

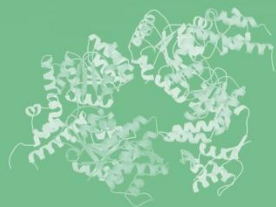


**维亚生物科技控股集团**

**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



# 2020 Interim Results Presentation

Shanghai · China 1 September 2020

# Management Team to Present



**Cheney Mao Ph.D.**  
Chairman & CEO

- ✓ Ph.D. in Biochemistry from **Cornell University**
- ✓ Post-doc research from **Duke Medical Center**
- ✓ Former Director of the Department of Structural Biology of **Parker Hughes Institute**

**01 Industry Overview**

**02 Business Highlights**



**Fengmao Hua**  
Executive Director & CFO

- ✓ **MBA from International University of Japan**
- ✓ **~20 years** of experience in the investment banking industry
- ✓ Former Head of Direct Investment and Investment Banking Department in BOCOM International
- ✓ Former Managing Director in CLSA

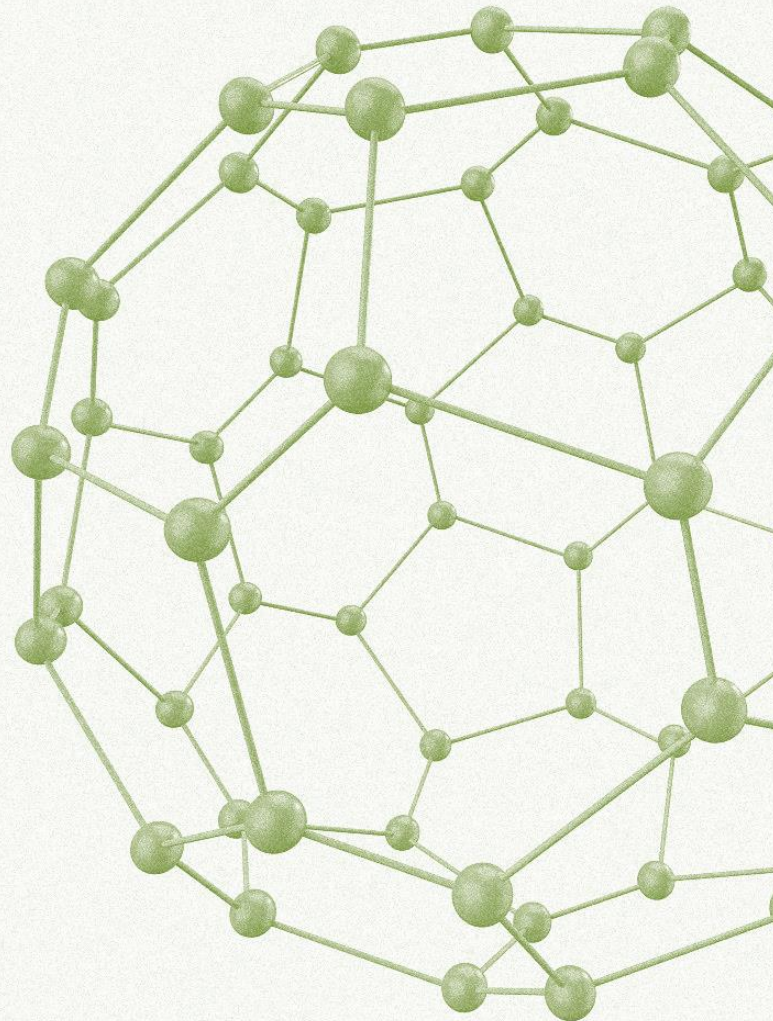
**03 Financial Performance**

**04 Strategic Development**

# Our Mission

**Our mission is to become a cradle for promising biotechnology startups.**

**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.**





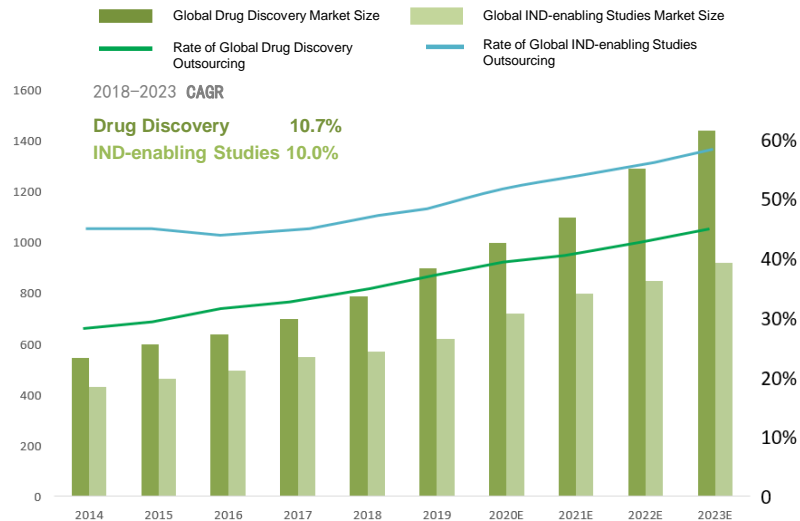
# 01 Industry Overview



# Drug R&D Market with High-speed Growth, and SBDD is the main stream

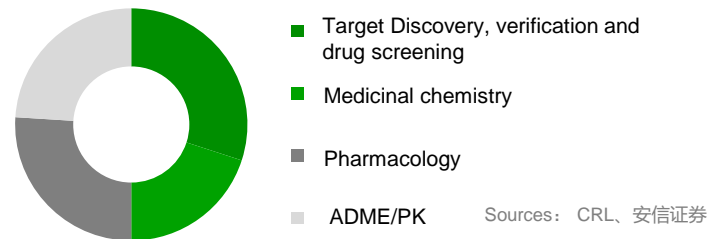
The China-based CRO market exceeded 40 billion RMB for early drug discovery and preclinical studies. And the structure-based drug discovery (SBDD) become the mainstream technology for innovative drug discovery

## Global Drug Discovery and IND-enabling Studies Outsourcing Market 2014-2023E (Million RMB)

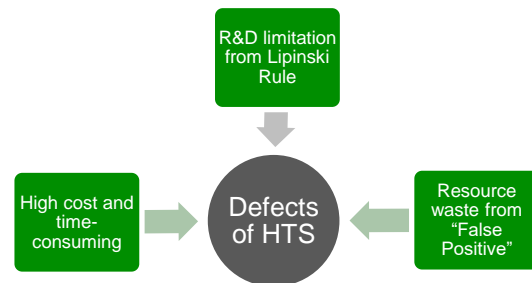


Sources: Frost & Sullivan Analysis; BioValley, 深度产业观察

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

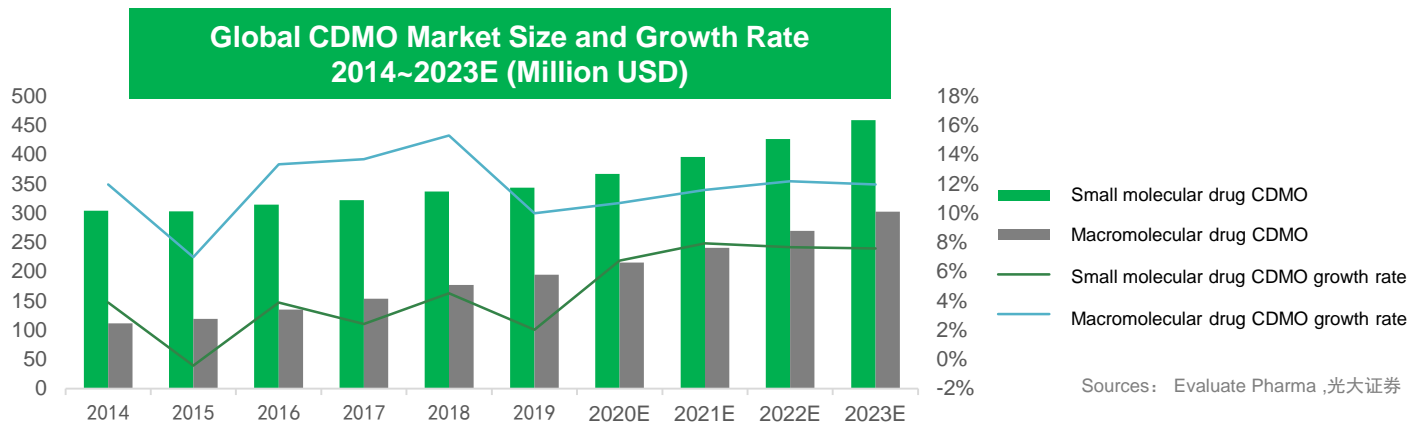


## Affinity based screening commonly used in SBDD Is Gradually Replacing High-Throughput Screening

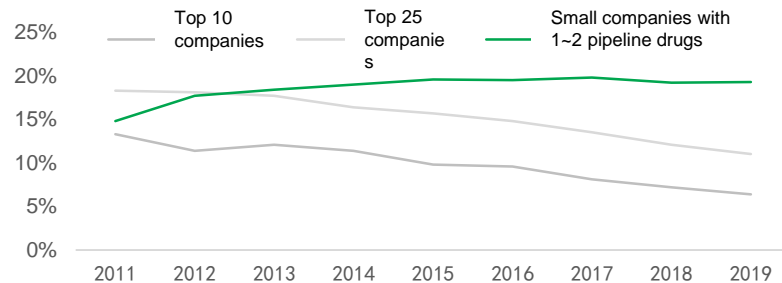


Sources: 安信证券

# As the Main Force of Innovative Drug R&D, Small & Medium Pharma Drive Growth of CDMO Market

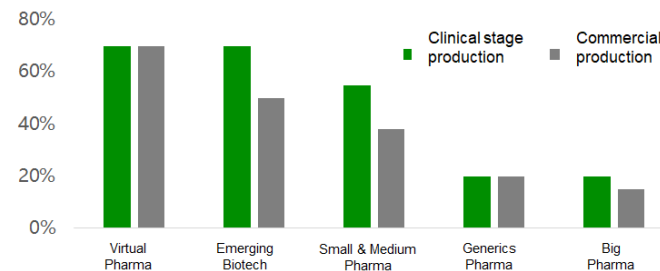


## Distribution of Global Drug R&D Pipelines and Proportion of Small Company Pipelines



Sources: Pharmaprojects, 国信证券

## Intention of Different Pharma & Biotech to Outsource Production

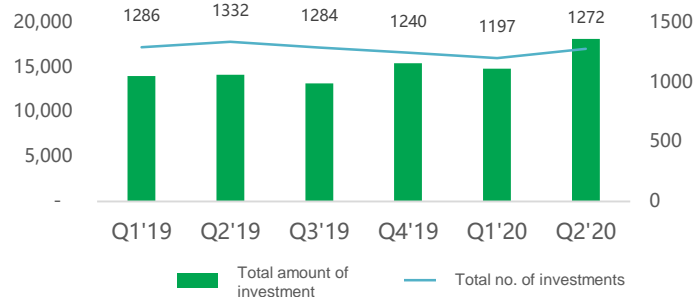


Sources: ContractPharma, 招商证券

# Financing and M&A in the Primary and Secondary Markets of the Global Innovative Drug Industry Continues to Heat Up

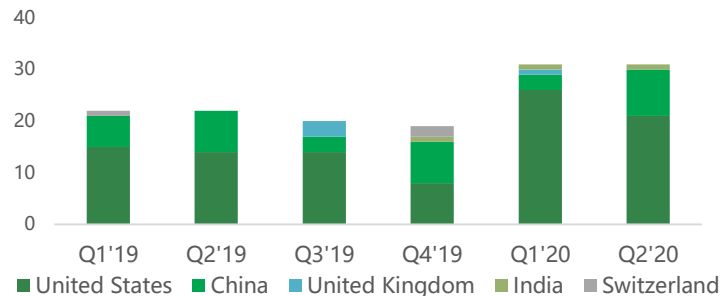


Quarterly global healthcare funding and deal count  
(US\$ million)



Sources: CB Insights

Quarterly healthcare mega-round deal count by country



Sources: CB Insights

## Multiple Successful Listings of Global Biomedical Enterprises Across the Regions

### NAS



(\$424 Million)



(\$278 Million)



(\$250 Million)



(\$150 Million)



(\$100 Million)

### HKG



(HKD 2.2 Billion)



(HKD 2.3 Billion)



(HKD 1.9 Billion)



(HKD 2.2 Billion)

### SHG



(RMB 2 Billion)



(RMB 1.28 Billion)



(RMB 2 Billion)

\*Figures above are the total amount of fundraising

## Major M&As in the Global Biomedical Industry



(\$1.1 Billion)



(\$2.1 Billion)



(\$4.9 Billion)



(\$6.5 Billion)

\*Figures above are the total amount of transactions

## 02 Business Highlights



# Operation Highlights in 2020 H1



## R&D Services

Delivered over **17,000** protein complex structures  
Over **1,300** independent drug targets



## Incubation Portfolio

Reviewed **425** projects  
Closed **10** investment and incubation deals  
Completed additional investment in **3** existing portfolio companies  
**3** projects at SPA stage



## Customers & Orders

More than **495** customers worldwide  
Backlog contract amount surged by **138%**, reached RMB **493** million  
EFS backlog contract amount increased by **190%** yoy  
CFS backlog contract amount of orders on hand rose by **118%** yoy  
Revenue structure of top ten customers continuously optimized

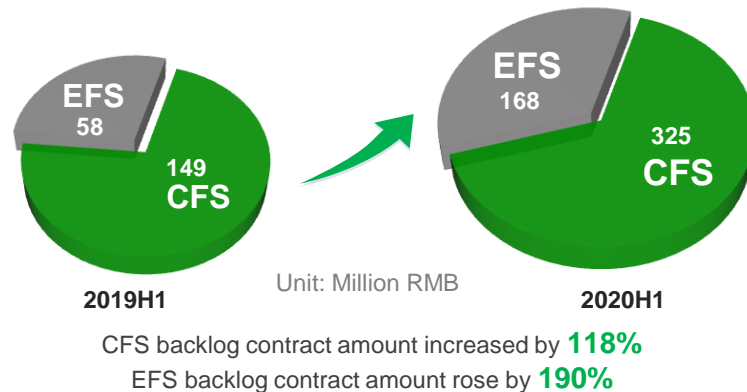
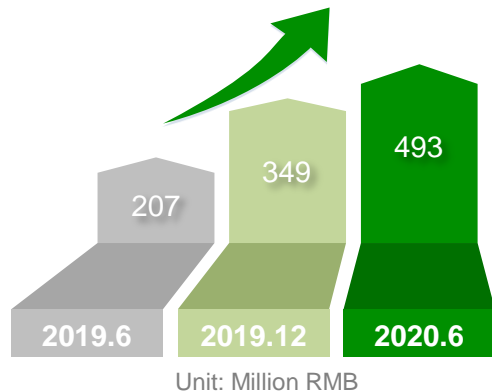


## Facilities & Scale

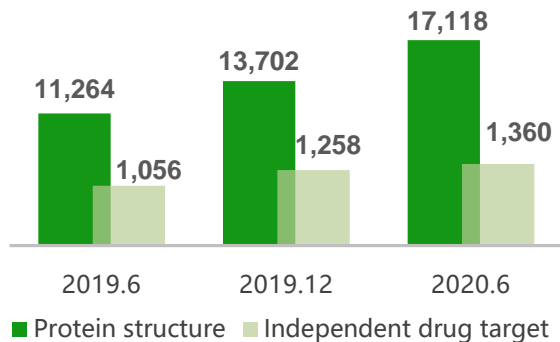
Acquired the property with a site area of **7,576** square meters located on Farady Road, Shanghai  
Successfully obtained the property located in Zhoupu, Shanghai, with a gross floor area of approximately **40,000** square meters

# Converted the Impact of the Epidemic into Opportunity

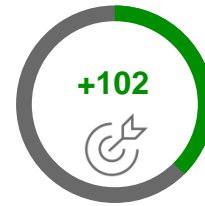
Backlog contract amount grew rapidly, surged by approximately 138.2% yoy



Delivered more than 17,000 protein structures and more than 1,300 independent drug targets to customers accumulatively



No. of newly-added structures delivered

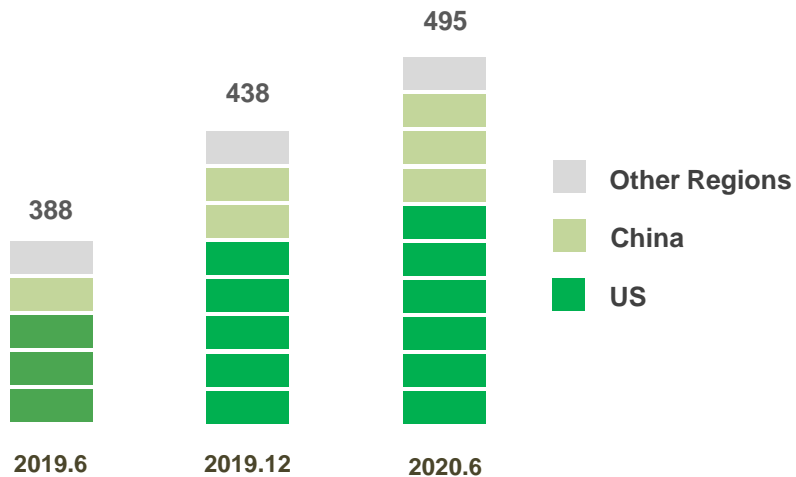


No. of newly-added drug targets in research

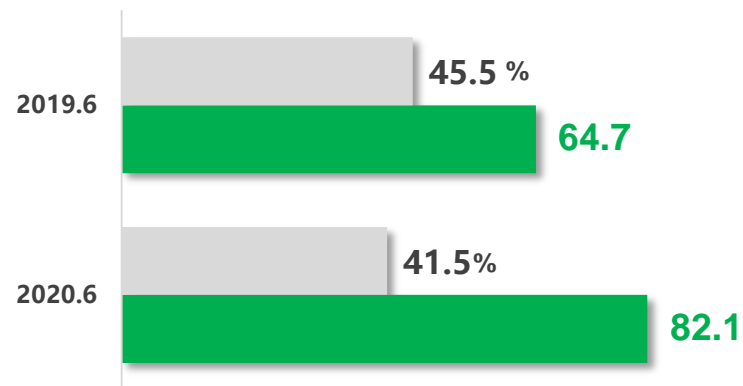
# Steady Increase in No. of Quality Customers with a Diversified Structure



## Increase of No. of Customers



## Revenue Contributed by Top 10 Customers



Unit: Million RMB

- Proportion of revenue from top 10 customers
- Revenue from top 10 customers

# Construction of New Technology Platforms



During the reporting period, the Company's R&D investment totaled **RMB22.3 million**, representing a YOY increase of approximately **43%**

## SBDD Platform

- Investigate the mechanism and function of the proteins
- Determine the crystal structure of drug target proteins
- 4 different protein expression systems
- One of the world's leading drug discovery service brands in the area of protein sciences and structure biology

## Affinity Selection Mass Spectrometry (ASMS) Screening Platform

- Library compound screening is an important part in drug discovery
- Unique screening technology platform combining three ASMS screening technologies
- Can accommodate wide selection of screening formats and conditions, and is fast, flexible, label-free, high throughput and more cost-effective



## FBDD Platform

- Uses libraries with lower molecular weight
- FBDD library was designed with structural diversity as well as to the need for mass spec detection
- Combining a proprietary FBDD compound library with our ASMS screening technology

## Membrane Protein Targeted Drug Discovery Technology

- Approximately 50% of the marketed drugs and a considerable portion of drugs under development modulate membrane proteins
- One of the most challenging target classes for drug discovery
- Successfully provided services for antibody drug discovery based on purified membrane proteins

Besides above world-leading technology platforms, Viva Biotech also possesses **medicinal chemistry research, In Vitro pharmacology, antibody macromolecules, biophysics analysis** etc.. Viva Biotech actively mapped out and constructed new technology platforms:



Cryo-EM



Computational Chemistry



CMC Process development

# Rapid Expansion of Laboratory & Office Facilities



▲ In Jul 2020, Viva Biotech successfully entered into a bid for a new property, with a site area of approx. **40,000 sq.m.**, to build **Viva Biotech Shanghai new headquarter** in the future.

In Feb 2020, the Company acquired the property with a site area of **7,576 sq.m.** located on Farady Road, Pudong, Shanghai



In Apr 2020, Viva Biotech Chengdu New Drug Incubation and Production R&D Center located in **Wenjiang, Chengdu**, with a site area of **33,607 sq.m.** commenced construction.

# EFS Business Extensively Explored Sourcing Opportunities around the Globe



During the reporting period, **425** early-stage projects were reviewed. Despite the severity of COVID-19, EFS team has grown their networks of project sourcing.

Established stable recommendation systems with near **60** universities, research transformation centers and investment institutions world-wide.



## Colleges and Research Institutions



## Research Transformation Centers and Incubators



## Investment Institutions & Industry Network



# Expansion of the Incubation Portfolio Companies Maturing EFS Business Model



During the reporting period, the  
Company reviewed **425** early-stage  
projects world-wide

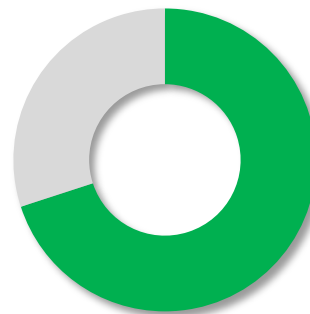
Investment Committee  
approved **24** projects



Newly added **10** incubation portfolio  
companies

Made additional investment in **3**  
existing portfolio companies

In negotiation for incubation and investment in **3** new companies



Investment Form  
(No. of projects)

■ EFS

■ Strategic Investment

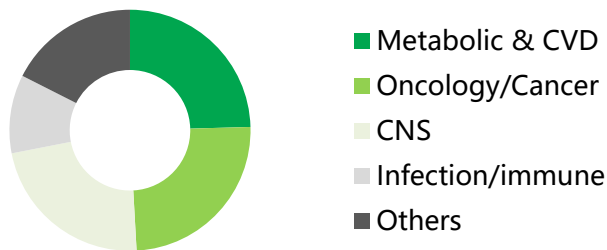
## 2020 New Added Companies



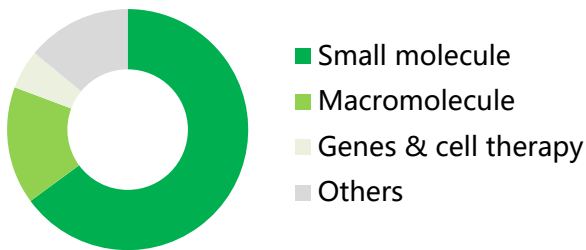
# Diversified Mechanism & Wide Range of Indications



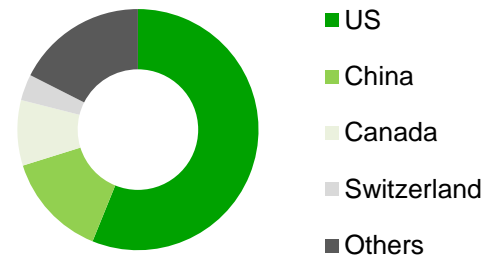
## Indication



## Mechanism



## Location



\* As of June 30, 2020, based on accumulated incubation companies

As of 30 June 2020, Viva Biotech had a total of **56** portfolio start-ups with an average agreed shareholding of **21.78%**, covering several frontier fields. In the coming two years, the portfolio will be further be expanded with **30-50** companies added per year.



# R&D and Financing of the Incubated Projects Rolled Out Smoothly



## A+-round financing of tens of millions of dollars completed

Mainly used for the development of major pipeline projects in pre-clinical stages



## A-round financing of US\$42 MN completed

Focus on R&D of innovative therapy against neurodegenerative diseases



## C-round financing completed

Focus on R&D of leading innovative drugs in lipid metabolism field



## B+-round financing completed

Focus on R&D of innovative drugs against metabolic diseases such as arthrolithiasis



About to enter phase I clinical trial

Phase I clinical trial

About to enter phase II clinical trial

About to enter phase II B clinical trial

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

# Business Partners Team Expanding Constantly Improve Innovative Pharmaceutical Ecosystem



6 top-tier scientists joined us in 2020 H1, bringing the total number to 30, to constantly strengthen the construction of the post-investment management system

Viva BioInnovator successfully held 1<sup>st</sup> DEMO DAY, with over 200 domestic and overseas top-tier investors and representatives of pharmaceutical companies attended

The event will be organized regularly, to constantly improve the construction of innovative biopharmaceutical ecosystem

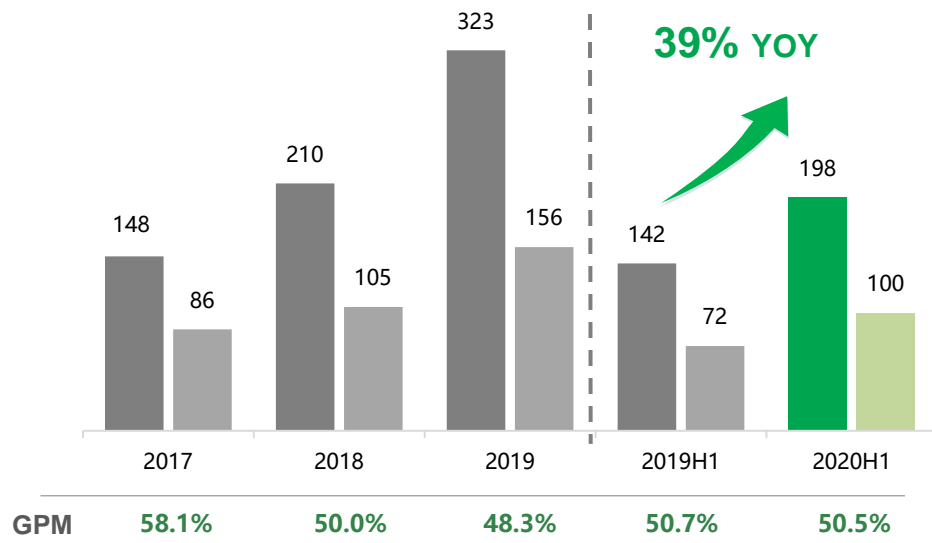


The 1st DEMO DAY covered several hot fields including hereditary nephropathy, gout, diabetes, dermatological diseases, spinal cord injuries and early diagnosis of oncology.



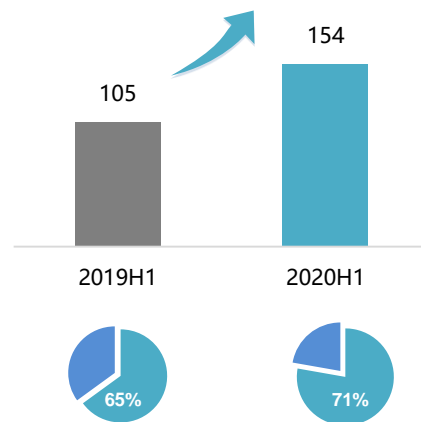
# 03 Financial Performance

# Operating Revenue Growth & Gross Profit Margin

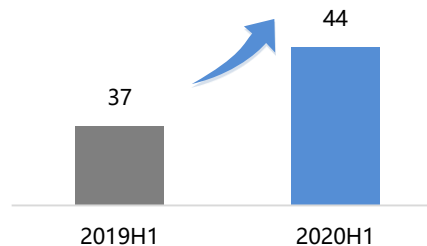


**Rapid Growth in Revenue and Gross Profit**

**CFS revenue increased by 47% YOY**

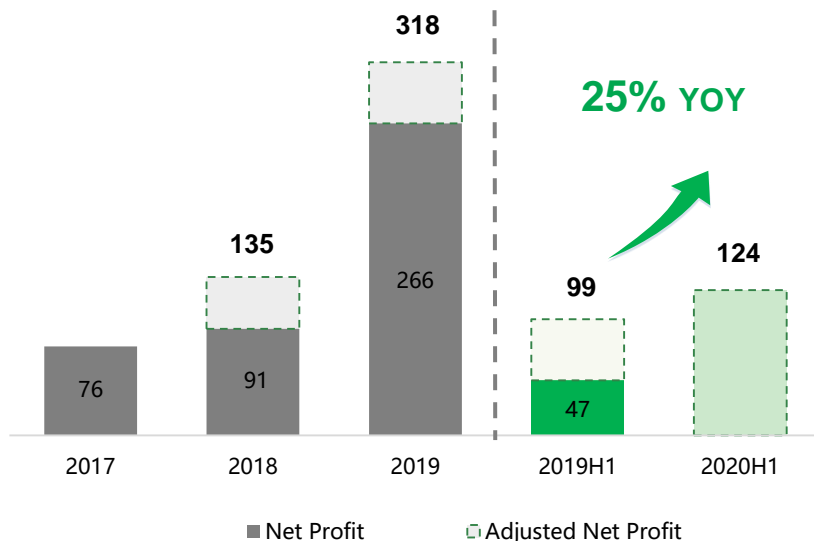


**EFS revenue increased by 19% YOY**



Unit: Million RMB

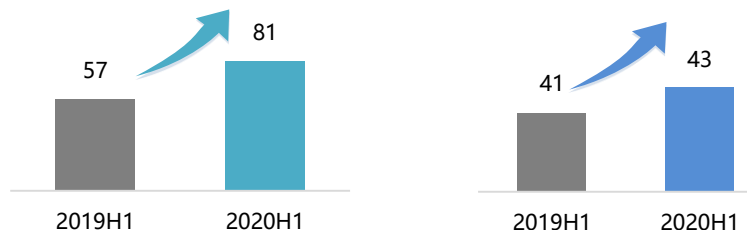
# Steady Growth in Operating Net Profit



## Profit of CFS & EFS

RMB '000	2019 H1	2020 H1
Net profit excluding extraordinary profit of loss	98,643	123,660
Net profit of EFS business***	41,199	42,549
FVTPL Gain	48,168	54,676
Disposal Gain	9,892	0
Share of loss	(943)	(321)
VBI Expense	(4,700)	(11,806)
EFS Income Tax Expenses	(11,218)	0
Net profit of CFS business	57,444	81,111

CFS net profit increased by **42% YOY**    EFS net profit increased by **5% YOY**



Note: 1) 2018 net profit of 90.55 million has adjusted the one-off preference share financial liabilities (20.66 million) and the listing fee(24.27 million);

2) 2019 net profit of 265.87 million has adjusted the one-off preference share financial liabilities (34.33 million) and the listing fee(17.91 million);

3) 2019H1 adjusted net profit of 99 million has excluded the one-off preference share financial liabilities (34.24 million) and listing fee (17.91 million);

4) **2020H1 adjusted net profit of 124 million has excluded the fair value loss on convertible bond (615.53 million), interest expenses of convertible bond (37.79 million), issuing fee of convertible bond (5.07 million) and gain on repurchase of the convertible bond (4.45 million);**

5) 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.

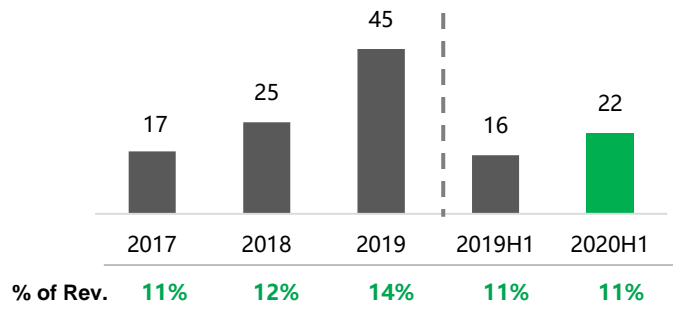
Unit: Million RMB

# The Expenses for 2020 H1

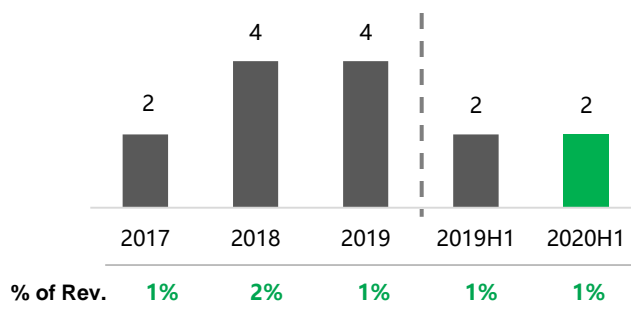
## Financing for Strategic Development



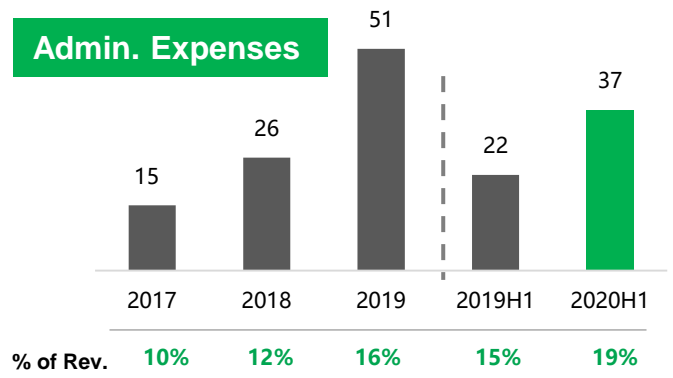
### R&D Expenses



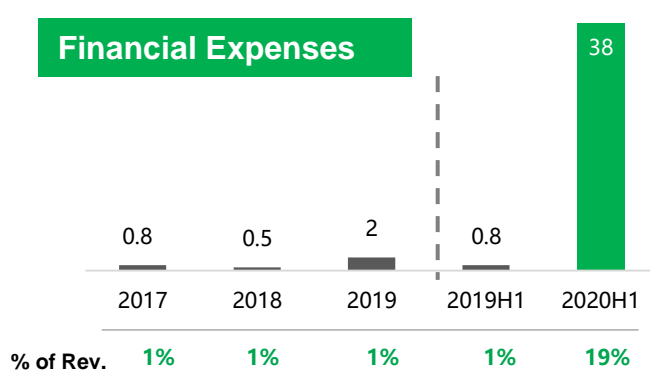
### Selling Expenses



### Admin. Expenses



### Financial Expenses



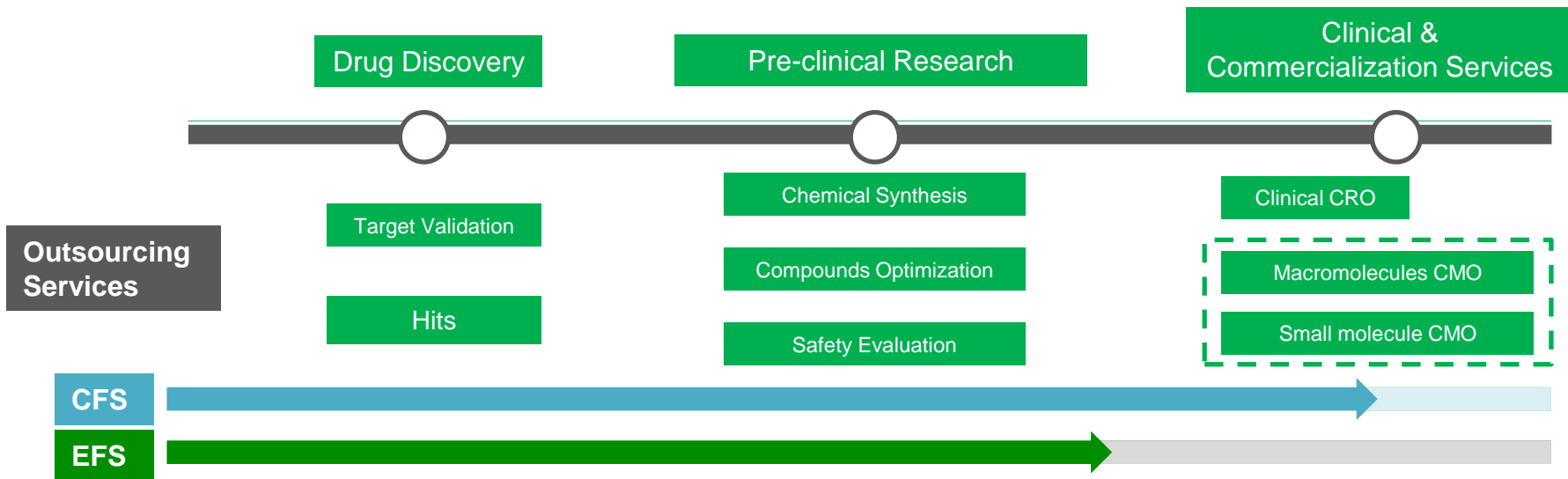
Successfully issued convertible bond of **US\$180 million**; net proceeds of **HK\$1,050 million** from placing will be primarily used for investment and acquisition of downstream business and the Company's business development.

The Board has resolved to declare an interim dividend of **HK\$0.017 per share** for the six months ended 30 June 2020.

# 04 Strategic Development

One-stop Service Platform

# 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



# Scale Effect of EFS Business Brings Exponential Growth in Pipelines

## Classic Growth Model of Biotech Start-ups

**Quick Start:** Start-ups always initiate with single pipeline and smaller core team

**Pipeline Expansion:** Along with the progress of major pipeline R&D and accumulation of technologies and management experiences, new pipelines will gradually expand

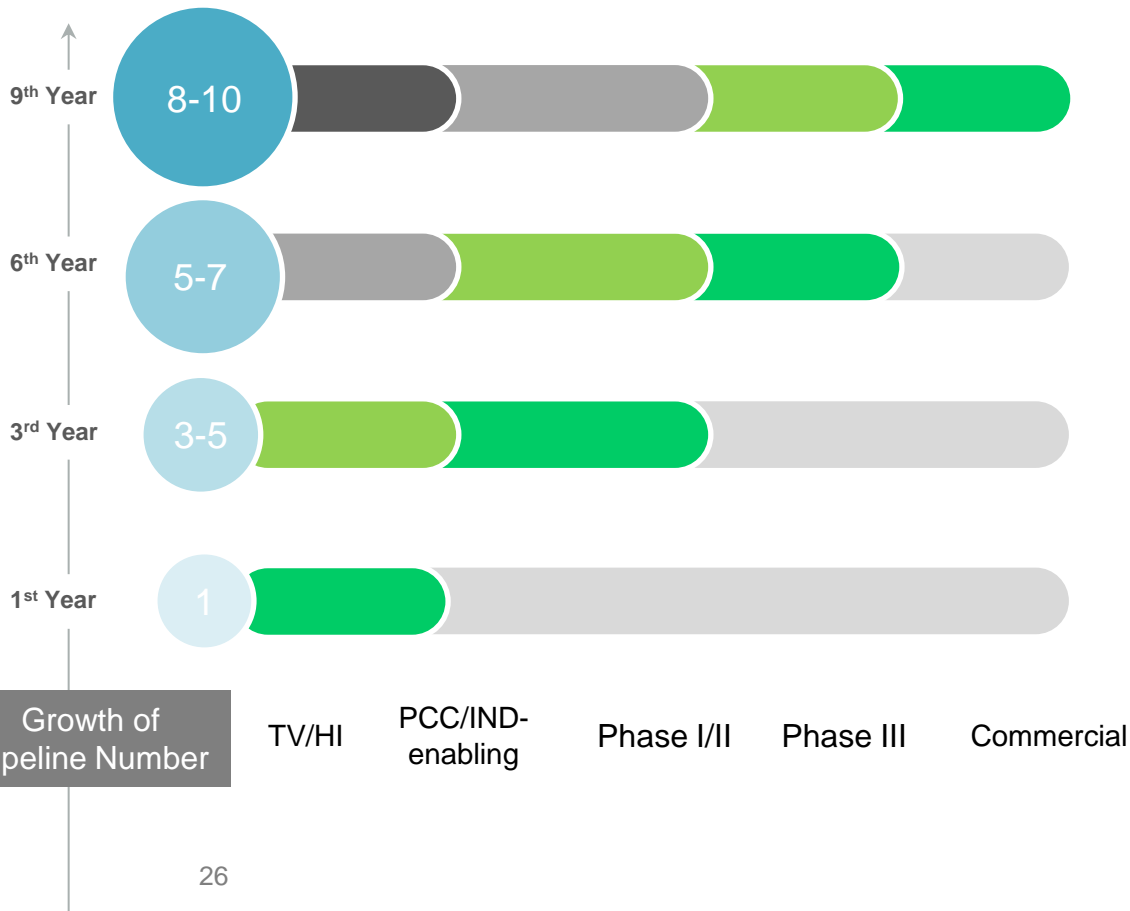
## EFS Model: Exponential Growth in Scale

Had 56 companies;  
Increasing by 30-50  
companies/year



No. of  
pipeline of  
each  
company

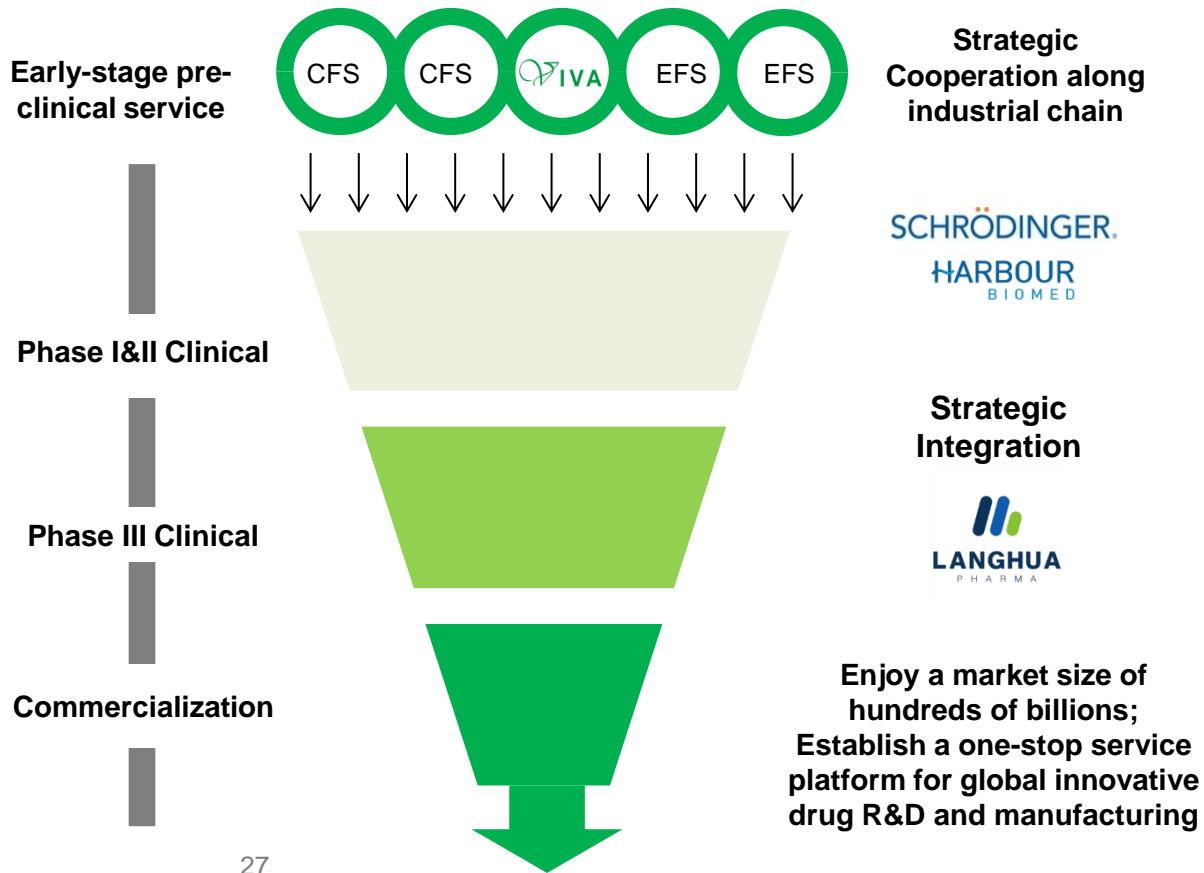
Growth of  
Pipeline Number



# Guide Quality Traffic Flow

## Build up Whole Industrial Chain Service Capability

- ◆ With **traffic flow from CFS and EFS businesses, to strategically cooperate/acquire with leading enterprises in each sector along the industrial chain** and establish a strong comprehensive R&D/manufacturing system.
- ◆ Integration with downstream CDMO effectively **avoids defects of industrial layout such as high investment and long time-consuming** and helps us to establish capability to provide the most quality services to clients throughout the full stage.
- ◆ **Quality traffic + whole industrial chain service capability** enables Viva Biotech to become a one-stop service platform for global innovative drug R&D and manufacturing to enjoy a market size of hundreds of billions.





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

## Q&A

### Contact Us



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