



GNI Group Ltd.

FY2022 Q2 Year to Date Financial Results Corporate Presentation

Aug 17th, 2022

We Bring New Hope to Patients

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Note: In places, pro forma figures in the pages which follow may be rounded to underscore direction of the business.

Agenda

Business Overview



Ying Luo (罗楹), PhD

President and Chief Executive Officer

Financial Overview



Joseph Francis Meyer

Chief Financial Officer

Questions and Answers



Ying Luo

Joseph Francis Meyer

Akihiro Nakano (IR)

2022Q2YTD: Maintaining Growth and Strategic Initiatives

- ✓ Posted consolidated revenue JPY 8.1 bn yen in the 1st half of 2022, up 26.1% YoY.
- ✓ R&D progress continues at both BC and Cullgen
- ✓ BAB growth solid
- ✓ BC IPO application to HKEX
- ✓ Strategic opportunities for expansion in Japan under review

Growth Continues

- JPY 8.1 bn in revenue, up 26.1% YoY
- On track for full-year budget

R&D Progress

- Expanding Pirfenidone indications at BC
- Protein degrader IND in China for Cullgen

Business Expansion

- Bringing Biomaterial business to East Asia
- Aligning corporate structure accordingly

Strategic Financing

- BC IPO application to HKEX

BC: Beijing Continent Pharmaceutical Co, Ltd.

BAB: Berkeley Advanced Biomaterials LLC

Key Business Growth Initiatives - Progress

ETUARY®

Driving the Group's financial stability

- Continues to post the record sales in local currency terms

Drug Discovery

Investing in future growth

- Cullgen's TPD* oncology drug obtained IND approval in China; commencing Ph1 clinical trial in China
- Steady progress in BC's new drug pipeline: ETUARY® for Pneumoconiosis in Ph3 clinical trial; F351 Ph2 clinical trial in progress; F351 Ph2 results published in renowned academic journal in the US, *Clinical Gastroenterology and Hepatology*
- GNI USA F351 Ph2 clinical trial for NASH being discussed with FDA

Biomaterial

Expanding internationally

- Deliberating corporate re-organization to help catapult the business internationally

Strategic Investments

Leveraging industry expertise to diversify sources of revenue and growth

- \$15 million committed, \$4.5 million invested so far as an LP to a biotech specialist fund in China as an additional means to insource innovation

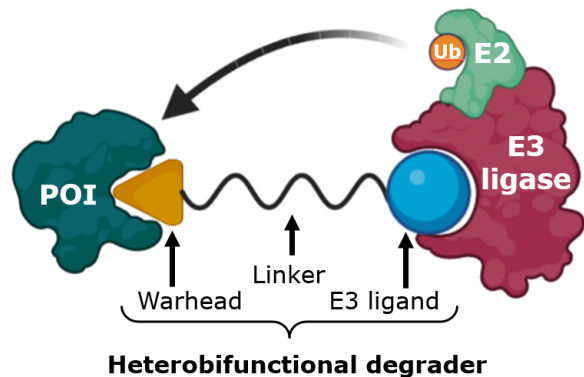
*TPD: Targeted Protein Degradation

First IND from Cullgen's Cancer Drug Discovery Platform

Much more to come

uSMITE™ Platform Innovation

Overcome Limitations of Current E3 ligands



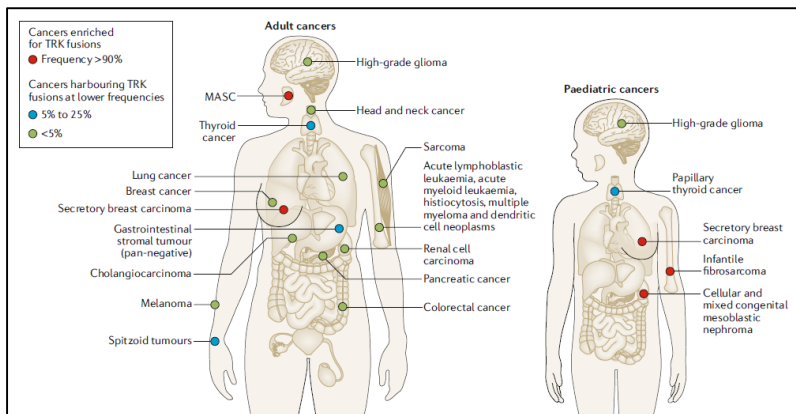
Targeted protein degradation (TPD) allows:

- Higher efficacy due to catalytic mechanism
- Targeting previously undruggable proteins
- Tissue selective delivery of drug activity

uSMITE™ platform will:

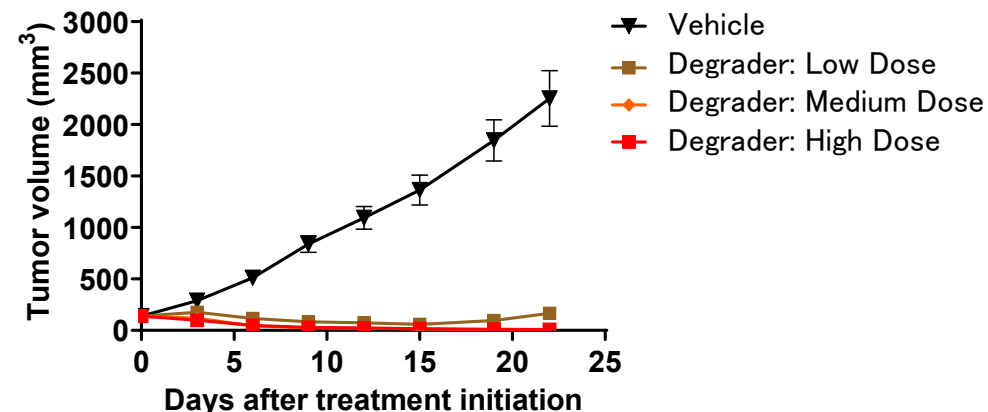
- Expand E3 ligand toolbox to target proteome
- Reduce drug resistance
- Avoid toxicity
- Achieve desired tissue delivery

NTRK mutation in many types of cancer



Cocco, Scaltriti & Drilon (2017) *Nat Rev Clin Oncol*, PMID: 30333516

Patient-Derived Xenograft



R&D: Notable Updates in Drug Development Pipeline

Cullgen's TRK degrader IND[#] approved by NMPA* for Ph1 clinical trial in China (August)

Pirfenidone (ETUARY[®]) indication expansion: Ph3 clinical trial for pneumoconiosis in China (June)

F351 Ph2 result published in industry-renowned academic journal in the US, *Clinical Gastroenterology and Hepatology* (July)

Dr. Yue Xiong, Cullgen's Chief Scientific Officer, participated in The 30th Annual Meeting of the Japanese Breast Cancer Society in Japan (July)

*NMPA: National Medical Products Administration (Chinese agency for regulating drugs and medical devices)

[#]IND: Investigational New Drug

Main Subsidiaries Updates



Making steady progress in clinical trials
Working towards main board listing in HKEX



Growing biomaterial business in Asia
Foraying into aesthetics business in China

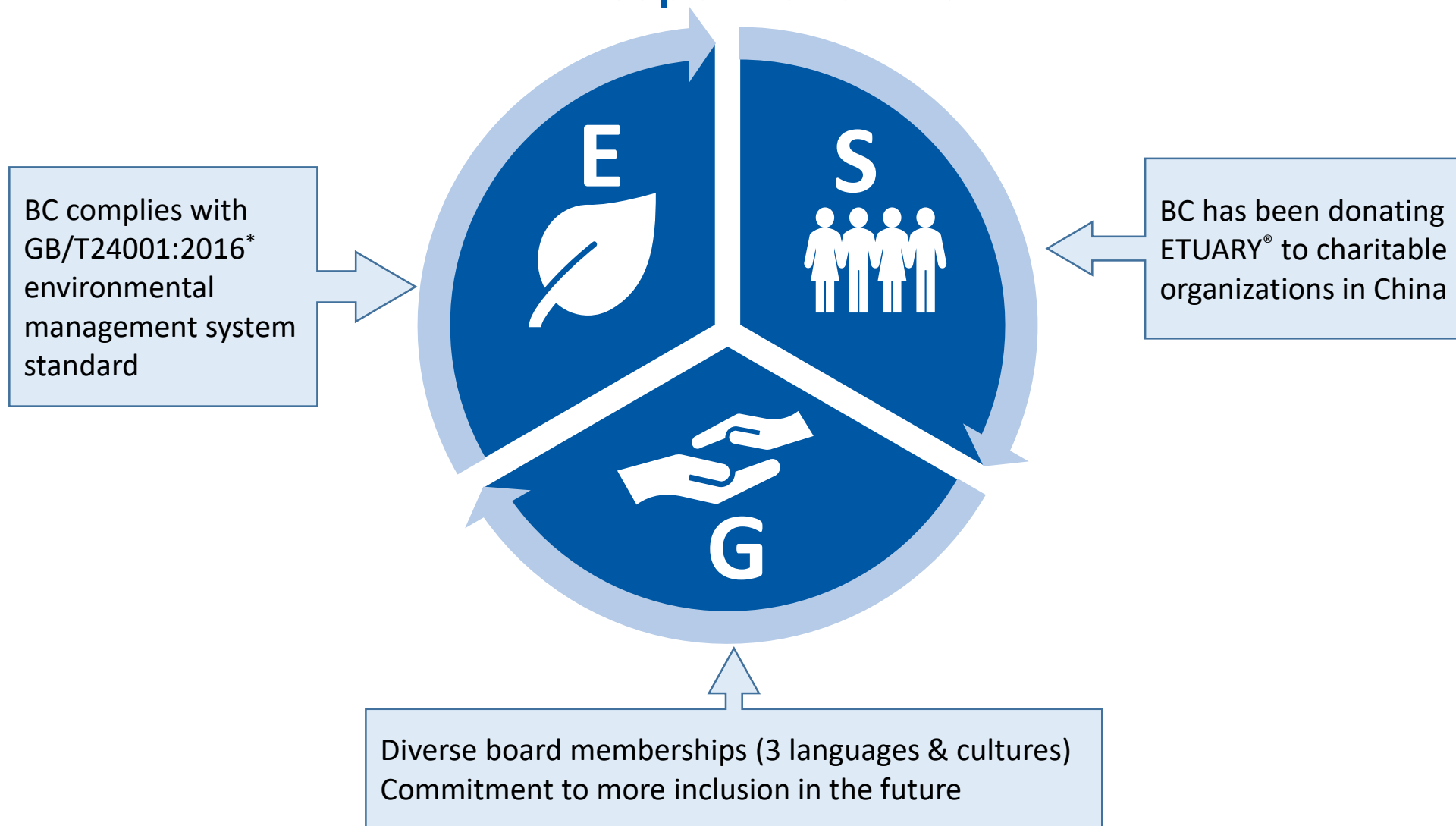


Proprietary drug discovery mechanism uSMITE™ using TPD*
TPD* drug pipeline growing steadily



TPD: Targeted Protein Degradation

GNI Group's Efforts in ESG



*GB/T24001: Chinese name for ISO 14001 on environmental management systems

Financial Overview

Joseph Francis Meyer

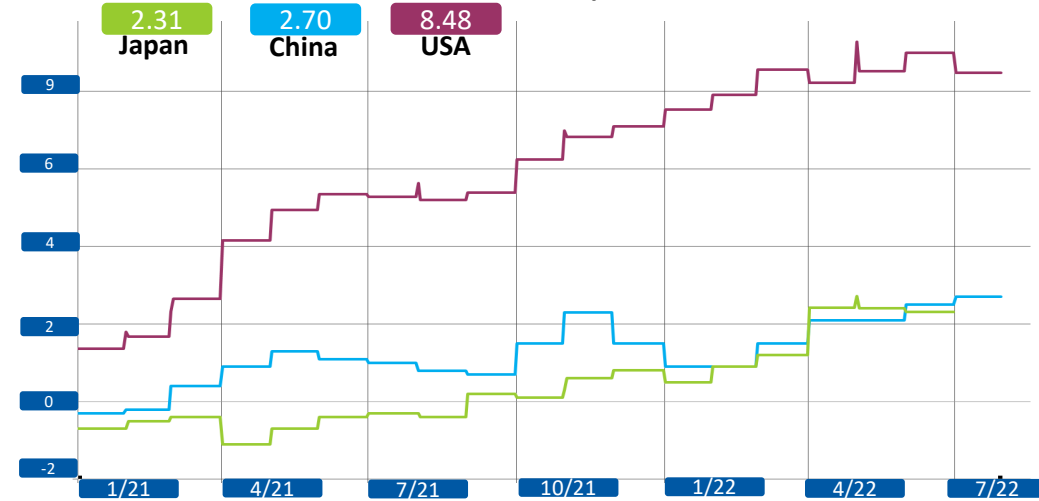
Chief Financial Officer



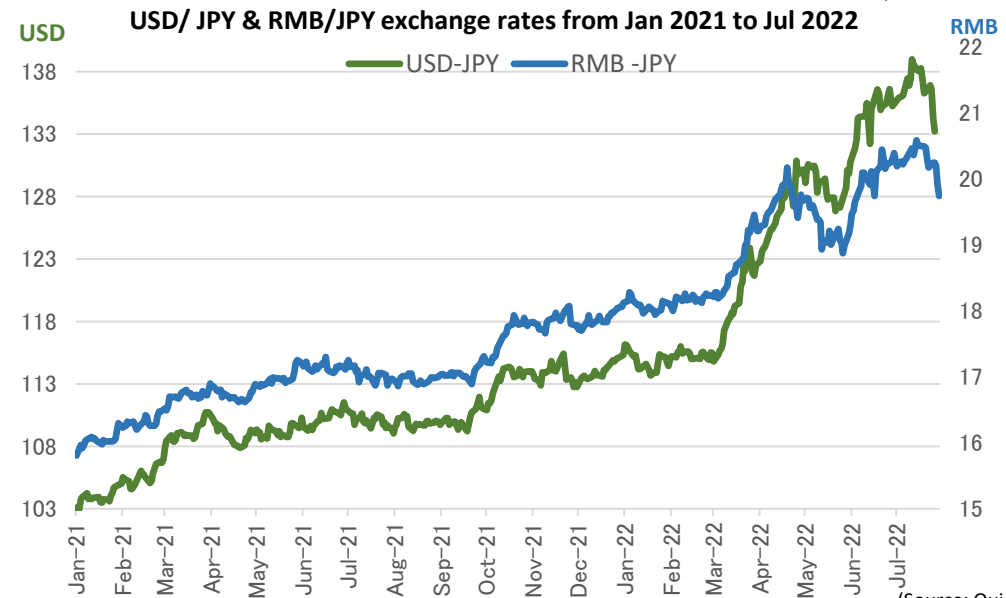
2022Q2YTD: Macro Environment

- ✓ Volatility in the world's capital markets
- ✓ High inflation
- ✓ Supply chain and regular business activities continue to be disrupted by COVID-19 pandemic
- ✓ Depreciating JPY against USD and RMB
 - USD/JPY 29%
 - RMB/JPY 25%

Inflation rates in the US, China, and Japan from Jan 2021 to Jul 2022



(Source: FactSet)



(Source: Quick)

FY2022Q2YTD Consolidated Financial Results

Maintaining profitability amidst headwinds and investments for future

(Million Yen)

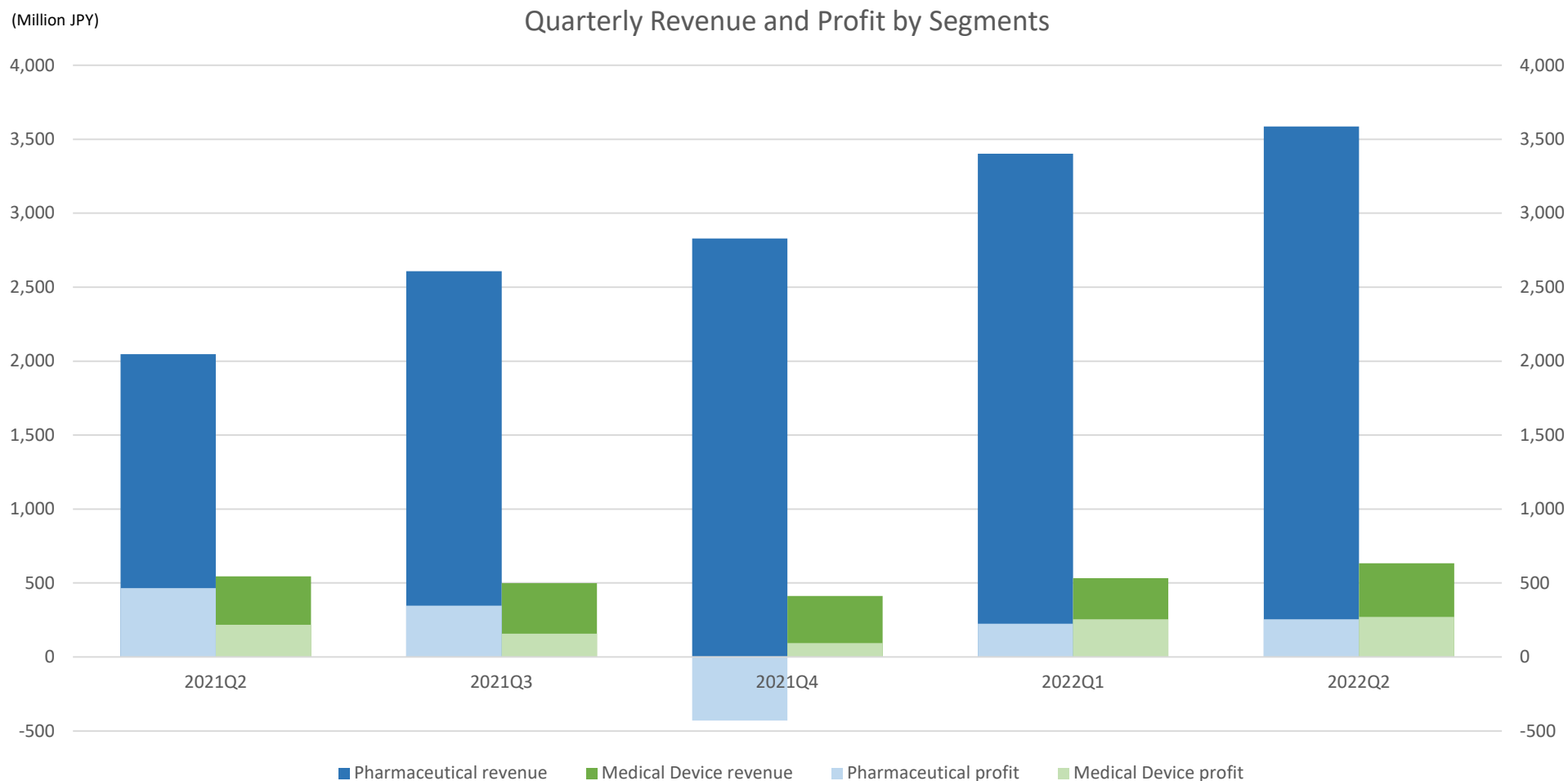
Consolidated P/L	2021Q2YTD	2022Q2YTD	Change
Revenue	6,465	8,154	26.1%
Gross profit	5,679	7,020	23.6%
SG&A	3,677	4,765	29.6%
R&D	864	1,089	26.0%
Operating profit	1,455	1,004	-31.0%
Finance income	32	175	435.8%
Finance costs	290	390	34.1%
Profit before tax	1,197	790	-34.0%
Income tax expenses	452	592	30.8%
Profit after tax	744	197	-73.4%
Owner's Profit	941	676	-28.1%

- Revenue growth continues
- Investments in sales and marketing as well as selective increases in headcounts
- One-time IPO expenses in BC
- Forex gain due to depreciation of JPY
- Non-cash accruals for interest expenses
- Maintaining profitability while continuing to invest in R&D, sales / marketing, and projects to create economic value

	FY2021Q2YTD	FY2022Q2YTD	Change
Cash and cash equivalents	13,821	14,466	4.7%

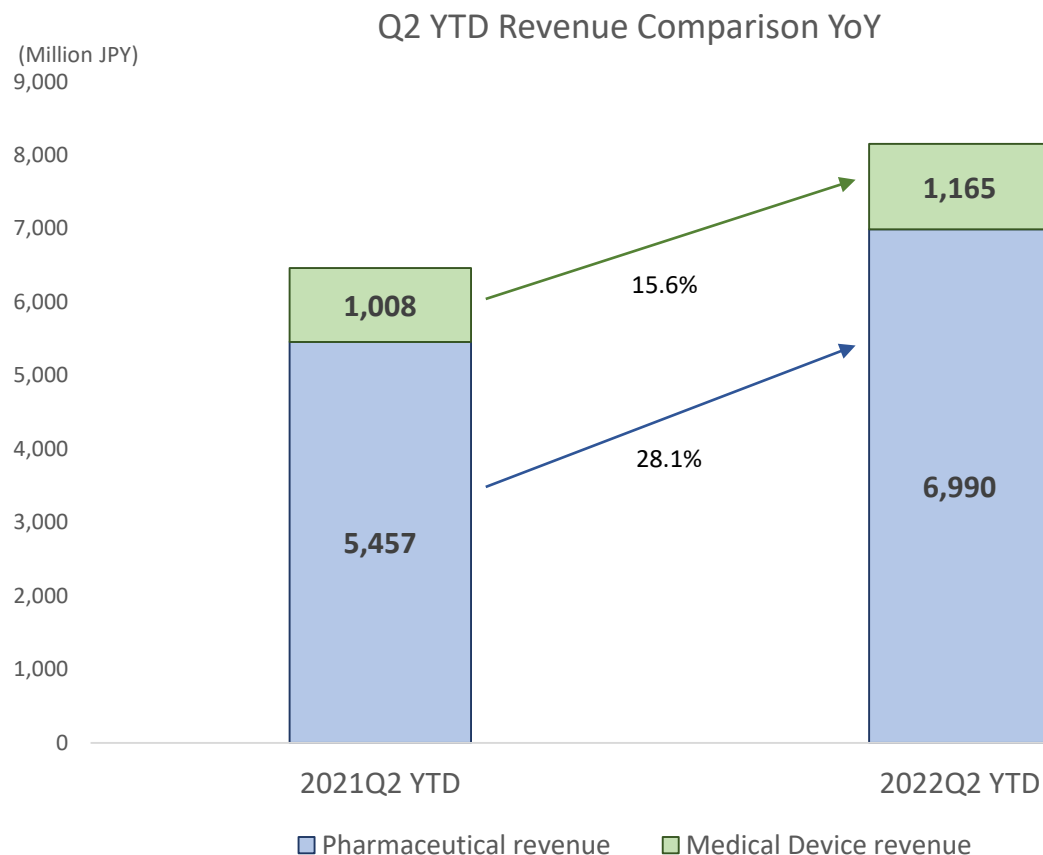
Segment Revenue and Profit Progress

Trending steady growth path



Excluding revenue from group companies

Revenue by Segment and Key Points



Key Points

Medical Device

- ✓ Recovery of surgeries back-to-normal in the US
- ✓ Highly-regarded brand in the industry
- ✓ Actively exploring expansion overseas

Pharmaceutical

- ✓ Well-established sales force across major regions in China
- ✓ Drug-discovery efforts continue in both China and the US, good dialogue with regulators

Excluding revenue and profit from group companies

Contact Information

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