotech sector

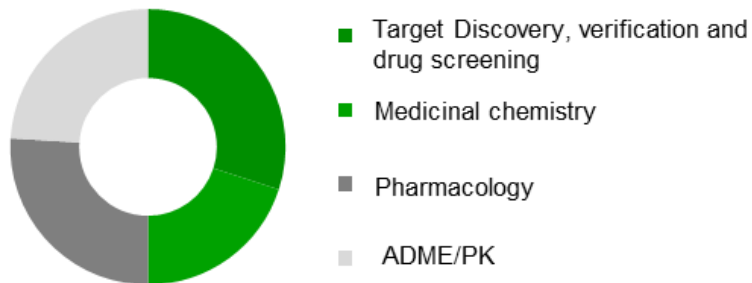
04

CXO shares IP value, breaking through the ceiling of traditional service model

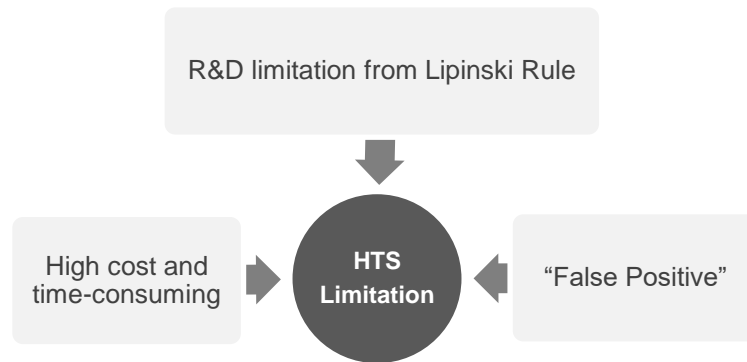
SBDD is the Mainstream of Novel Drug Discovery

R&D Outsourcing=**Discovery**/Preclinical CRO->CDMO->Clinical CRO

Breakdown of Global Drug Discovery and IND-enabling Studies Outsourcing Market



Rapid Affinity Screening Commonly Used in SBDD Is Gradually Replacing High-throughput Screening



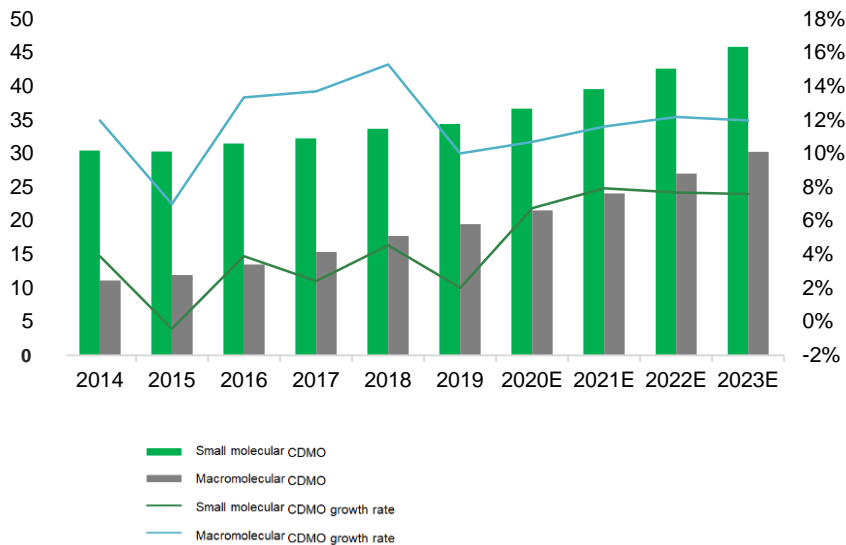
Sources: CRL、安信证券、Cancer Drug Design and Discovery (2016)

Source: 安信证券

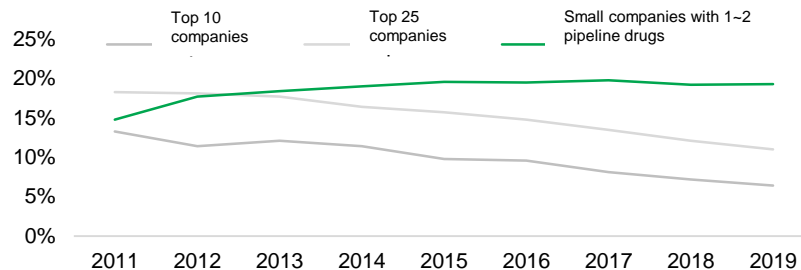
Biotech Drives Growth of CRO/CDMO Market

R&D Outsourcing=Discovery/Preclinical CRO->**CDMO**->Clinical CRO

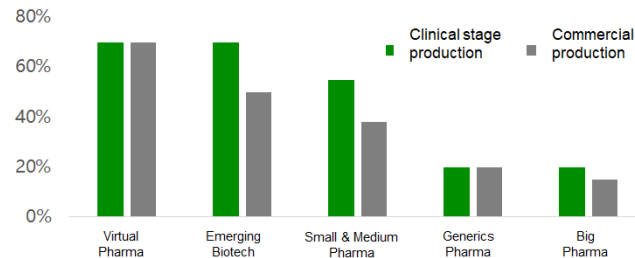
Global CDMO Market Size and Growth Rate 2014~2023E (Billion USD)



Distribution of Global Drug R&D Pipelines Proportion of Small Company Pipelines



Demands of Different Pharma & Biotech for Outsourcing Production



Financing and M&A of Global Innovative Drug Industry

Major M&As in the Global Biomedical Industry



(\$39 Billion)



(\$21 Billion)

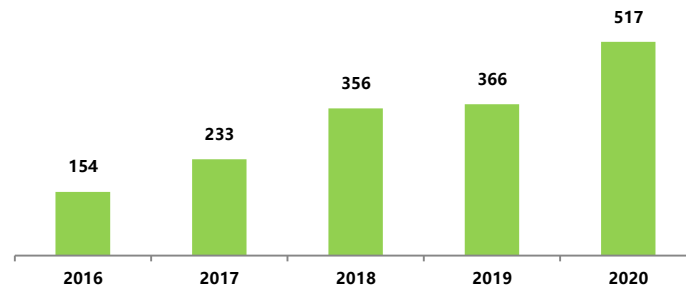


(\$13 Billion)



(\$6.5 Billion)

Investment and Financing in Global Health Care Industry (2016-2020)



Unit: Billion RMB

Multiple Successful Listings of Global Biomedical Enterprises

NAS



(\$424 Million)



(\$278 Million)



(\$100 Million)

HKG



(HKD 4.6 Billion)



(HKD 3.5 Billion)



(HKD 2.2 Billion)

SHG



(RMB 2.5 Billion)

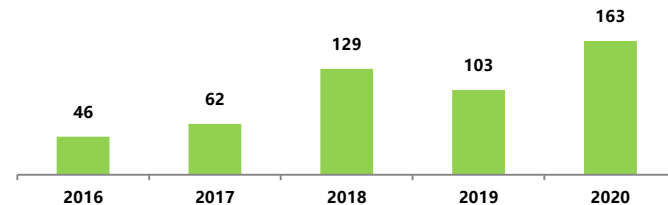


(RMB 2 Billion)



(RMB 2 Billion)

Investment and Financing in China Health Care Industry (2016-2020)



Unit: Billion RMB

*Figures above are the total amount of fundraising, Sources: Public news



02 Business Highlights

Business Highlights



CFS Services

CFS-Drug Discovery Service has delivered over **21,000** protein complex structures and **1,584** independent drug targets
Drug Discovery Service backlog contract amount surged by **73.9%**, reaching RMB**607** million
R&D investment totaled RMB**66** million, **46.7% YOY**



Customers & Backlogs

The total number of customers is **1252**
CFS-Drug Discovery Service: More than **543** customers worldwide, repeating customers remains over **85%**
CFS-CDMO Business(Langhua): **709** customers, repeating customers remains **100%**



Strategic Acquisitions

Langhua Pharmaceutical: November 2020
SYNthesis: March 2021



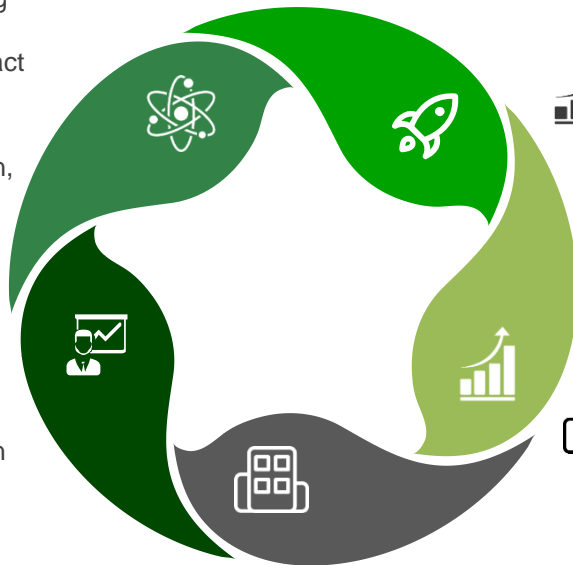
EFS Incubation Portfolio

Reviewed **834** projects
Made 20 new investments
10 reinvestment on existing portfolio companies
125 pipelines in total



Employees & Facilities

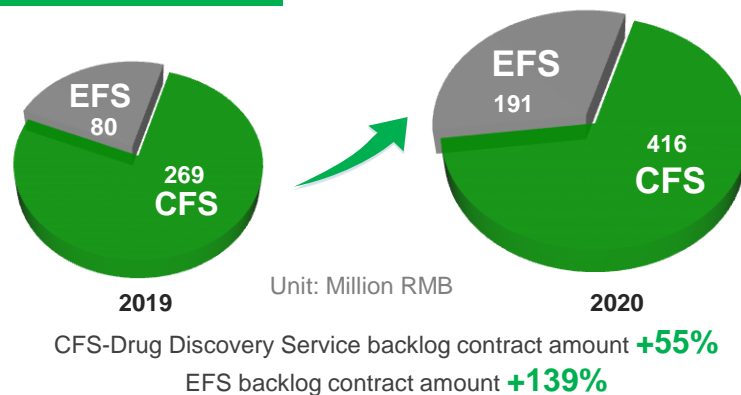
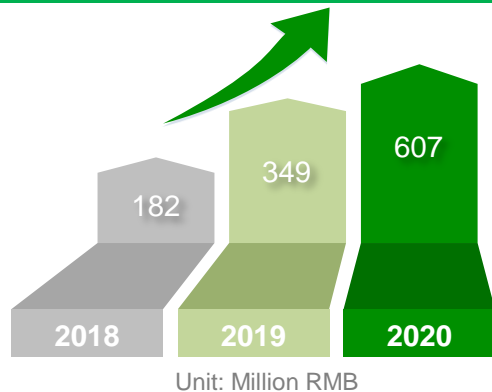
No. of employees increased to **1619**
Drug Discovery Service: area of lab. & offices increased to **24,000** sq.m.
CFS-CDMO Business(Langhua): The production capacity in 2020 is **671m³**



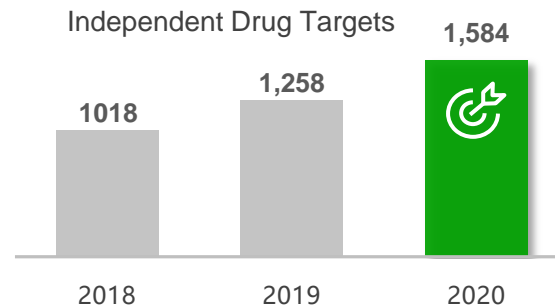
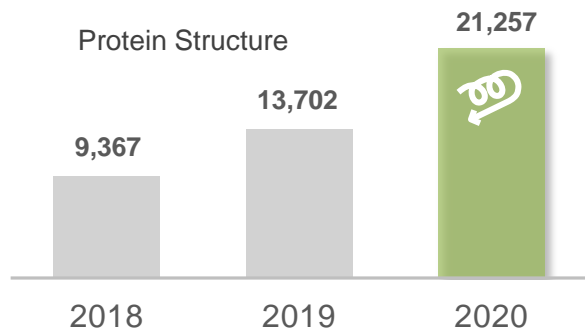
Internal Growth: Drug Discovery Service



Backlog contract amount grew rapidly, surged by approximately 73.9% YOY



The number of protein structures delivered **+7,555** and the number of independent drug targets delivered **+326**



CFS-Drug Discovery Service: Optimization of Customer Structure



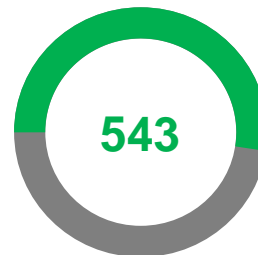
Served **Top 10** global pharmaceutical companies



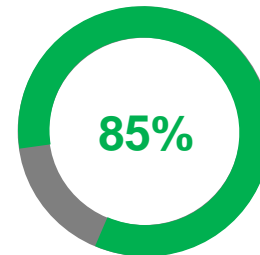
Served **35** “Fierce Biotech’s Fierce 15” promising biotech companies



Serving global biotechnology & pharmaceutical customers

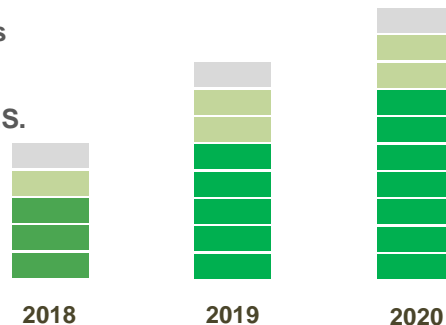


Revenue from repeating customers remains above 80%



Revenue distribution by region

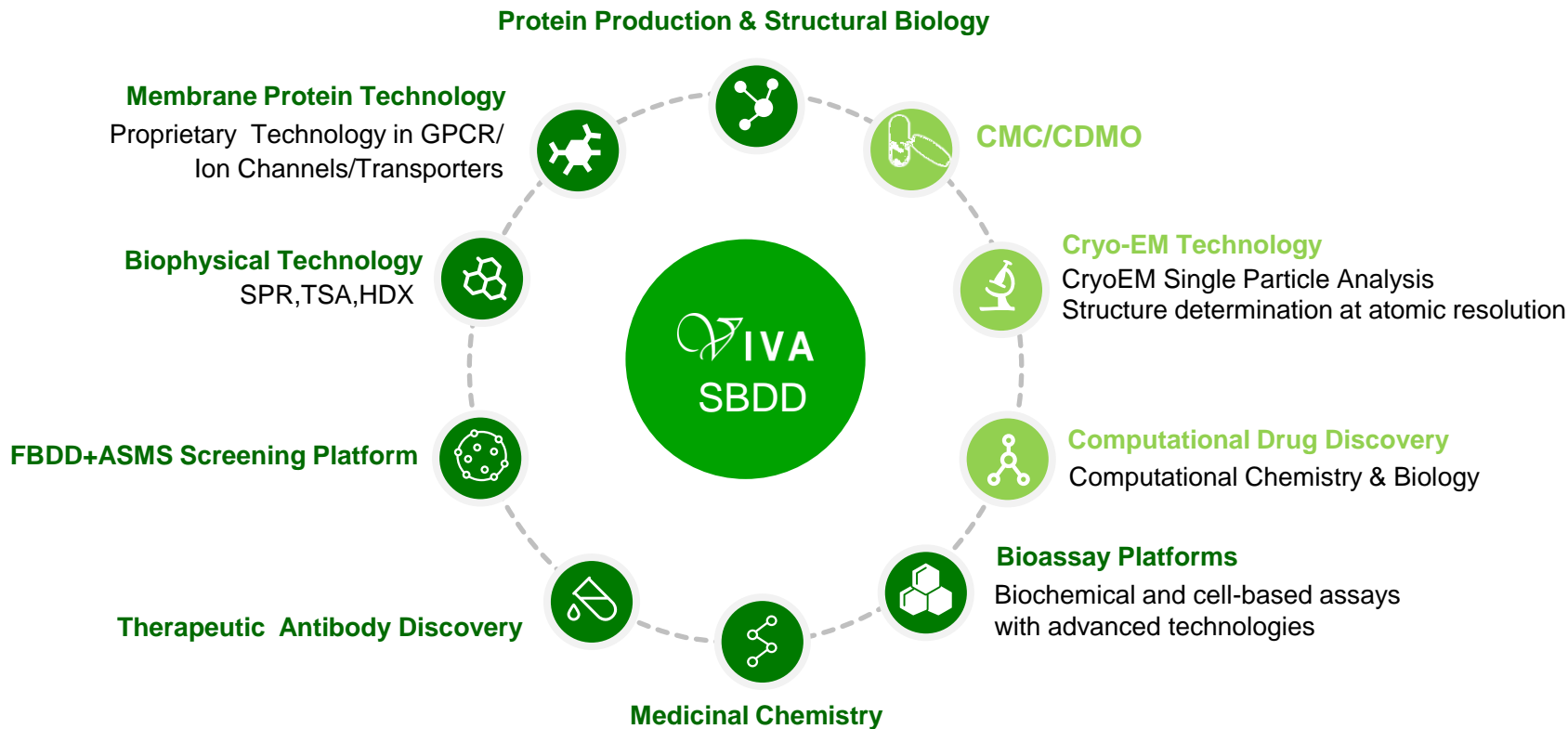
Others
China
The U.S.



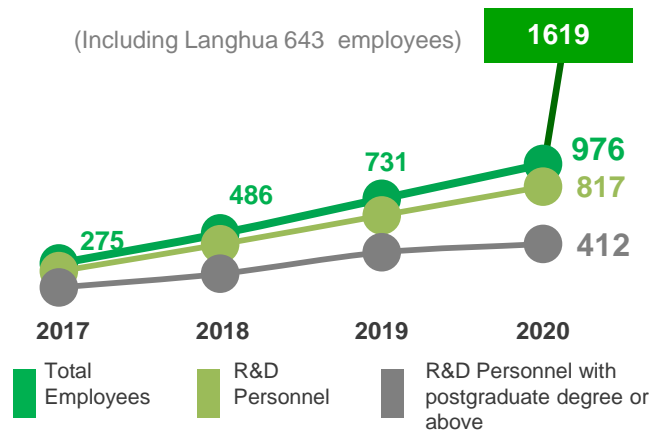
Continued Investment in New Technology Platforms



During the reporting period, the Company's R&D investment totaled **RMB66 million**, representing a YOY increase of approximately **46.7%**



Rapid Increase in Employees & Scale of Facilities



- ▶ In Sept 2020, signed investment agreement with Qiantang, Hangzhou
- ▶ In Jul 2020, successfully entered into a bid for a new property in Zhoupu, Shanghai
- ▶ In Apr 2020, Chengdu New Drug Incubation and Production R&D Center commenced construction
- ▶ In Feb 2020, acquired the property located in Shanghai.

Strategic M&A: Construction of an Integrated Platform



2020.11

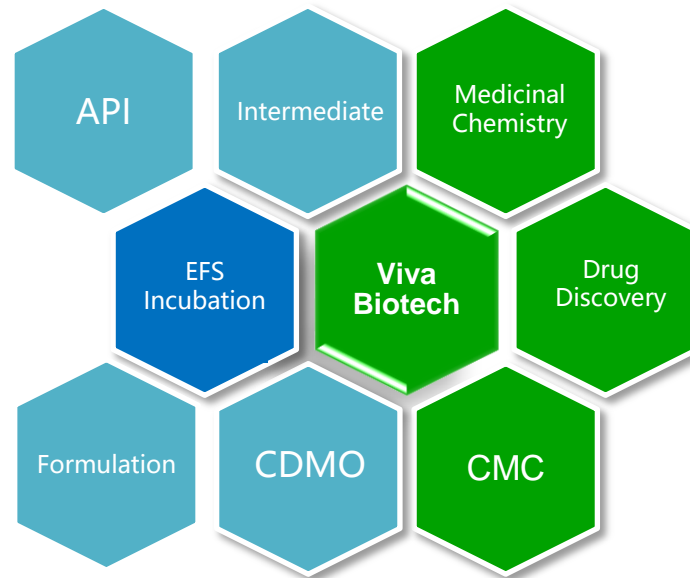
Completed the very substantial acquisition of 80% of the equity interest in Zhejiang Langhua Pharmaceutical Co., Ltd.



2021.3

Completed the acquisition of 100% equity of SYNthesis med chem (Hong Kong) .

- ◆ **Diversifying regional coverage, enhancing business development in North America/Asia/Europe/Australia**
- ◆ **Strengthening the existing CMC/CDMO business and expanding into formulation production**
- ◆ **One-stop services from R&D to production**



CFS-CDMO: Langhua Business Highlights



Financial Highlights

- Revenue **RMB1,518 million**, an increase of **22.67% YoY**
- Net profit was **RMB171 million**, an increase of **134.38% YoY**
- CDMO business achieved sales of **RMB875 million**, with an increase of RMB310 million, and a growth rate of **54% YoY**
- The commercialization of reserve varieties and the increasing demand for commercial varieties have become the main reason for the growth



Customer Base

- A total of **709** customers have been served, and the retention rate of the top 10 customers is **100%**
- Independently produced **95** varieties of API and CDMO projects



Technology Platforms

- The production capacity in 2020 is **671m³**, and it is expected to increase to **1,500 m³** in 2023
- **3** major laboratories (Shanghai, Ningbo, Taizhou),
- Develop continuous reactions, enzyme catalysis, photo-redox reactions, and establish a technology platform for regular formulation and special formation

2020 Langhua Pharma Projects



Completed **48 CDMO projects**, 10 out of which had gross profits **exceeding 5 million**

1

The sewage pretreatment workshop, MVR, desalination dryer, membrane treatment equipment, etc. were put into use, and the upgrading of the sewage station was completed

2

A new process was put into use in the spironolactone workshop, and the registration of levofloxacin in the United States was completed

3

The civil engineering construction of Workshop T02 (4 floors above the ground) has been completed and is **in process of installing equipment**

4

19 new varieties (12 APIs and 7 advanced intermediates) **obtained the environmental permits**

5

Accelerate the Construction of CDMO Platform

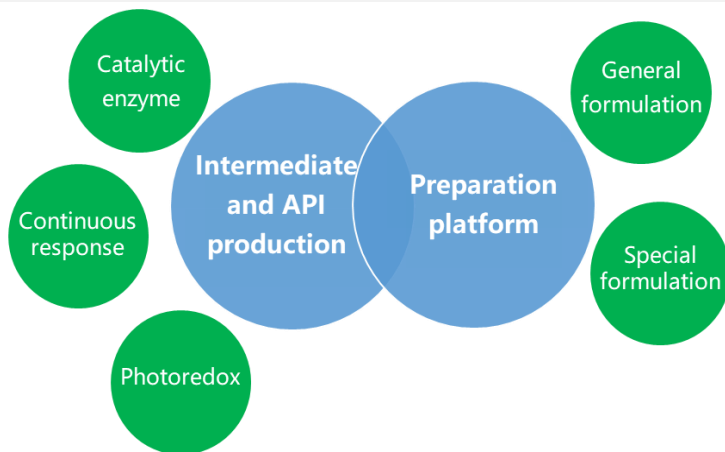


Develop innovative technologies and establish a formulation platform

- Develop green chemical technologies such as continuous reactions, enzyme catalysis and photo-redox reactions to produce pharmaceutical intermediates and APIs
- Establish a technology platform for regular formulation and special formation (such delayed release, nanometer, liposome, etc.)

Integrated one-stop service covering all stages of production

- Continue to increase investment in R&D capabilities and expand existing R&D centers in Taizhou and Ningbo
- Establish a Shanghai R&D center staffed with **300~400 people**, including drug intermediates, API and formulation R&D center, covering the process development, scale-up production and application of intermediates and drugs at all stages of preclinical, clinical and commercialization of APIs and formulations



Optimize EHS, Quality, Automatic Production System, Expand Production Capacity



Consolidate the EHS system and improve the quality system

- Continue to increase investment in EHS and to benchmark international advanced standard
- Continue to improve the quality control system to meet the audit requirements of various countries on GMP



Enhance the automation in our workshops to Improve efficiency and utilization

- The production capacity in 2020 is 671m³, and it is expected to increase to 1,500 m³ in 2023 so as to significantly increase production
Estimated capex of **RMB 960 million**
- Introduce the use of the latest equipment to improve the level of automation and efficiency



EFS: Further Expand Incubation Portfolio



2020 New Added Companies



Reviewed **834** Projects in 2020

Invested
21 New
Companies

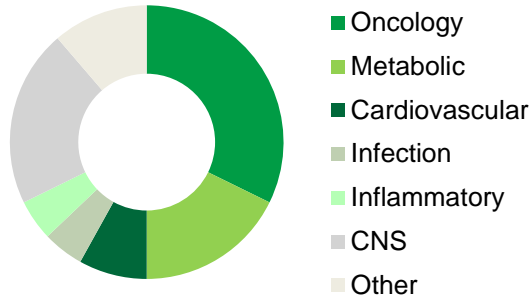
Additional
Invested
10
Companies

4
Companies
at SPA

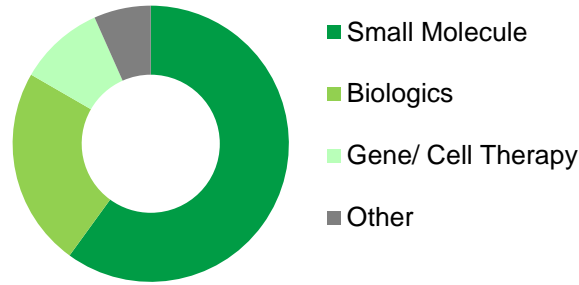
Diversified Modalities & Locations & Indications



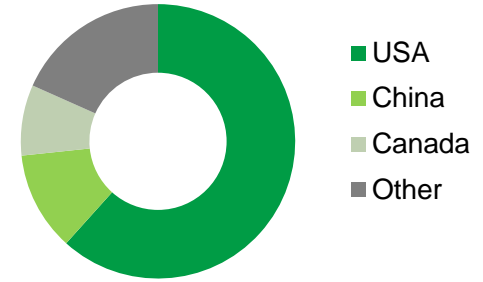
Indications



Modalities



Locations



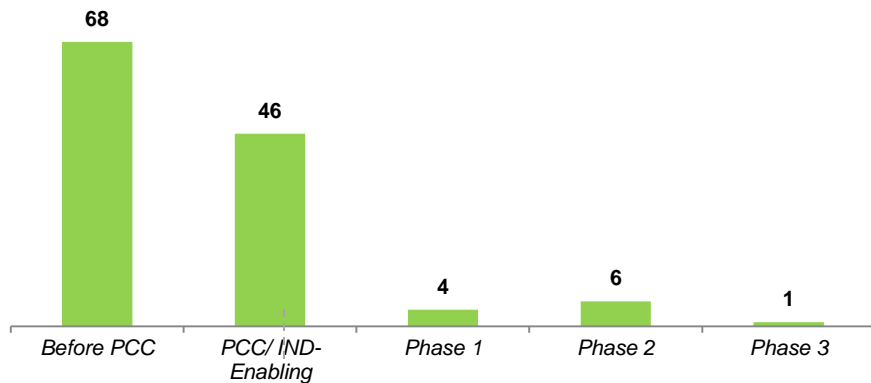
* As of Dec 31, 2020, Based on Accumulated Incubation Companies

As of Dec 31, 2020, Viva Biotech had a total of **67** portfolio start-ups, the average agreed shareholding ratio was **19.31%**.

Fast Growth in Pipelines/ R&D Progress



125 Portfolio Pipelines in Total



*As of 12, 31, 2020, Based on Accumulated Incubation Companies

- About **55%** entered PCC/IND-enabling stage; **11 pipelines** at clinical stage



- First patient dosed in Phase 1 Clinical Trial



- Released Phase 2 Clinical Data of AR882



- Phase 3 trials of ANJ900 will be initiated; Phase 2 trials of ANJ908 is in progress



- Enter Phase 2 Clinical Trial



- FDA granted IND approval for Q-1802; Clinical trial application accepted by NMPA

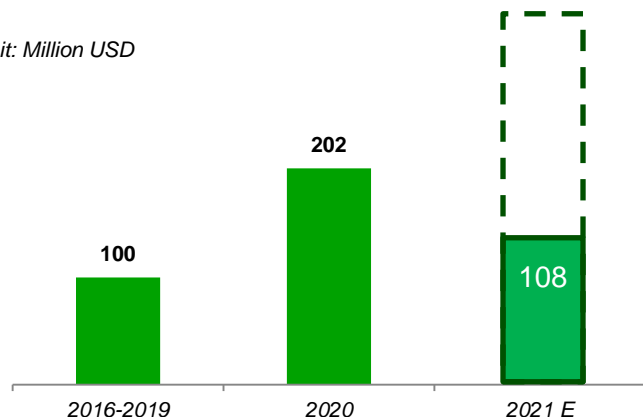
Note: The R&D progress of the incubated project comes from its publicly released press release or announcement.

Rapid Increase in Follow-on Investment



Follow-on Investment Increased Rapidly

Unit: Million USD



Portfolio Follow-on Investment

In 2020, **35** new investment institutions participated in the follow-on financing of Viva portfolio companies



A+ Round **20 MN USD**



C Round



C Round



A+ Round



A Round **42 MN USD**

2020



B Round **100 MN USD**



A Round **10 MN CAD**

2021

Note: The financing progress of the incubated project comes from its publicly released press release or announcement.

Dogma Therapeutics Reached the Acquisition Agreement with AZ



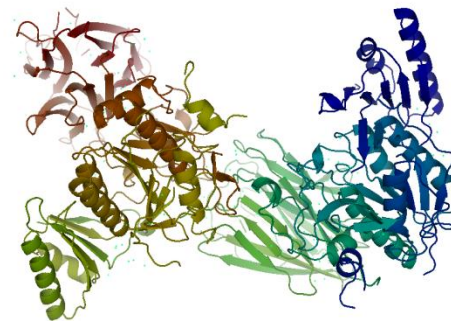
Investment Time: January 2017

Equity ownership: 14.40%

Reached the Acquisition Agreement on Oral PCSK9 Inhibitor with AstraZeneca in September 2020

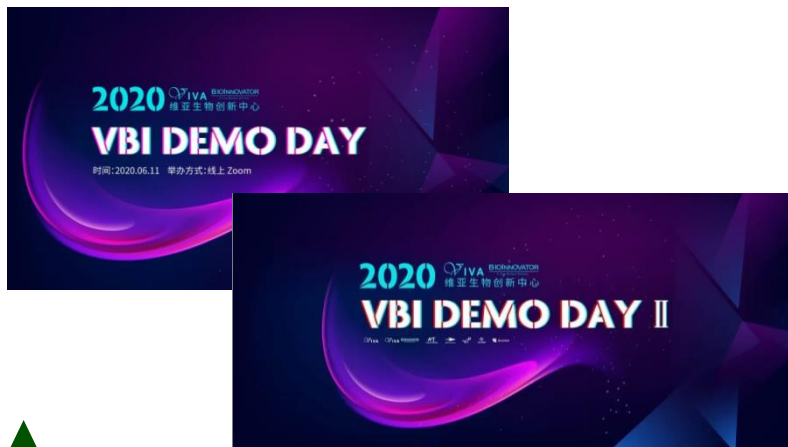


- ▶ PCSK9 is a highly-sought-after target for the industry in past ten years;
- ▶ Structure-enabled discovery makes it possible for success;
- ▶ Speedy lead optimization completed in **1.5 years**;
- ▶ **First small molecule** PCSK9 inhibitors with excellent properties were discovered;



(PCSK9 protein structure)

Constantly Optimize Innovative Biotech Ecosystem

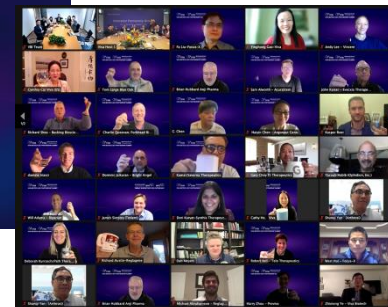


VBI DEMO DAY 2020

- ✓ **6+8** Portfolio Companies
- ✓ **200+** Investors Each Demo Day

2021 Partnership Summit

- ✓ **60+** portfolio companies
- ✓ **230+** global investors attended
- ✓ **300+** 1-on-1 meetings





03 Financial Performance

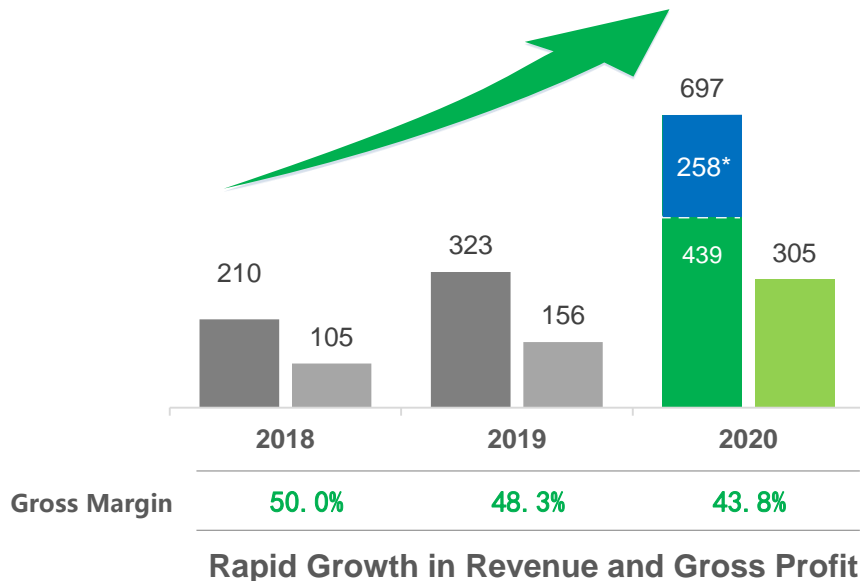
Revenue and Gross Margin



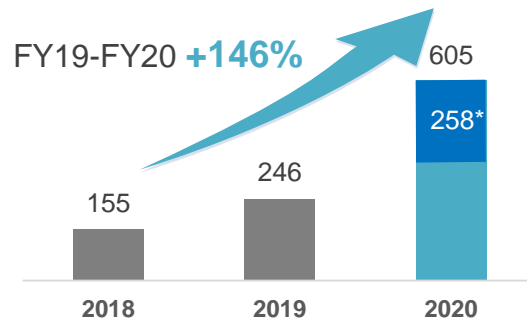
Unit: Million RMB

FY19-FY20 Revenue **+115.7%**

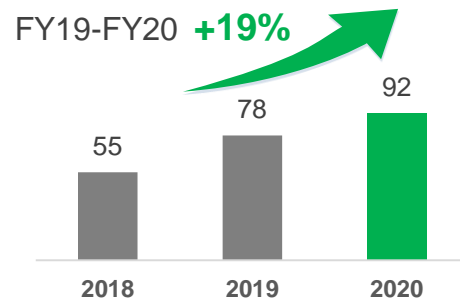
FY18-FY20 CAGR of revenue **+82.2%**



*During the reporting period, the revenue contribution from the consolidated statement of the acquisition of Langhua Pharma was RMB25.8 million



CFS Revenue



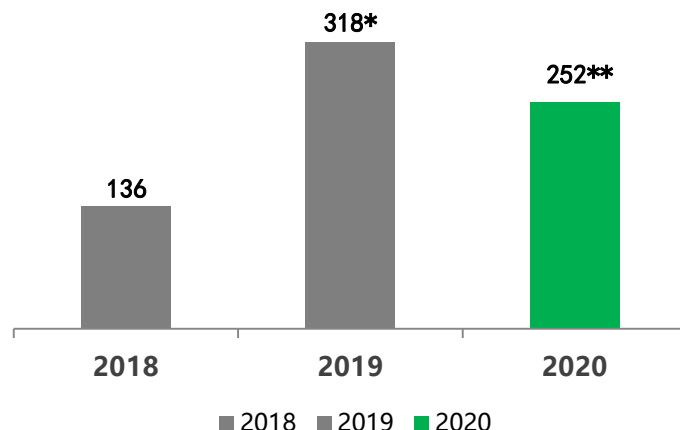
EFS Revenue

Net Profit

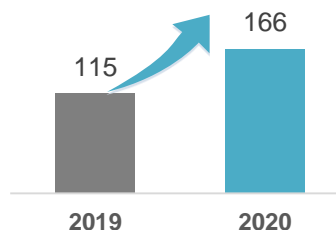


Net Profit of CFS & EFS

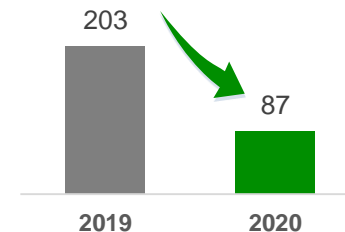
RMB '000	2019	2020
Net profit excluding extraordinary profit of loss	318,019*	252,318**
Net profit of EFS business***	203,268	86,729
FVTPL Gain	212,700	106,941
Disposal Gain	11,684	6,303
Share of loss	(1,908)	(487)
VBI Expense	(15,266)	(26,028)
EFS Income Tax Expenses	(3,942)	0
Net profit of CFS business	114,751	165,589



CFS net profit increased by **44% yoy**



EFS net profit decreased by **57% yoy**



*2019 net profit of 265.87 million has been adjusted to deduct non-recurring costs and add back non-recurring income, which include: the one-time-costs preference share financial liabilities of 34.33 million and the listing fee of 17.91 million, to reach the adjusted net profit of 318.02 million

**2020 net loss of 378.87 million has been adjusted to deduct non-recurring costs and add back non-recurring income, which include: the fair value loss on financial liabilities at FVTPL of 547.05 million, interest expenses of the debt components of the Convertible Bonds of 52.12 million, transaction costs relating to the derivative component of the Convertible Bonds of 5.07 million, gain on repurchase of the Convertible Bonds of 4.45 million, transaction costs relating to the acquisition of 15.58 million and amortization of acquired assets of 15.82 million

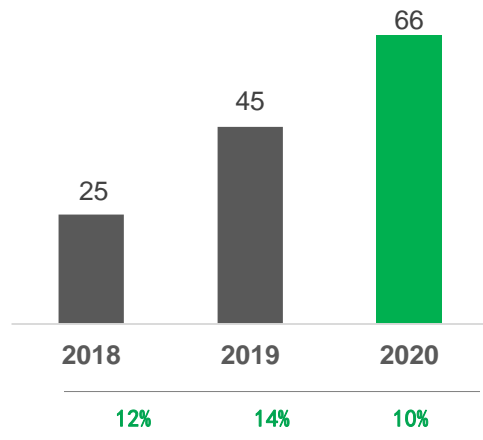
***Revenue from EFS business is calculated based on fair value gain on financial assets fair value through profit or loss and other gains and losses relating to incubation business.

R&D, Selling & Administrative Expenses

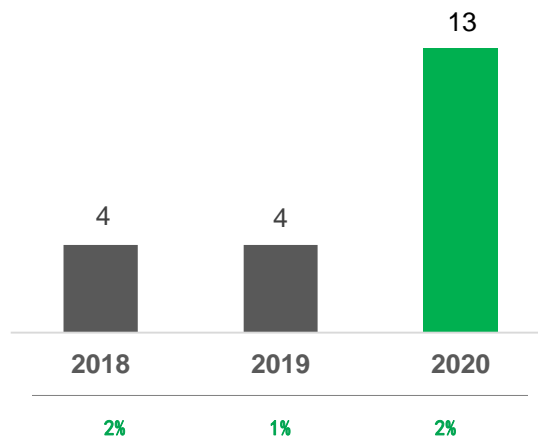


(As of the end of 2020, Unit: million)

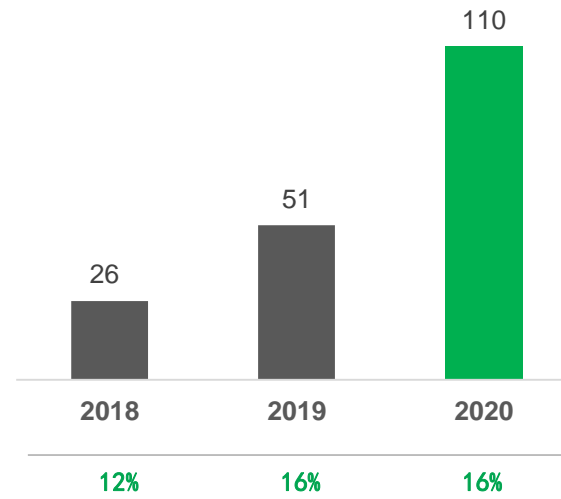
R&D Expenses



Selling Expenses



Administrative Expenses



Fund raising activities to accelerate the Construction of an Integrated Platform



2020.2



Issued **US\$180 million** convertible bonds due 2025 guaranteed by the Company.

2020.12



Issued **US\$280 million** 1.00% convertible bonds due 2025 guaranteed by the Company

2020.7



The Company placed an aggregate of 130,000,000 shares at a placing price of HK\$8.15 per placing share, raising net proceeds of approximately **HK\$1,050 million**.

Such financing activities provided sufficient financial support for the Company in terms of business expansion and integration in the downstream of the industry chain, its business development and daily operations.

(The Group's financial cost during the reporting period was approximately RMB 62.1 million, mainly due to the increase in interest on the convertible bond, etc.)

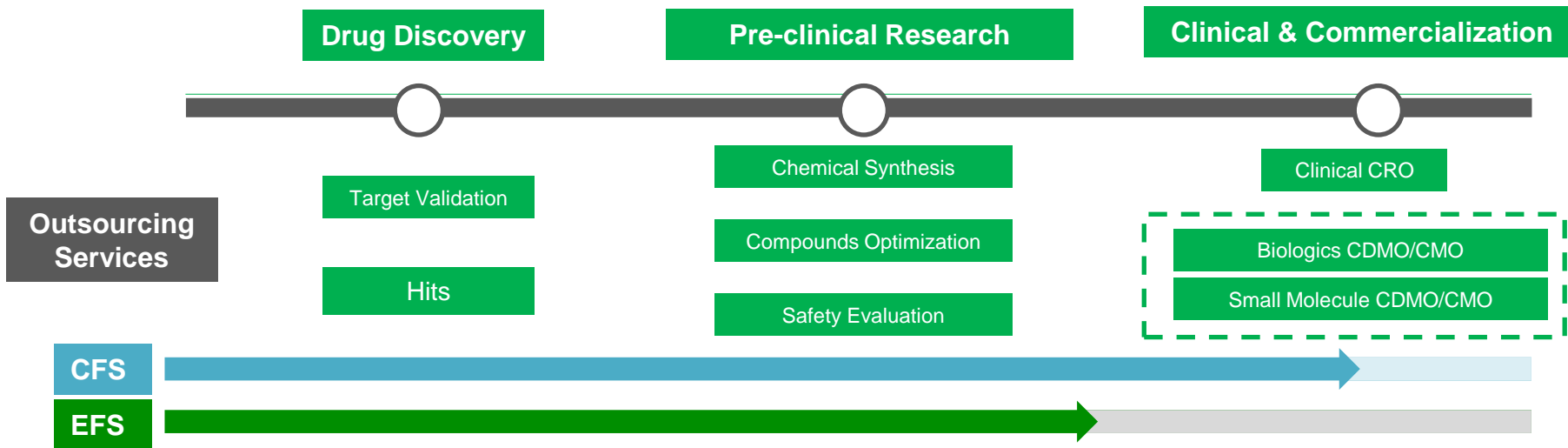


Recommended a final dividend of HKD1.0 cents per share by cash with a total amount of approximately **HKD 20 million**.



04 Strategic Development

Future Development Strategies



To explore downstream of novel drugs R&D industrial chain:

- Cooperation with top enterprises in various industry segments
- To avoid negative factors including high investment and time-consuming in industrial landscape
- To build up capability of providing quality services to customers in all-stage rapidly

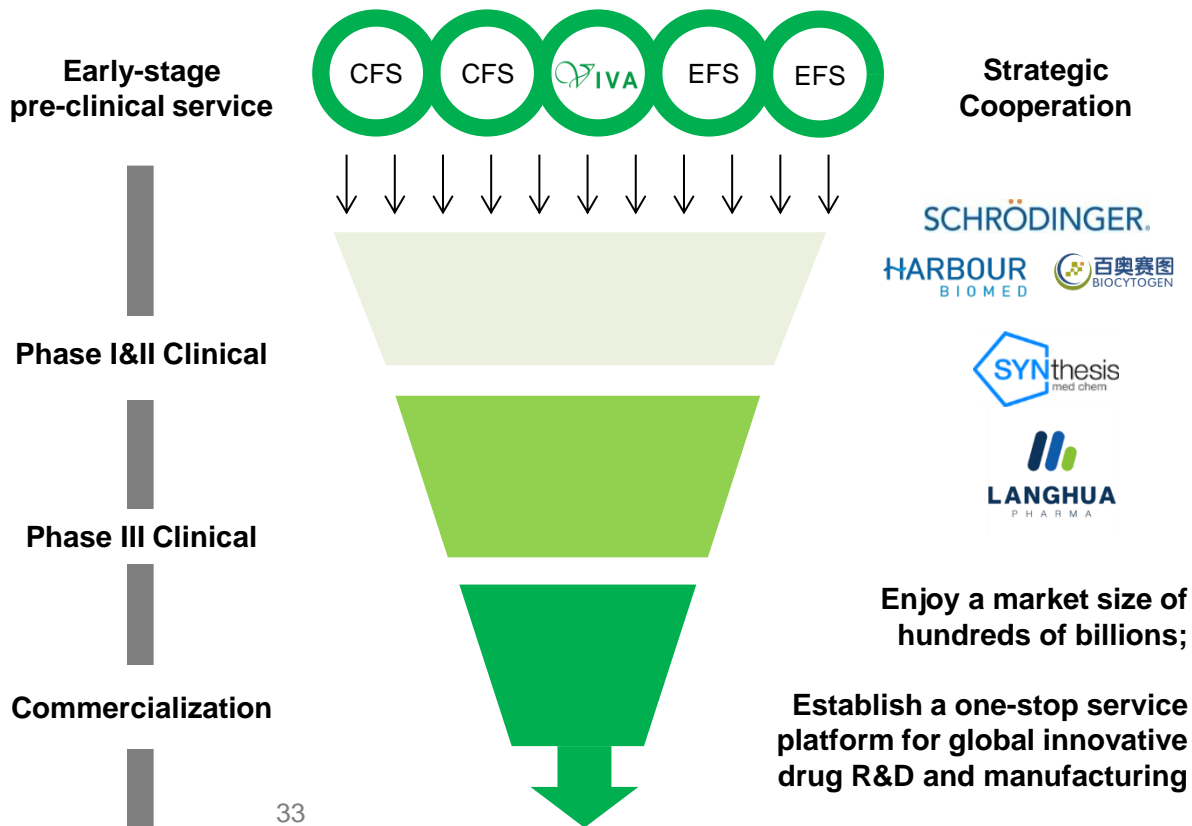
To expand the scale and depth of industrial capital investment continuously:

- Cooperation with several top early stage VC institutions
- Co-investment, contribution and investment research
- Industrial investment fund led by Viva to invest in middle or even late stage novel drugs R&D enterprises/projects

Build up Service Capabilities by “Following the Startups”

R&D Outsourcing=Discovery/Preclinical CRO->CDMO->Clinical CRO

- ◆ Working along with CFS/EFS clients from the beginning; Establish services going downstream
- ◆ Build through strategic collaboration with cost efficiency
- ◆ High quality client base of startups with integrated services





维亚生物科技控股集团

VIVA BIOTECH HOLDINGS

Stock Code: 1873

Q&A Session





维亚生物科技控股集团
VIVA BIOTECH HOLDINGS
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