



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)

股票代號: 1873

Viva Biotech

2022 Annual Results

31 March 2023

Shanghai, China



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.

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/loss 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, foreign exchange gain/loss 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.

A green-tinted photograph of a laboratory setting, showing a person in a white lab coat working with equipment. The image is partially obscured by a large, light green abstract graphic on the right side of the page.

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Q&A Session

PART 1: Business Highlights



World Leading One-stop Drug Research and Production Platform



CRO Business

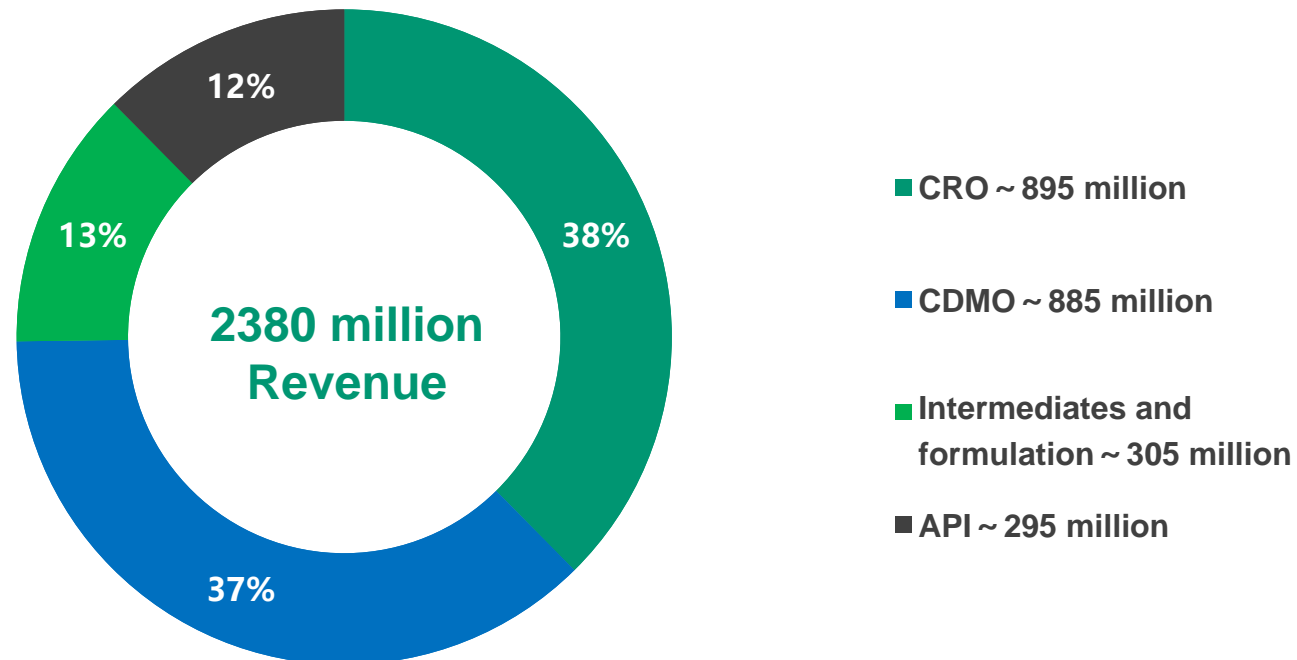
Focus on FIC's Discover business, take SBDD as the core to drive FBDD, drug screening and drug design, and provide all biological and chemical services from Target to PCC

CDMO Research and Production Business

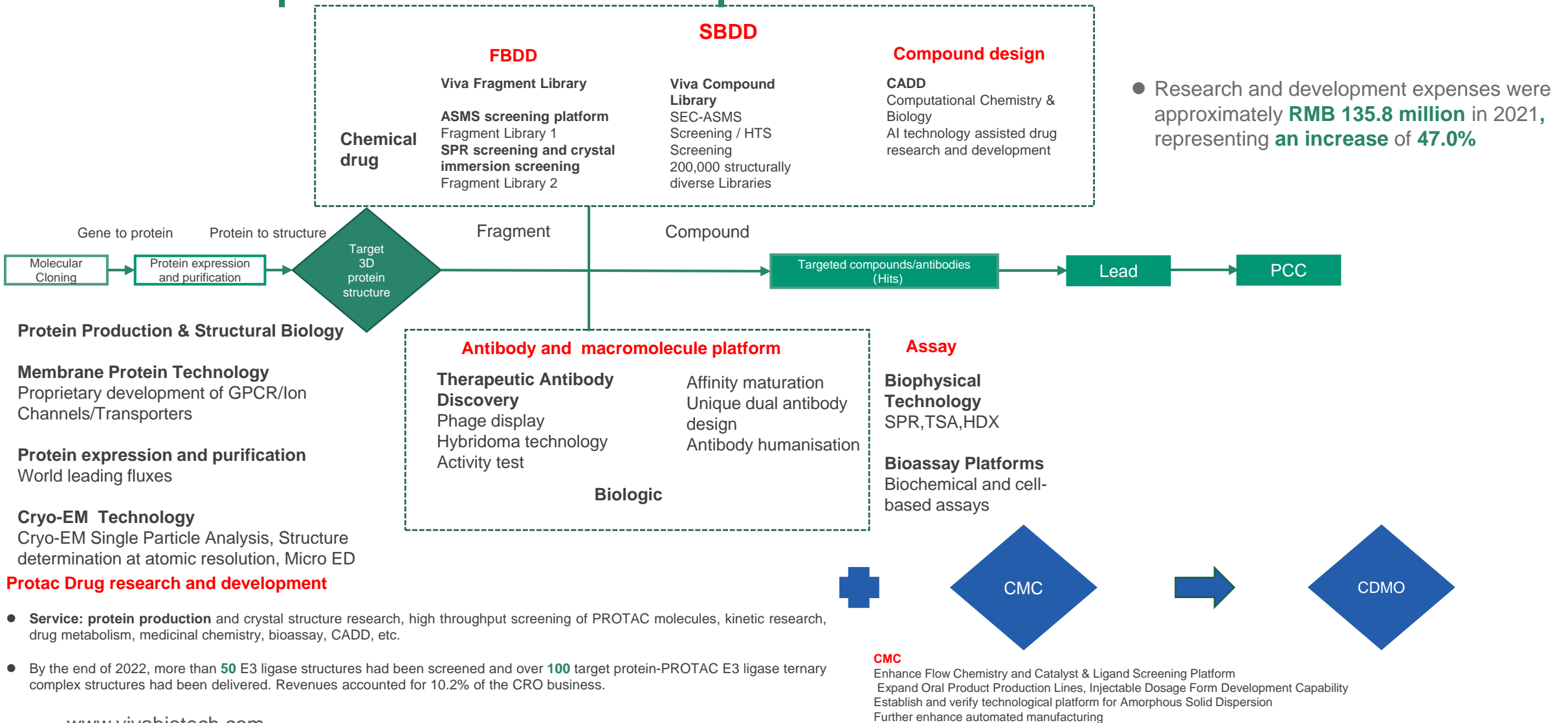
Provide innovative drug partners with small molecule CDMO, API, intermediates and formulation in the whole process of drug R&D and production

EFS Investment & Incubation Business

Focus on discovering and investing in high potential biotech start-ups to address unmet clinical medical needs



Continued to Build Technology Barriers, Improved CRO-CDMO Service Capabilities as a One-stop Platform



- Research and development expenses were approximately **RMB 135.8 million** in 2021, representing an **increase of 47.0%**

Protein Production & Structural Biology

Membrane Protein Technology

Proprietary development of GPCR/Ion Channels/Transporters

Protein expression and purification

World leading fluxes

Cryo-EM Technology

Cryo-EM Single Particle Analysis, Structure determination at atomic resolution, Micro ED

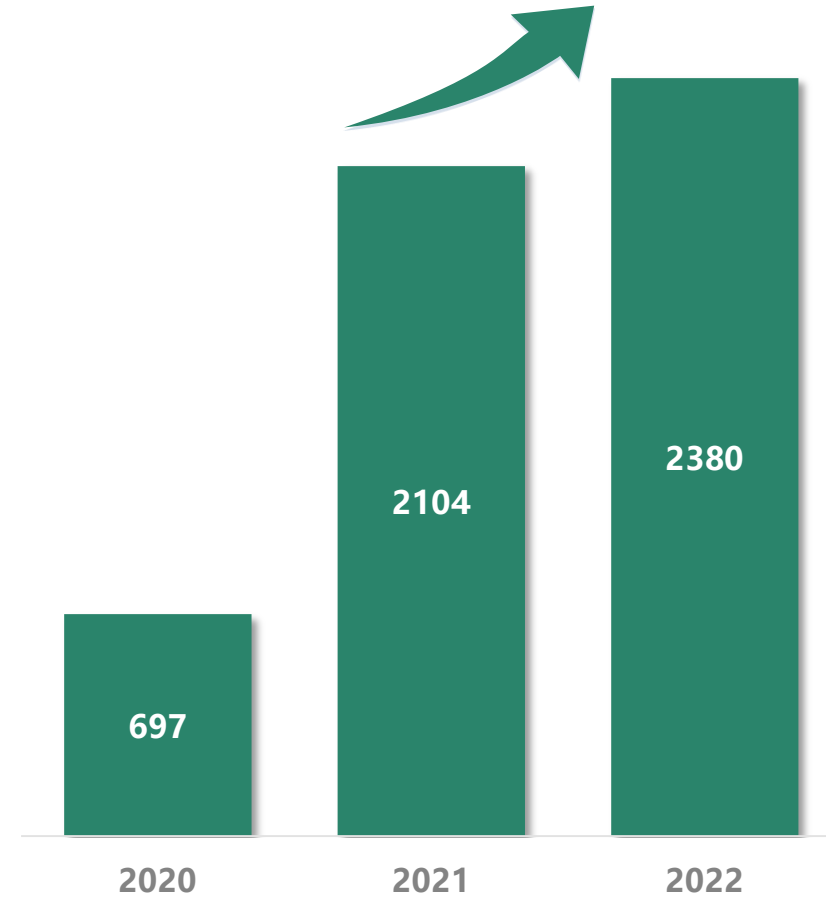
Protac Drug research and development

- **Service: protein production** and crystal structure research, high throughput screening of PROTAC molecules, kinetic research, drug metabolism, medicinal chemistry, bioassay, CADD, etc.
- By the end of 2022, more than **50** E3 ligase structures had been screened and over **100** target protein-PROTAC E3 ligase ternary complex structures had been delivered. Revenues accounted for 10.2% of the CRO business.

Business Highlights

- Revenue: RMB **2380 million**, **+13.0%** YOY
- Gross profit: RMB **816 million**, **+25.3%** YOY
- Adjusted net profit: RMB -133.9 million, a decrease YOY
- Adjusted basic earnings per share: RMB -0.28

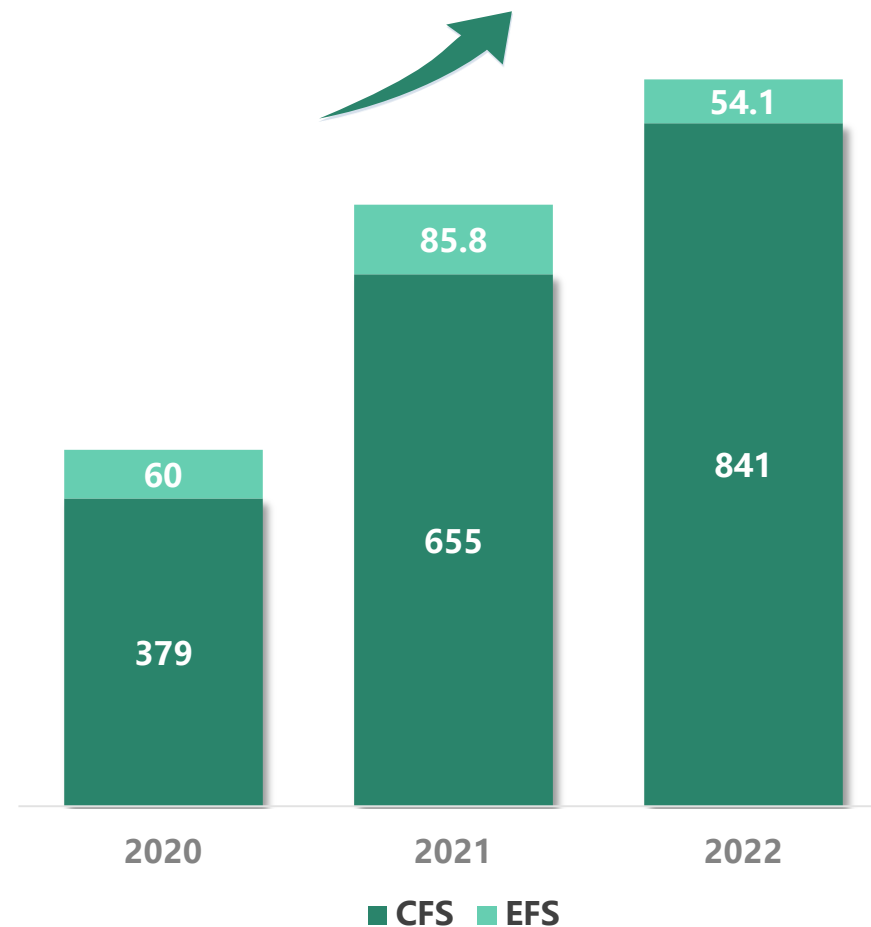
- The Group's total no. of clients: **2076**, widely located in North America, Europe and Asia, etc.
- Revenue from overseas accounted **83.9%**
- The Group's total employees: **2601**



RMB million

CRO: Revenue and Gross Profit with Steady Growth and Favorable Backlog

- Revenue: RMB **895.1 million**, **+20.9%** YOY
- Gross profit: RMB **397 million**, **+14%** YOY
- Revenue from Top 10 customers accounted for **24.6%**
- Revenue from Overseas accounted for **85.4%**, increase by **23.2%** YOY
- Revenue from China accounted for **14.6%**, increase by **9.0%** YOY
- Revenue from CFS: RMB **841 million**, **+28.4%** YOY
- Revenue from EFS: RMB **54.1 million**, **-37.1%** YOY
- Order backlog: **+8.8%** YOY to RMB **1050 million**
- 2022 Independent drug targets: **+68**
- 2022 Protein structures: **+14534**



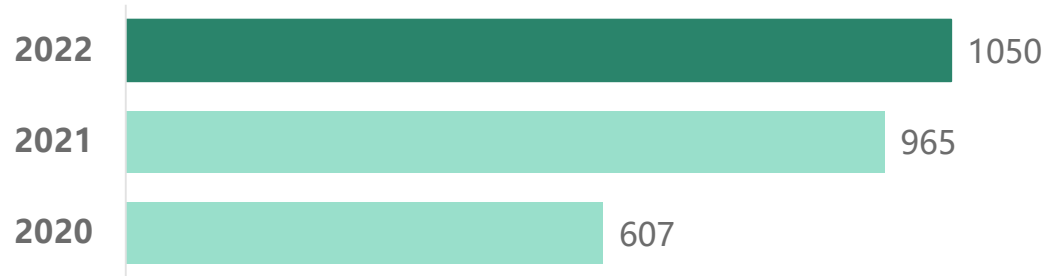
RMB million

CRO: Numbers of Customers and R&D Staff with Continuous Growth and Favorable Backlog

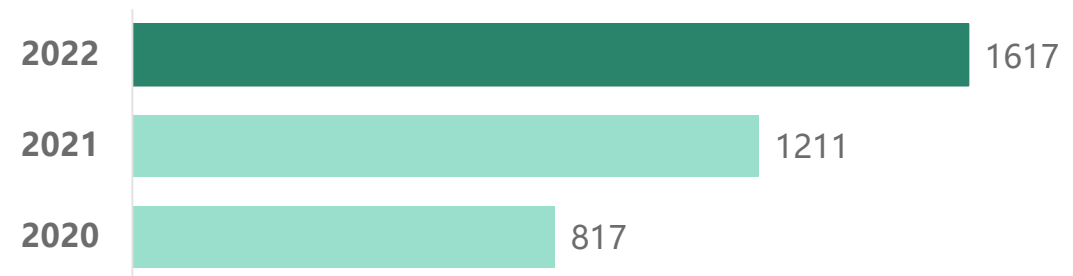


Order backlog: +8.8%

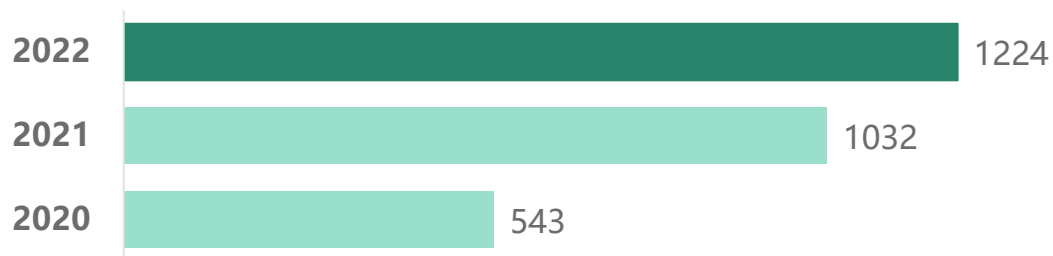
RMB million



No. of CRO R&D staff: +33.5%



No. of CRO customers: +19%



Served Top 10 global pharmaceutical companies



(by reported total revenue for 2022)

Served 5 “Fierce Biotech’s Fierce 15” promising biotech companies



CRO: Expanding Scale with No. of Targets and Protein Structures Delivered



Radiation source usage

Hours



- Use **12** synchrotron radiation source centers around the world
- Cover **9** countries and regions in Shanghai of China, USA, Canada, Japan, Australia, UK, France, Germany, Taiwan of China

CRO laboratories area

- Shanghai: approx. 35000 sq.m.
- Chengdu: approx. 10590 sq.m.
- Jiaxing: approx. 5335 sq.m.
- Suzhou: approx. 3250 sq.m.

Shanghai Supercomputing Center

- Shanghai Supercomputing Center passed acceptance in December 2022, and has been officially put into operation. At present, it can support computer aided drug design (CADD) calculation, AI Drug Discovery & Design (AIDD) related calculation, and crystal structure and Cryo-EM (Micro-ED) calculation.

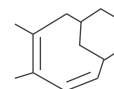
Reserve Area

- Chengdu: property with GFA of approx. **52000 sq.m.** could be used for lab planning in the future
- Hangzhou: For the novel drug incubation center with a planned GFA of approximately **77,500 sq.m.** in Qiantang New District, Hangzhou, we will consider several potential construction options in future.

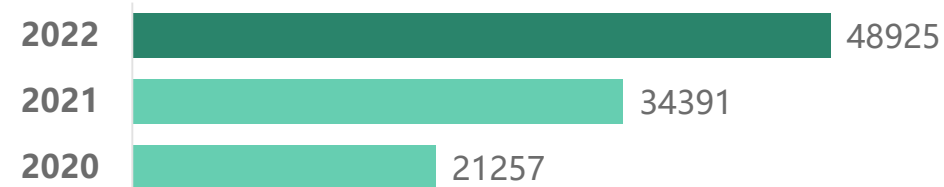
No. of targets and protein structures delivered



- Independent targets: **+68**
- Cumulative Number **1878**

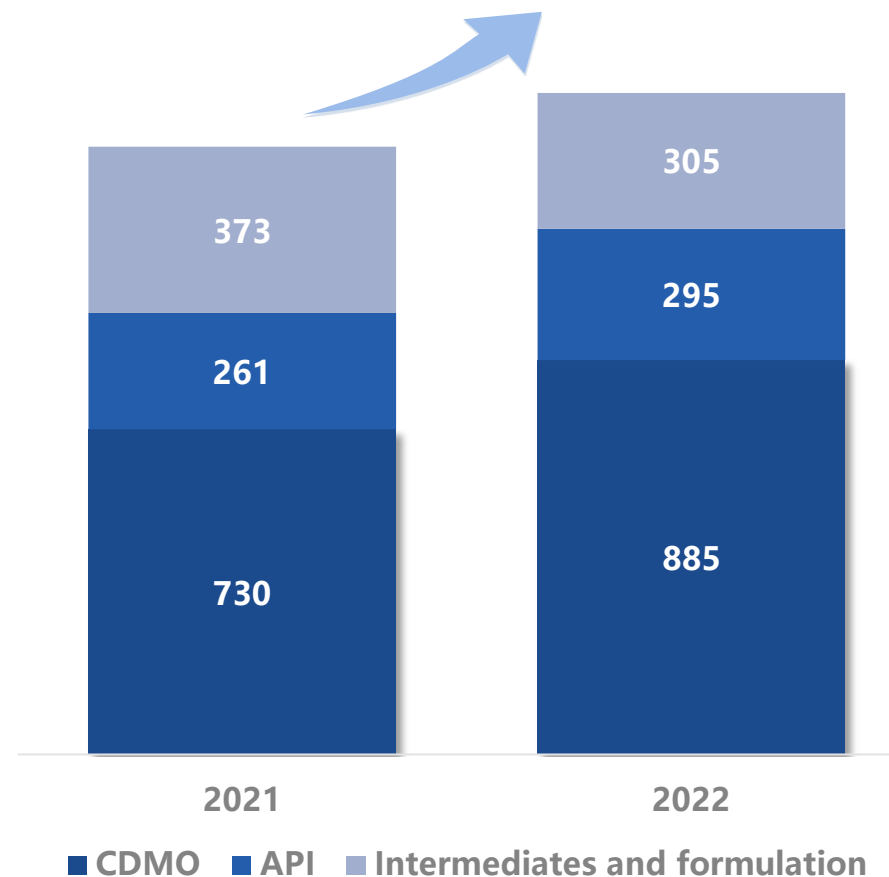


- Protein Structures: **+14534** Cumulative
Number: **48925**



CDMO R&D and Production Services

- Langhua's revenue: RMB **1485 million**, **+8.8%** YOY
- Langhua's adjusted gross profit: RMB **433 million**, **+33.6%** YOY
- CDMO: revenue RMB **885 million**, **+21.23%** YOY; adjusted gross profit margin 38.42%, **+2.53pp** YOY
- API: revenue RMB **295 million**, **+13.03%** YOY; adjusted gross profit margin 16.95%, **+7.37pp** YOY
- Intermediates and formulation: revenue RMB **305 million**, **-18.23%** YOY; gross profit margin 14.10%, **+4.18pp** YOY
- Clients: **852** (cumulative)
- Revenue from Top 10 clients accounted for **56.02%** of revenue, **+1.99pp** YoY in concentration
- The retention rate of top 10 customers: **100%**

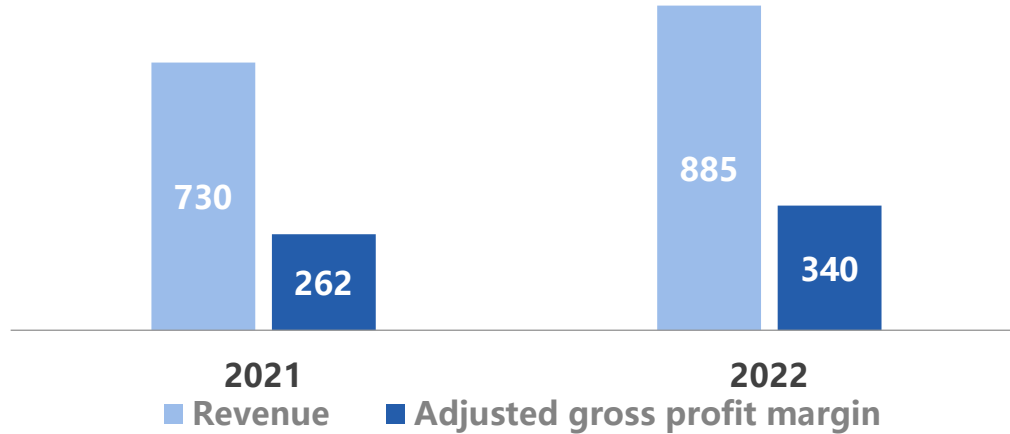


RMB Million

CDMO : Continuous Volume Growth in Heavy Pipelines, Steady Sales Growth Driven by Recovery in Production Capacity



Revenue and gross profit from CDMO *RMB Million*



- Revenue from CDMO: RMB **885 million**, increased by **21.23%** YOY
- CDMO's adjusted gross profit margin: **38.42%**, increased by **2.53pp** YOY
- Mainly due to the strong pipeline of CDMOs, product deliveries and product structure optimization

Production capacity expansion plan (21-23E) *Cubic metre*



- Langhua plans to build a new capacity of 400 cubic meters **in 2024**, and the **ground construction project** has started



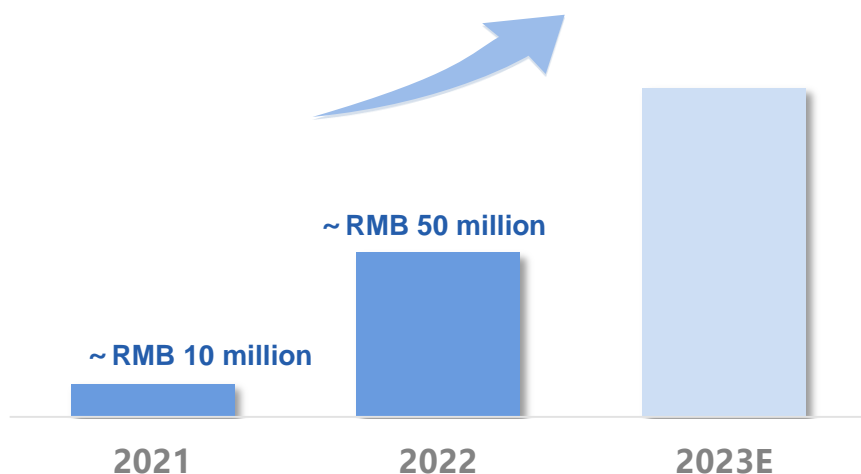
Land Planning for New Production Capacity in 2024

Continue to Strengthen CMC Capacity Building with Increasing Revenue



Revenue scale

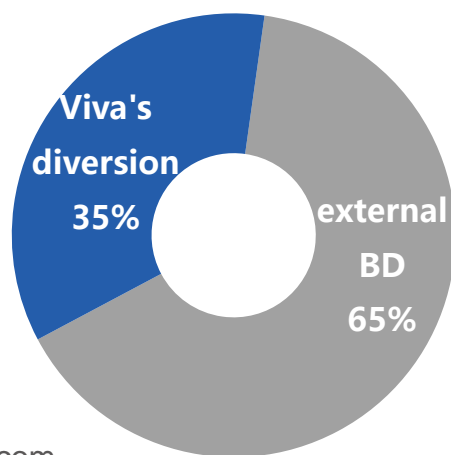
RMB



CMC staff



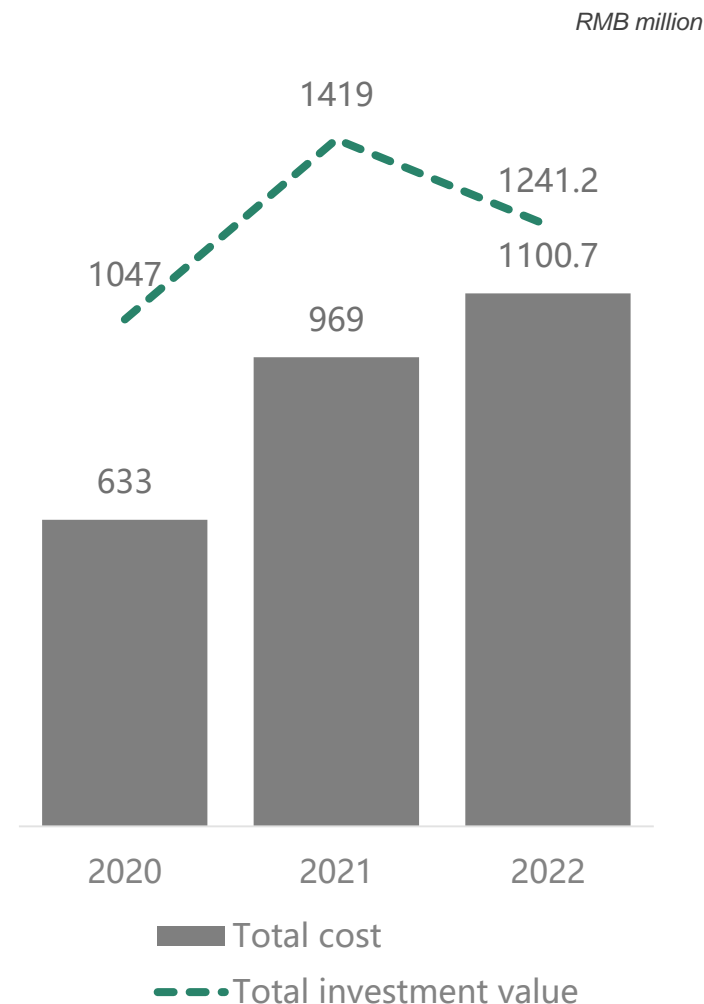
Internal and external two-pronged approach for CMC diversion



- Revenue of CMC: **approx. RMB 50 million**. Due to the continuous increase in the construction investment of the R&D centre in the early stage, it is still in the early investment loss stage.
- Order backlog of CMC: approx. **RMB 40 million**
- **Nearly 123 CMC new drug projects** have been completed or are in progress, since the establishment of CMC business
- The no. of CMC R&D staff is **155 employees** at the end of the period
- CMC laboratories covering approx. **10,000 sq.m.**

EFS Investment & Incubation Business

- Completed **15 investments** in 2022, of which **4** were newly-added
- As of Dec 31, 2022, invested in a total of **91 portfolio companies**
- In 2022, **2 of the portfolio companies** achieved partial or complete exit
- **215 Pipeline projects** of portfolio companies, of which 179 in the preclinical stage, 36 entered the clinical stage
- **10** portfolio companies finished a new round of financing, raising over **US \$158 million** in total
- **Loss from fair value change for the reporting period: RMB 364.4 million**
- **Actively applying for a fund manager license, carrying out investment incubation business by establishing an investment fund in the future, thereby reducing the capital occupation of listed companies.**



Notes:

1. Total investment value = fair value + cash received

2. Total cost = total cash cost + total EFS cost

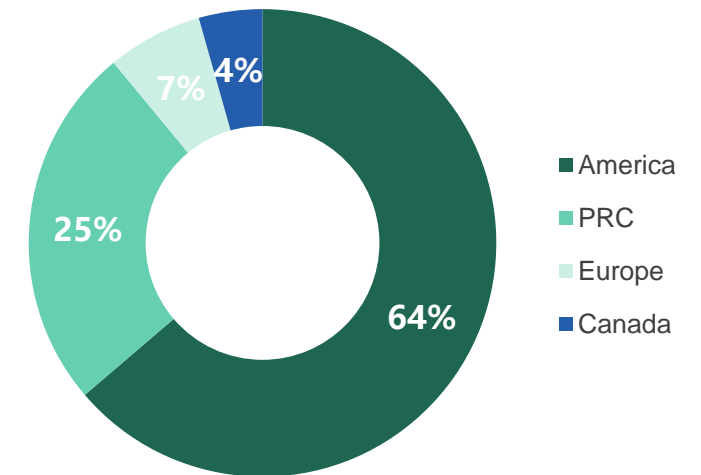
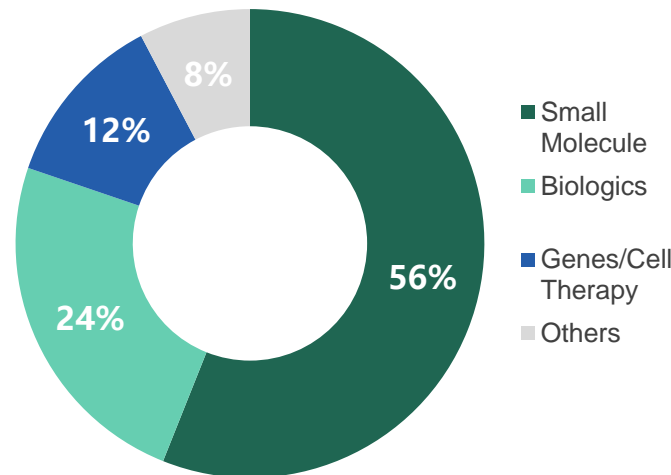
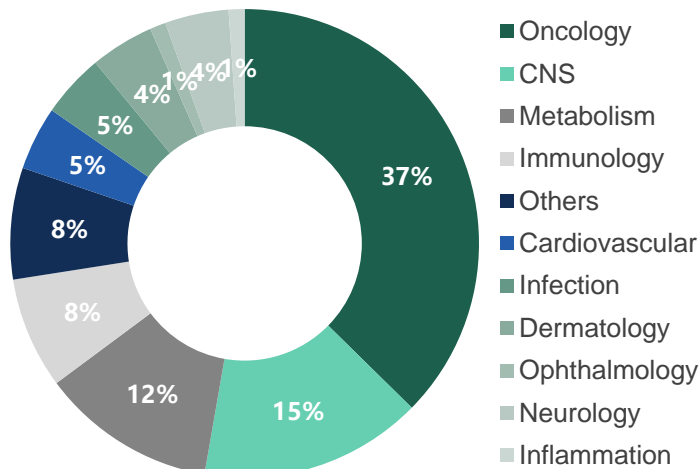
Source: Viva Prospectus, 2020-2022 annual report, financial assets at FVTPL and interests in joint ventures and management's information

- As of Dec 31, 2022, VBI invested in a total of 91 projects, reviewed 455 projects, added 4 companies into portfolio, added 2 new investment funds, and followed on 9 additional investment projects
- In 2022, 2 of the portfolio companies made partial or complete exit

New Project



Follow-on investment project

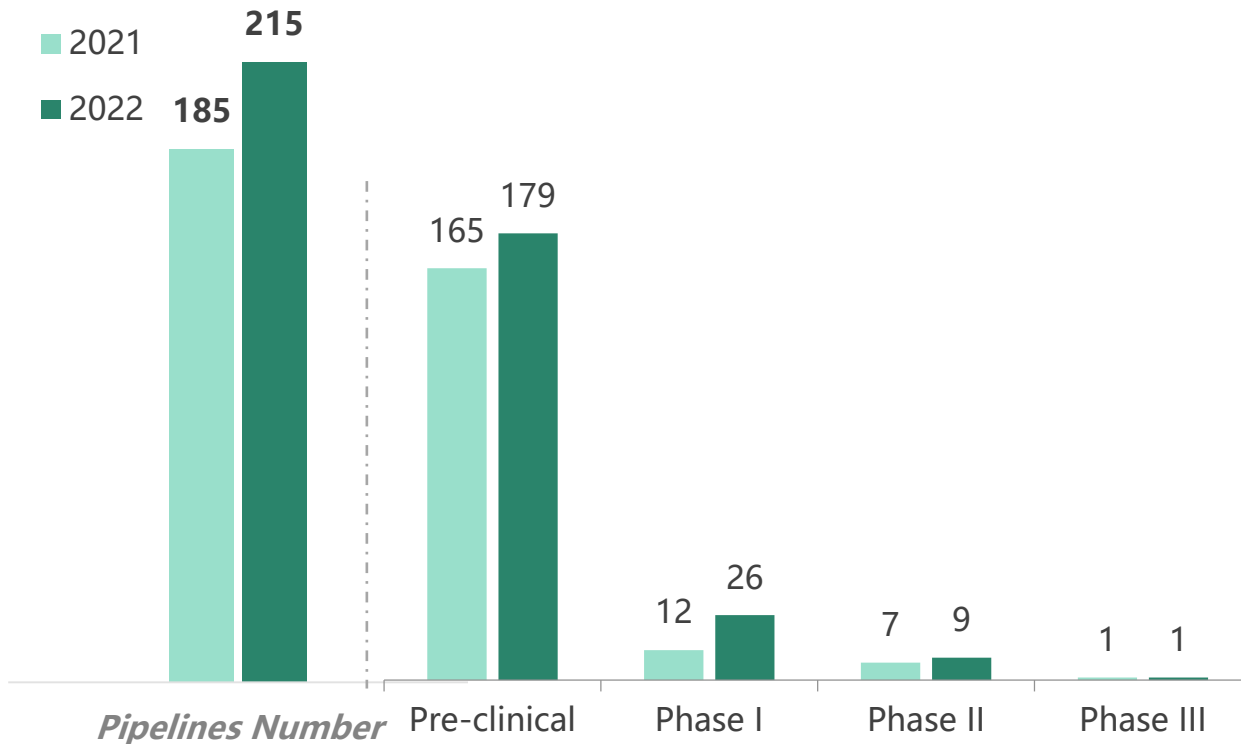


High-speed Pipeline Expansion & Smooth Progress in Financing



215 pipeline projects in portfolio companies

*in terms of total no. of portfolio companies



- 10 portfolio companies finished a new round of financing, raising over **US \$158 million in total**
- 179 in the preclinical stage, **36 pipelines** entered **clinical stage**



- Ischaemic stroke pipeline entered phase II clinical trials



- ANJ900 entered phase III clinical trial;
- ANJ908 entered phase II clinical trial



- VVN001, VVN539, VVN461 entered phase II clinical trial



- Published positive top-line results of gout drug AR882 in clinical IIb trial



- Two pipeline projects entered phase II clinical trial, one of which is expected to enter phase III clinical trials by the end of this year.



- Ricolinostat entered phase II clinical trial

PART 2: Financial Performance

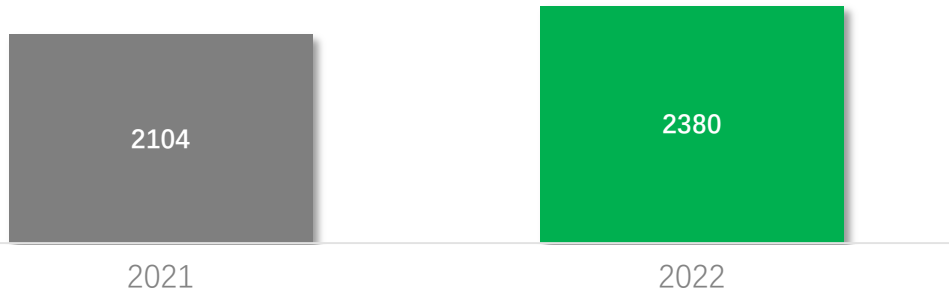
Financial Performance of the Group



Rapid Growth in Revenue

RMB million

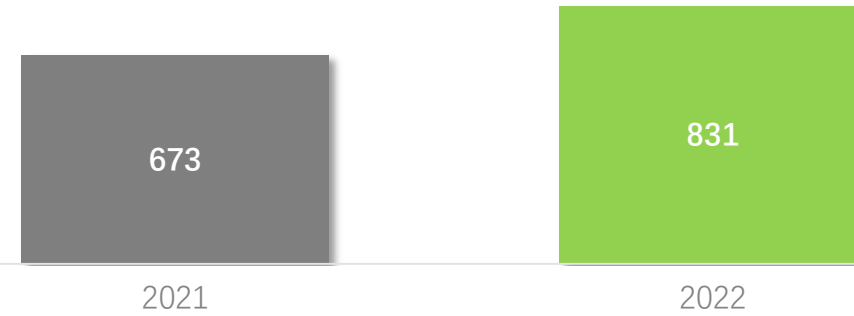
Increased **13.0%**



Adjusted Gross Profit

RMB million

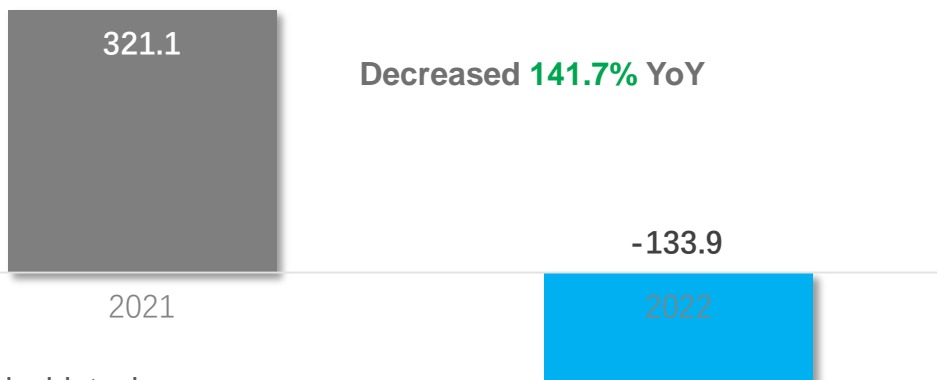
Increased **23.5%**



Adjusted Net Profit

RMB million

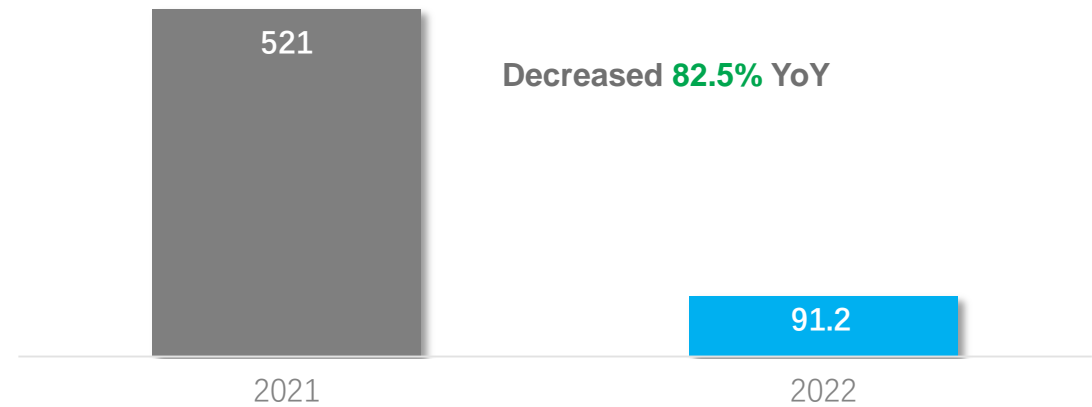
Decreased **141.7% YoY**



Adjusted EBITDA

RMB million

Decreased **82.5% YoY**

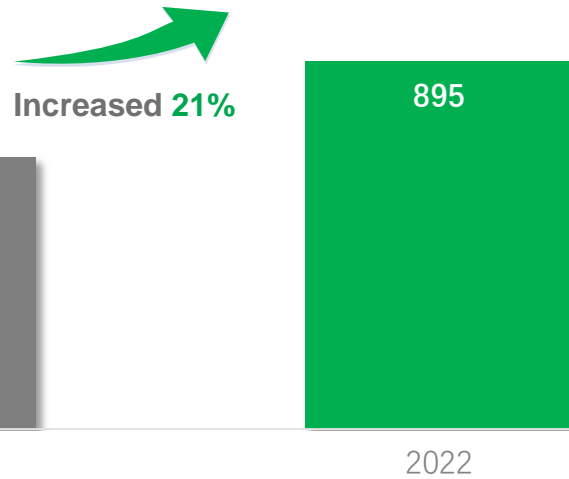


CRO BU Financial Statistics



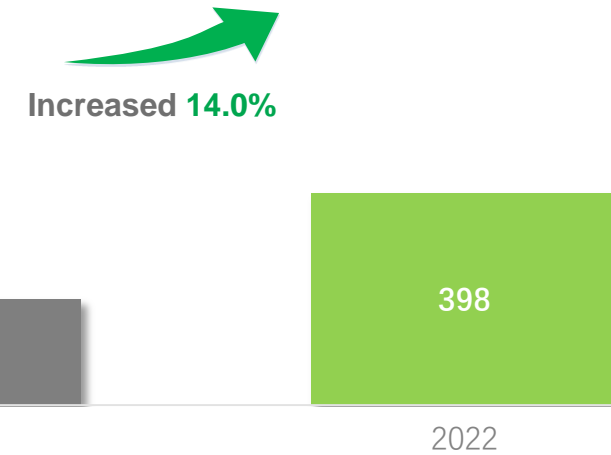
CRO revenue

RMB million



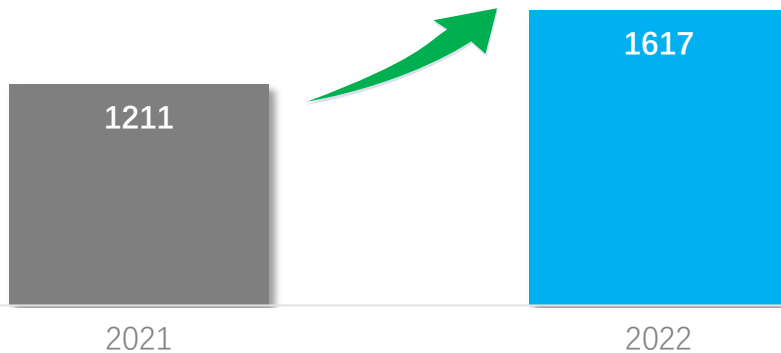
Adjusted Gross profit

RMB million



No. of CRO R&D personnel

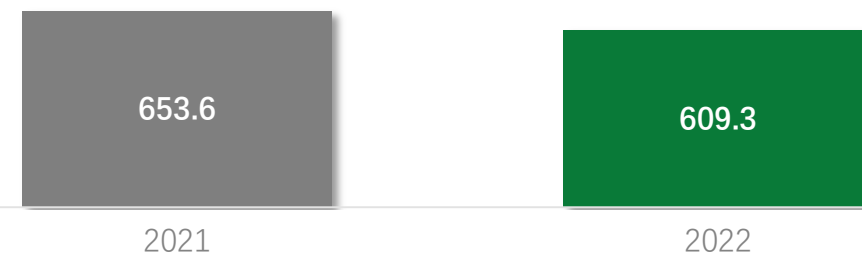
Increased 33.5%



Annual revenue per CRO Personnel

RMB'000

Decreased 6.8%



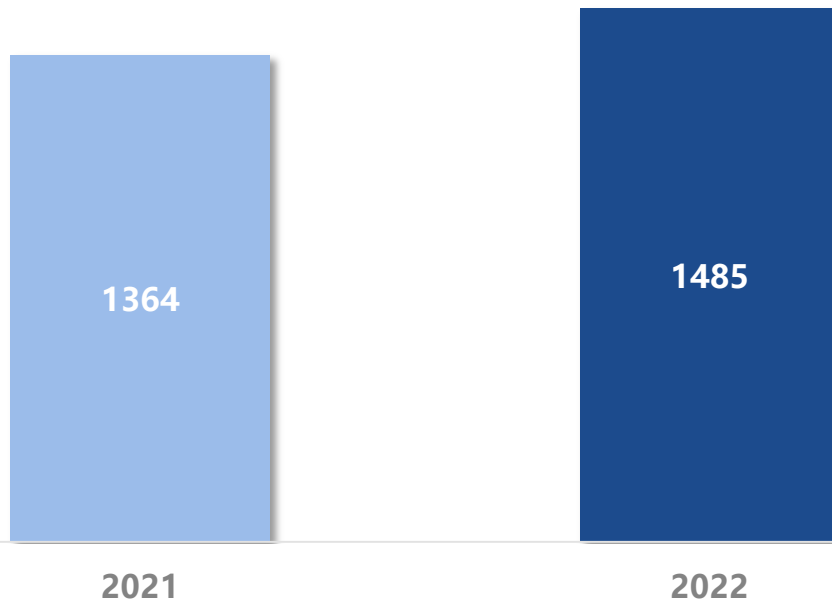
CDMO BU Financial Statistics



Langhua's revenue

RMB million

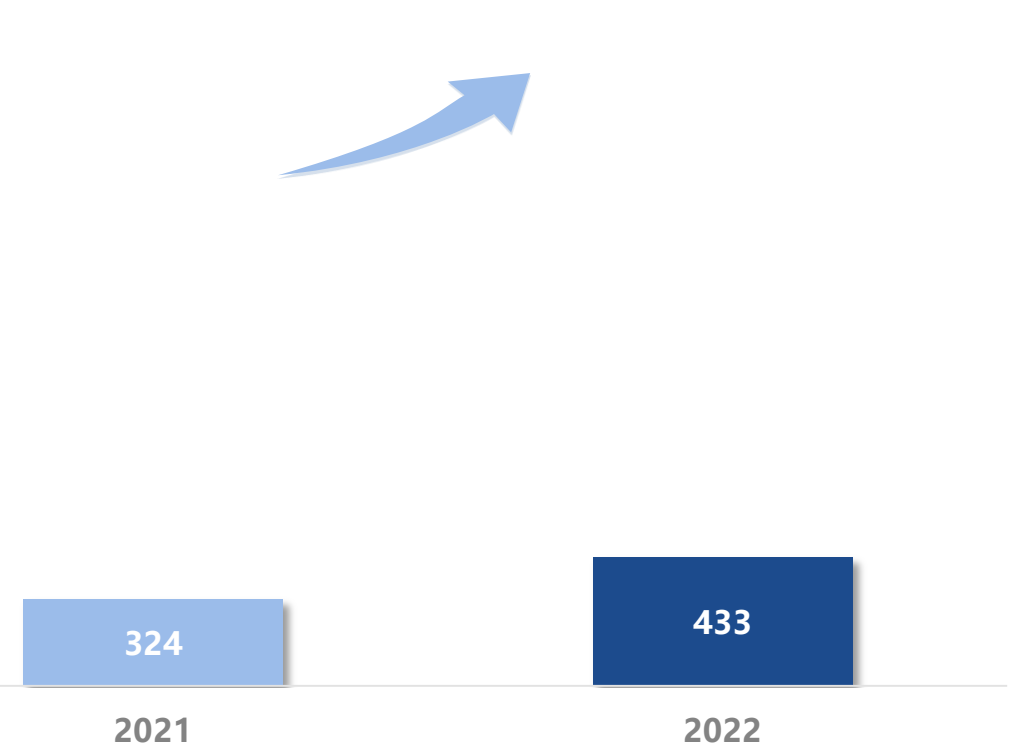
Increased 8.9%



Langhua's adjusted gross profit

RMB million

Increased 33.6%



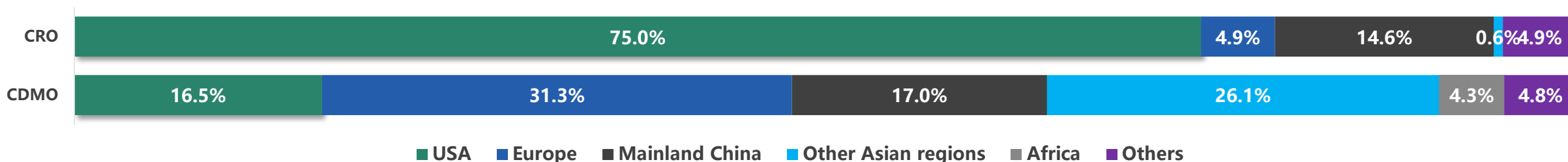
Revenue Classifications of Principal Activities



For the 12 months ended DEC 31, 2022

Types of goods or services	Drug discovery services	CDMO and commercialisation services	Total
	RMB' 000	RMB' 000	RMB' 000
Revenue from non-investees			
Full-time-equivalent (FTE)	667,165	-	667,165
Fee-for-service (FFS)	126,229	15,678	141,907
Sale of products	-	1,456,082	1,456,082
	793,394	1,471,760	2,265,154
Revenue from investees			
Full-time-equivalent (FTE)	39,230	-	39,230
Fee-for-service (FFS)	8,352	12,814	21,166
Service-for-equity service (SFE)	54,081	-	54,081
Sale of products			
	101,663	12,814	114,477
Revenue from principal activities	895,057	1,484,574	2,379,631

Regional structure of principal activities revenue



Items Measured at Fair Value with Changes in Fair Value Recognised in Profit or Loss



The movements in the carrying value of unlisted investments at FVTPL for the reporting period are as follows:

	RMB'000
At January 1, 2021	924,532
Acquired	249,517
Recognized from SFE revenue	86,438
Recognised from deemed disposal of an associate	9,486
Gain on fair value change	36,456
Disposal	(48,743)
Exchange adjustment	(10,956)
At December 31, 2021 and At January 1, 2022	1,246,730
Acquired	70,748
Recognized from SFE revenue	61,016
Recognised from deemed disposal of a joint venture	-
Gain on fair value change	(364,263)
Disposal	(22,637)
Exchange adjustment	55,022
At December 31, 2022	1,046,616

● Accumulated Total Value from EFS BU

RMB million

	2020	2021	2022
Cash received	123	172	194.6
Fair value	925	1247	1046.6
Total investment value	1,047	1,419	1,241.2

PART 3: Future Strategies



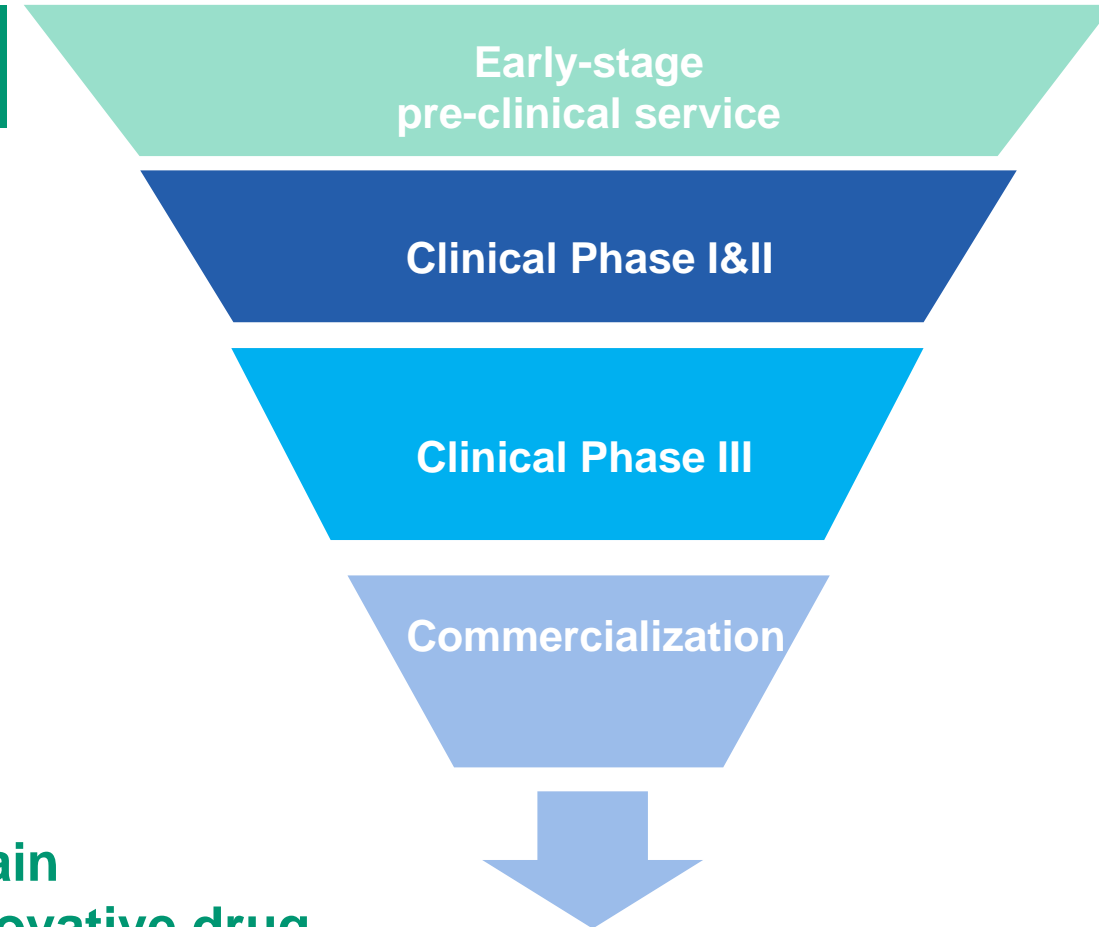
Improve Capacity Building for Front-end Projects, Continue to Expand the Whole Industry Chain Service Downstream



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

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

**Deepening strategic cooperation in the industry chain
Establish a one-stop service platform for global innovative drug
R&D and manufacturing**



APPENDIX: Adjusted Non-IFRS Net Profit



	2022	2022H1	2021	2021H1	2020
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
Net Profit/ (Loss)	-504,220	-85,220	300,560	95,802	-378,870
Add: fair value (gain) loss on embedded derivative instrument of convertible bonds	-10,050	-10,050	-143,590	13,366	547,048
Add: interest expenses of the debt components of the Convertible Bonds	140,232	67,818	136,104	67,421	52,117
Add: transaction costs relating to the derivative component of the Convertible Bonds		4,012			5,068
Less: gain on repurchase of the Convertible Bonds	-45,421	-			-4,447
Add: non-recurring loss on disposal of fixed assets			5,135	5,135	
Add: amortization of acquired assets from acquisition	48,367	24,258	48,181	23,219	15,820
Add: transaction costs relating to the acquisition					15,582
Add: fair value loss on contingent consideration			6,115		
Add: foreign exchange loss/(gain)	146,391	88,133	-31,415	-8,051	19,790
Adjusted Non-IFRS Net Profit	-133,859	88,951	321,091	196,892	272,108
Adjusted Non-IFRS Net Profit Margin	-5.6%	8.0%	15.3%	19.2%	39.0%

The text 'Q&A Session' is centered in a bold, black, sans-serif font. The background of the slide features a large, light green, stylized 'V' graphic that overlaps the text. On the left side, there is a dark green, semi-transparent image of a laboratory setting with a person in a white lab coat working at a bench.

THANK YOU!

Ir@vivabiotech.com

Viva Biotech Holdings

No.735, Ziping Road, Pudong New Area, Shanghai 201318, China

Tel: +86 21 6089 3288

E-mail: info@vivabiotech.com

www.vivabiotech.com

