



GenScript Biotech Corporation

Make People and Nature Healthier through Biotechnology

2020 Annual Results Presentation

(Stock Code: 1548.HK)

Disclaimer

Forward-Looking Statement

This presentation may contain certain “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 we believe that our predictions are reasonable, future events are inherently uncertain and our forward-looking statements may turn out to be incorrect. Our forward-looking statements are subject to risks relating to, among other things, the ability of our service offerings to compete effectively, our ability to meet timelines for the expansion of our service offerings, and our ability to protect our clients’ intellectual property. Our forward-looking statements in this presentation speak only as of the date on which they are made, and we assume no obligation to update any forward-looking statements except as required by applicable law or listing rules. Accordingly, you are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. All forward-looking statements contained herein are qualified by reference to the cautionary statements set forth in this section.

Use of Adjusted Financial Measures (Non-IFRS Measures)

We have provided adjusted net profit, which excludes the share-based compensation expenses are not required by, or presented in accordance with, IFRS. We believe that the adjusted financial measures used in this presentation are useful for understanding and assessing underlying business performance and operating trends, and we believe that management and investors may benefit from referring to these adjusted financial measures in assessing our financial performance by eliminating the impact of certain unusual and non-recurring items that we do not consider indicative of the performance of our 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 IFRS. You should not view adjusted results on a stand-alone basis or as a substitute for results under IFRS, or as being comparable to results reported or forecasted by other companies.

CONTENT

- ▶ **2020 Company Highlight**

 - 2020 Segment Performance

 - Future Development Strategies



FY2020 Business Highlights



- ✓ Significant revenue growth, 44.4% YoY
- ✓ HTP gene synthesis capacity up ~60% with automation
- ✓ Market leader and fast growth in protein, oligo and peptide
- ✓ Launched innovative products including sgRNA and Neoantigen
- ✓ cPass™ launch and continuous adoption globally
- ✓ Continuous global capacity expansion



- ✓ Awarded the “Bioprocessing Excellence in CDMO Services”
- ✓ Revenue up 78% YoY; backlog up 92% YoY
- ✓ Multiple COVID-19 related projects on antibody drug and mRNA vaccines
- ✓ 5 licensing-out deals and 2 SMAB collaboration
- ✓ Launched cGMP antibody plant, capacity reaching 2,600L

Make People and Nature healthier through biotechnology



- ✓ 24% revenue growth and increased customer loyalty
- ✓ Robust pipeline of enzymes to replace and reduce antibiotic use in animal feed
- ✓ Leveraging industry-leading R&D platforms to capture new synthetic biology market opportunities



- ✓ Raised ~\$650M through Pre-IPO and IPO
- ✓ Best-in-class data from CARTITUDE-1 for RRMM
- ✓ Initiated rolling submission of BLA to US FDA for cilta-cel
- ✓ BTD by NMPA and Orphan Drug designation in Japan and Korea
- ✓ US FDA clearance of the IND application for LB1901

FY2020 Financial Highlights

	FY2020 (\$M)		FY2019 (\$M)		% Change	
	Non-Cell Therapy	Cell Therapy	Non-Cell Therapy	Cell Therapy	Non-Cell Therapy	Cell Therapy
Revenue	315.1	75.7	216.0	57.4	45.9%	31.9%
Gross Profit	180.2	75.7	122.9	57.4	46.6%	31.9%
Gross Margin	57.2%	100.0%	56.9%	100.0%		
(Loss)/Profit for the Period	22.1	(303.5)	15.5	(133.0)	42.6%	N/A
Adjusted net (Loss)/Profit ¹	44.4	(213.3)	21.6	(131.9)	105.6%	N/A

1. Refer to appendix 3 for reconciliation

✓ Non-Cell Therapy Segment

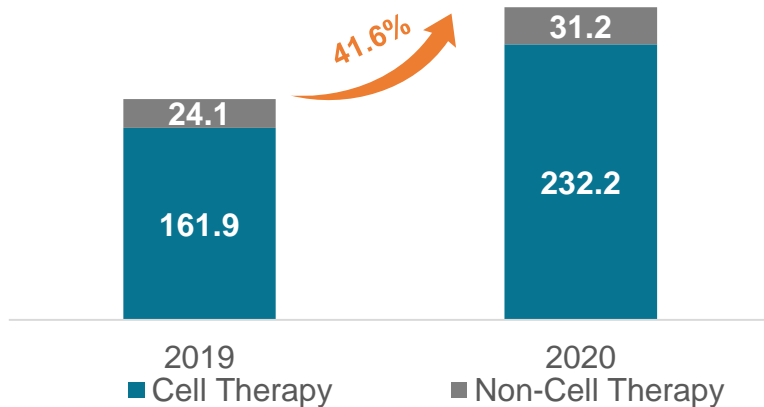
- ✓ Fastest revenue growth in Life Science tools and services in the past 5 years driven by protein, peptide, oligo services, and COVID-19 related reagents
- ✓ Strong growth momentum at Probio and Bestzyme
- ✓ Adjusted net profit benefited from increased operating results, offset by higher tax

✓ Cell Therapy Segment

- ✓ Continued revenue contribution from Janssen collaboration
- ✓ Continued investment in R&D drove larger operating losses
- ✓ 1x non-cash loss of \$80M from preferred share conversion at IPO

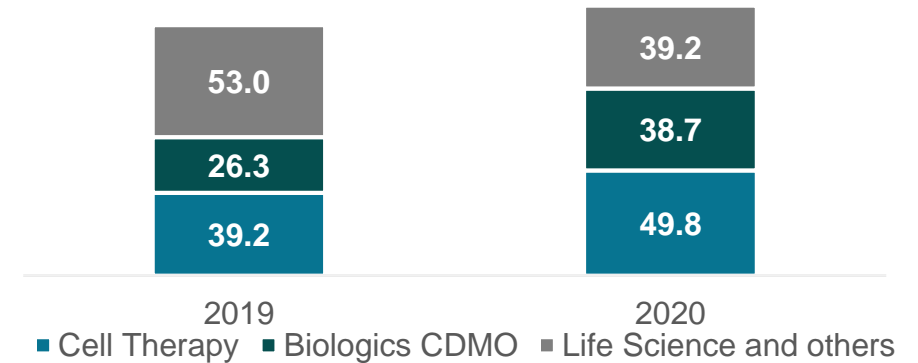
Investment for Future Growth

2-Year R&D (\$M)



- ✓ **Overall 41.6% of growth in R&D Investment**
- ✓ **Majority of R&D on Cell Therapy**
 - \$232.2M, 43.4% YoY growth
 - cilta-cel program clinical trials in both US and China
 - Development of new cell therapy pipelines
- ✓ **Non-Cell Therapy business committed ~10% revenue in R&D**
 - Development of new life science tools and services
 - Development of CDMO platform
 - Optimization of industrial enzyme products

2-Year Capex (\$M)¹



- ✓ **Cell Therapy \$49.8M**
 - GMP facilities and equipment for clinical trials in both US and China
- ✓ **Biologics CDMO \$38.7M**
 - Antibody drug GMP Plant in Nanjing
 - GMP Plasmid Commercial Center in Zhenjiang
- ✓ **Life Science and other Capital Expenditure \$39.2M**
 - Capacity investment in gene synthesis, peptide and other products
 - General corporate uses
- ✓ **Strong Balance Sheet**
 - Group cash position² at \$778.6M, including cash & cash equivalents, time deposits, wealth management product
 - Legend Biotech cash position at \$505.7M
 - Non-cell therapy segments cash position at \$272.9M

1. Management accounts, Data derived from MD&A. Capital expenditures=the expenditure incurred in purchasing intangible assets, namely software, patents and license +the expenditure incurred in purchasing property, plant and equipment and construction in process and freehold land

2. Cash Position=Financial assets at fair value through profit or loss + Pledged short-term deposits + Time deposits+ Cash and cash equivalents

CONTENT

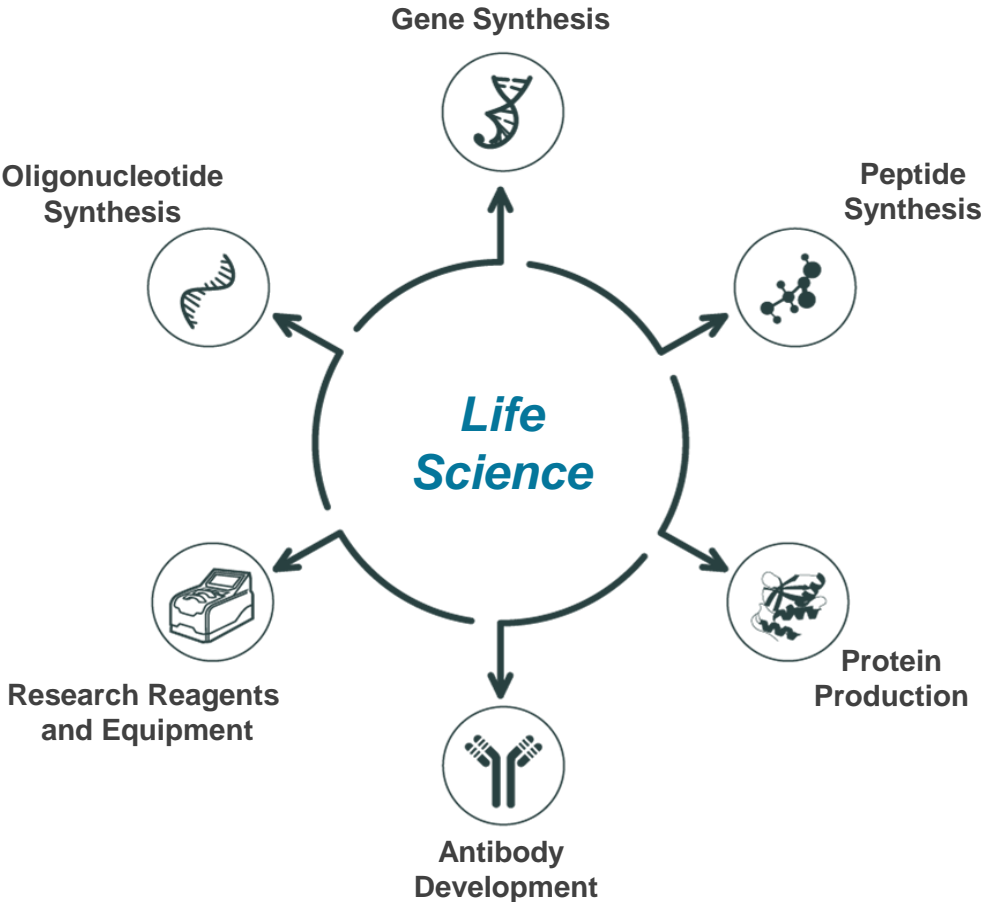
2020 Company Highlight

▶ **2020 Segment Performance**

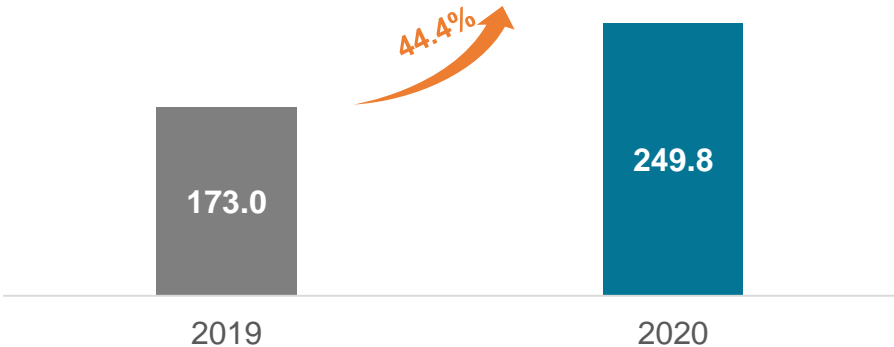
Future Development Strategies



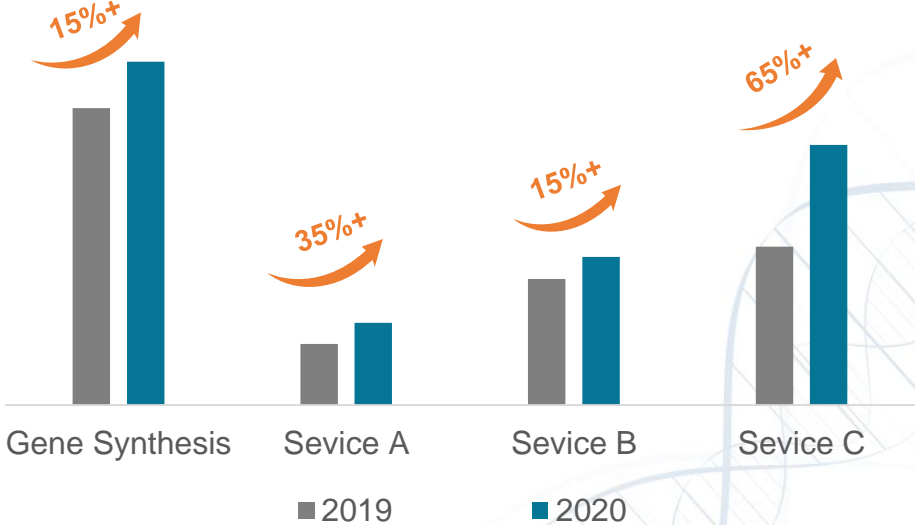
Life Science Revenue



2-Year Revenue (\$M)



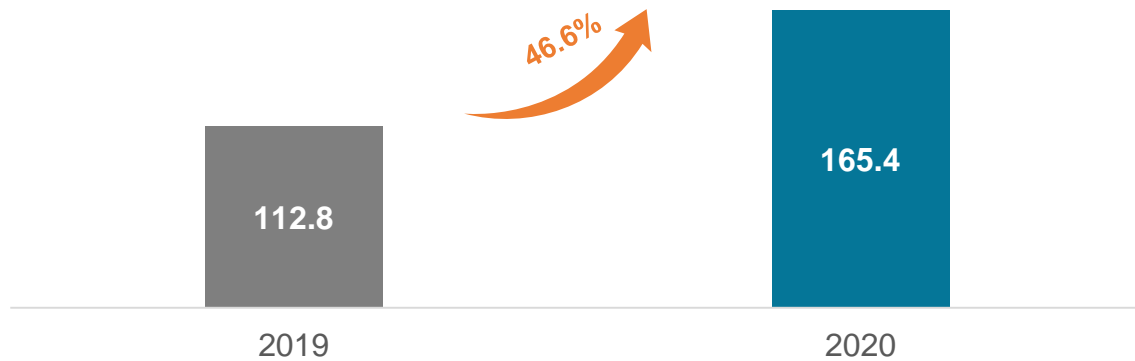
Strong Synergies among Life Science Services¹



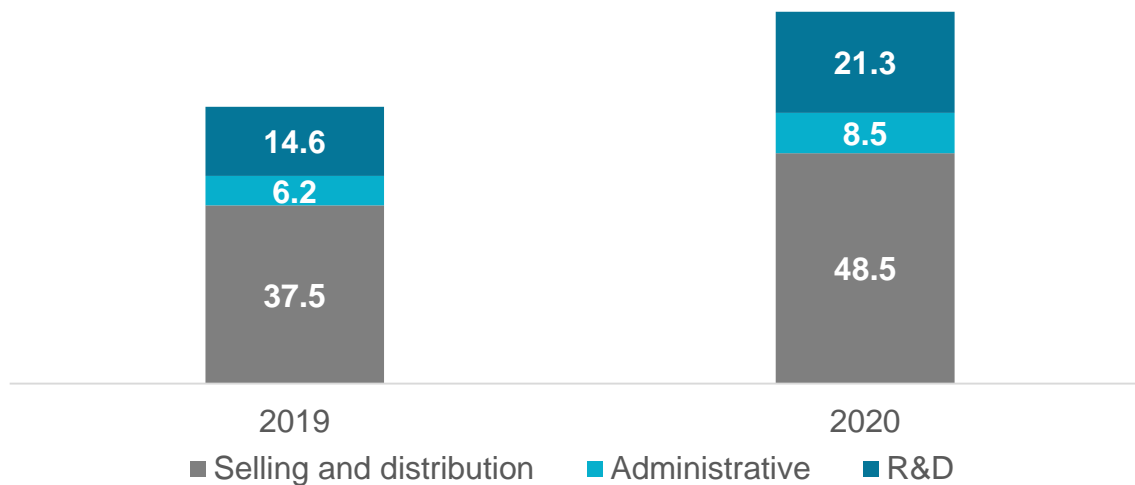
1. Unaudited management accounts for reference only

Life Science Profitability

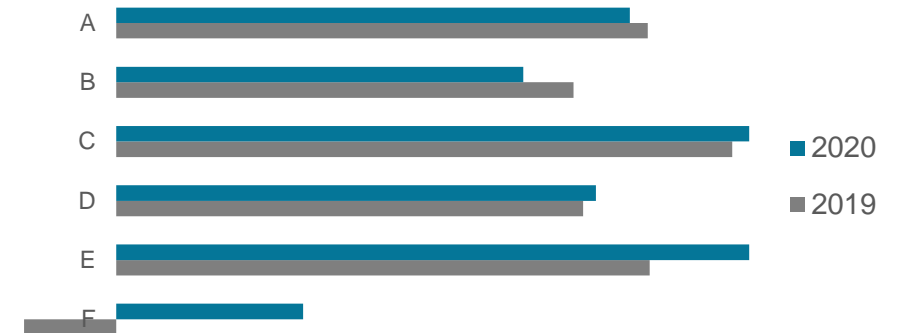
2-Year Gross Profit (\$M)



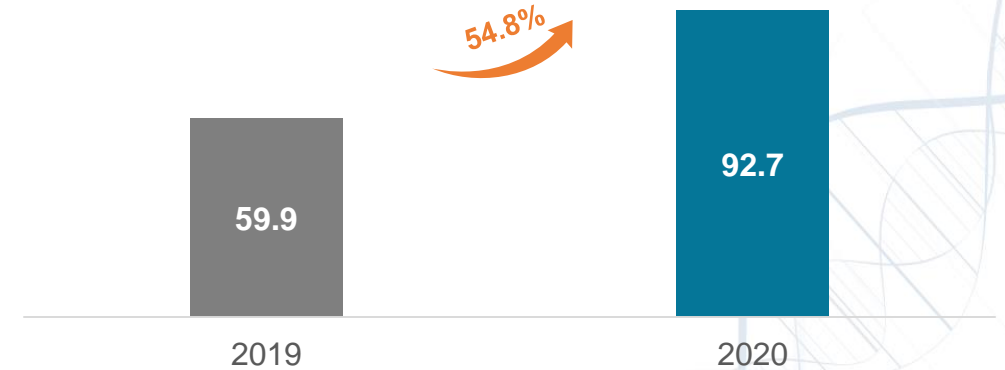
2-Year Expense Analysis (\$M)



Life Science Gross Margin by business lines¹



Segment operating profit/loss before unallocated central expenses and share based compensations (non-IFRS \$M)²



1. Unaudited management accounts for reference only

2. Refer to appendix 5 for reconciliation

Life Science COVID-19 Related Business

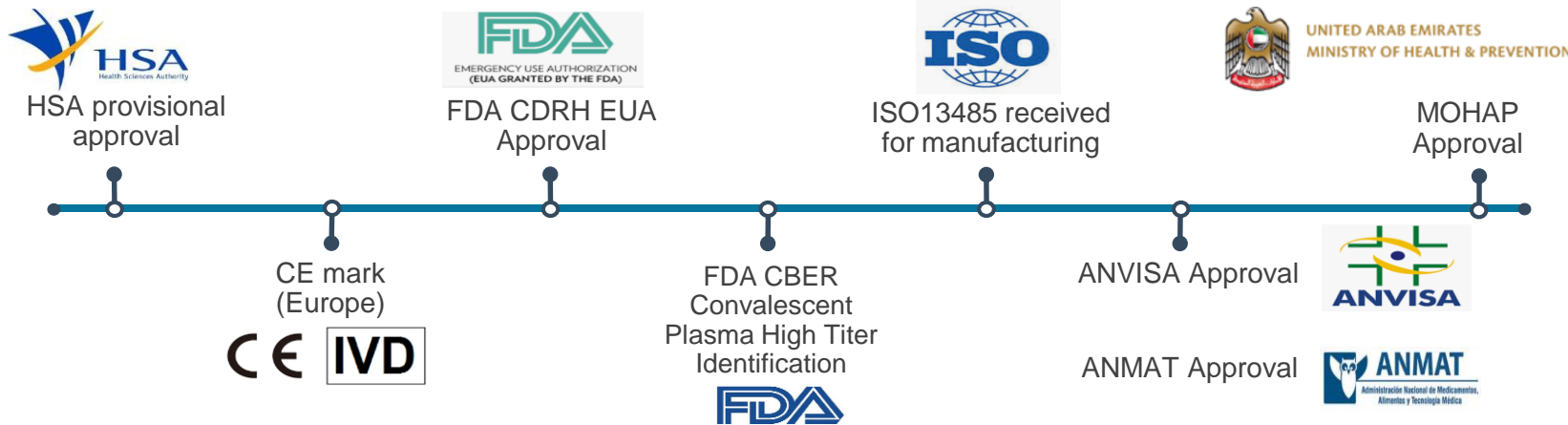
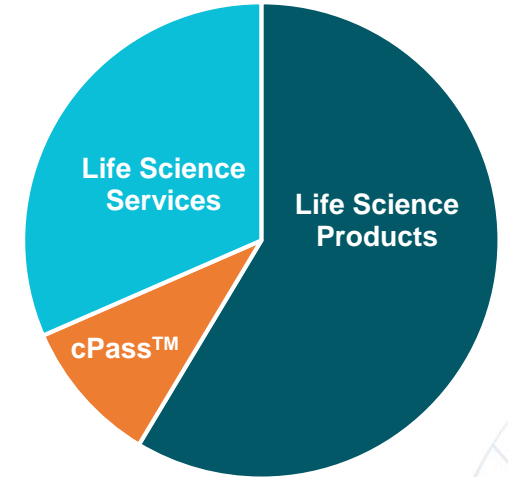
Long term positive for life science research outsourcing

- ✓ **\$38.6M** in COVID-19 related revenue, including protein antigens, detection kits, antibodies, nucleic acid based testing reagents, etc.
- ✓ COVID-19 accelerated research activities at pharma and biotech and favored top tools and services companies including GenScript

cPass™ Kit - Continuous uptake driving global business expansion

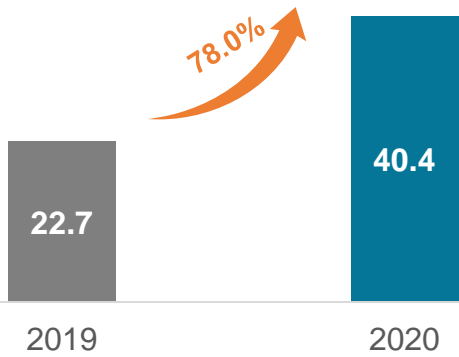
- ✓ **First commercially available, first FDA authorized test** that specifically detects COVID-19 neutralizing antibodies
- ✓ 2020 global revenue at **\$3.8M**; significant growth opportunity in 2021, subject to regulatory review progress

COVID-19 related Revenue

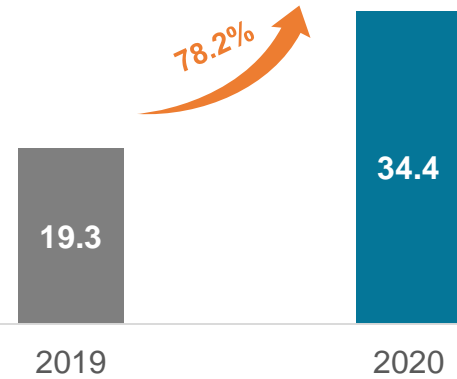


Biologics CDMO Revenue

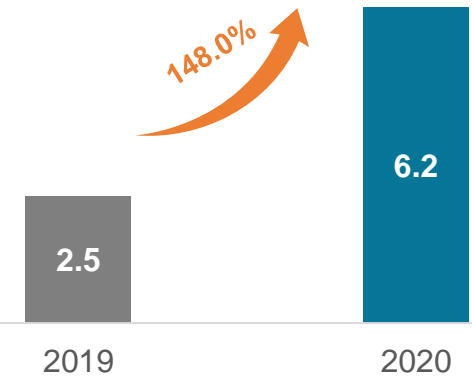
2-Year Revenue (\$M)



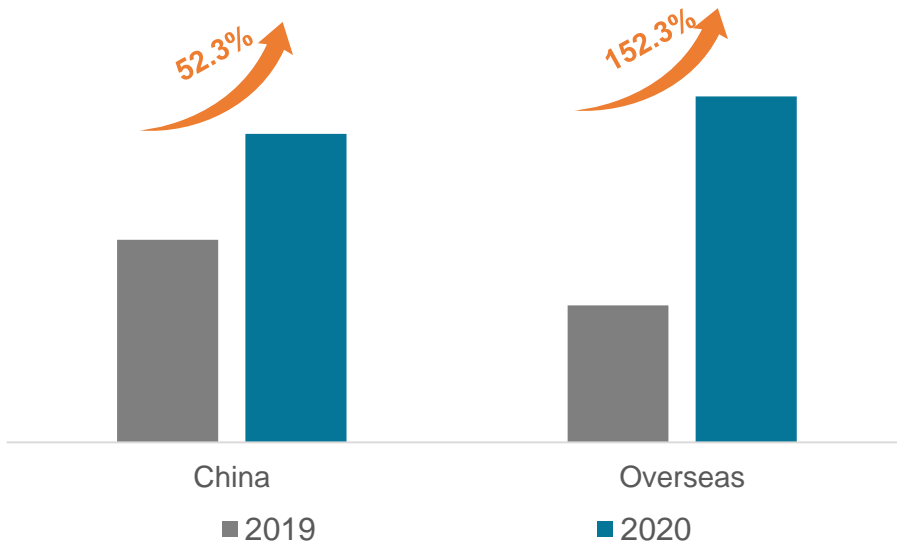
Antibody Drug Revenue (\$M)¹



GCT Revenue (\$M)¹



Regional Performance (Revenue, \$M)¹

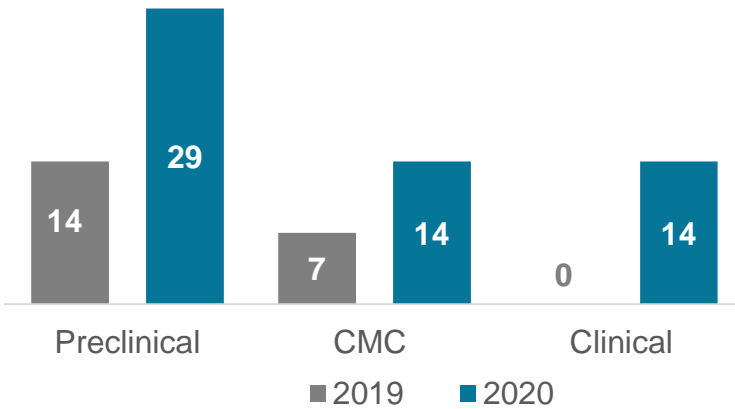


- ✓ Successful delivery of ongoing projects
- ✓ Continued revenue growth
- ✓ Surging GCT business

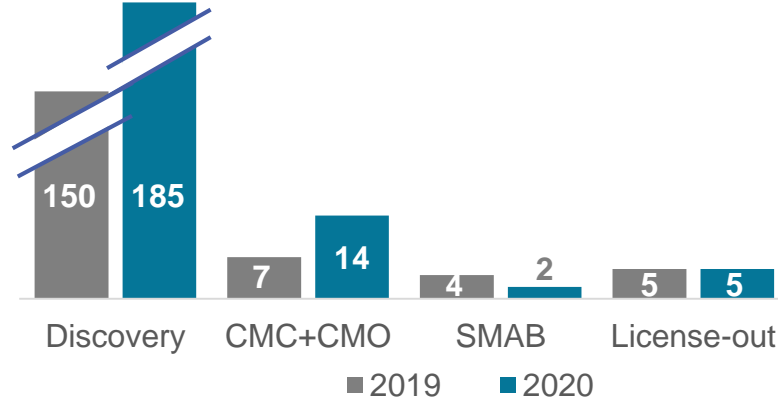
1. Non-IFRS. Management accounts for reference only

Growing business with global partnerships

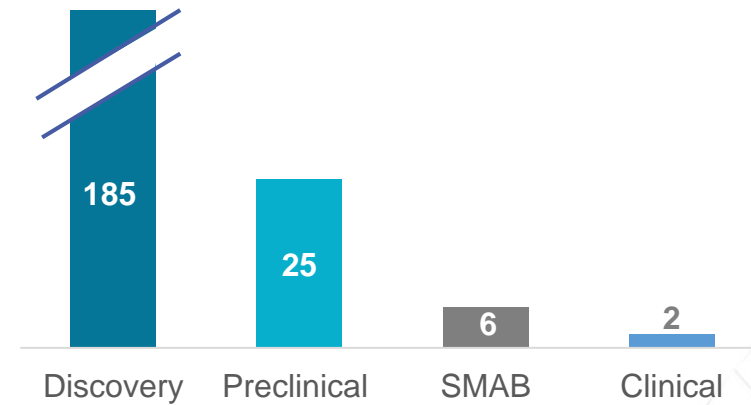
GCT New Projects¹



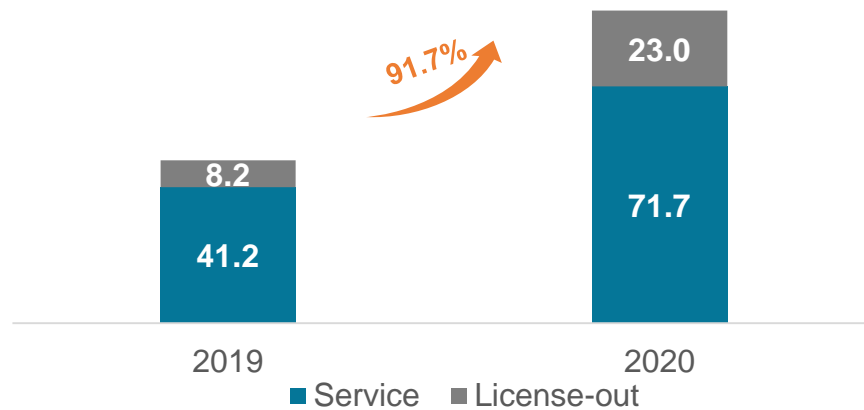
ADD New Projects²



ADD on going projects²



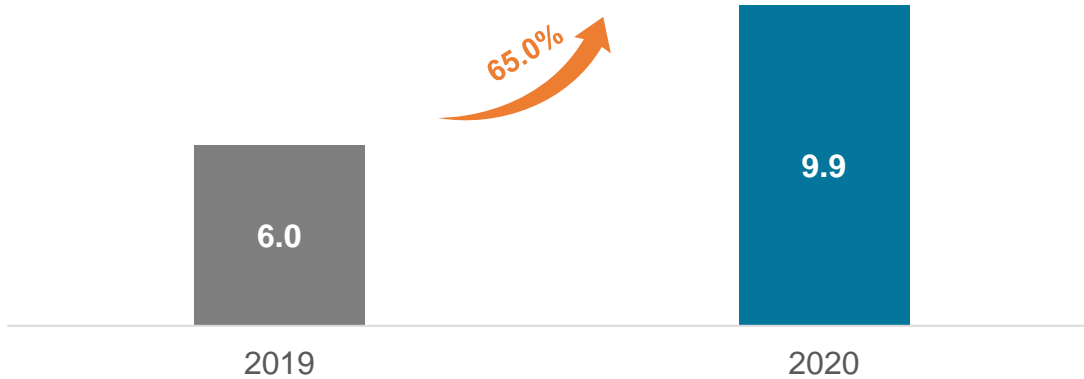
Backlog Growth (\$M)¹



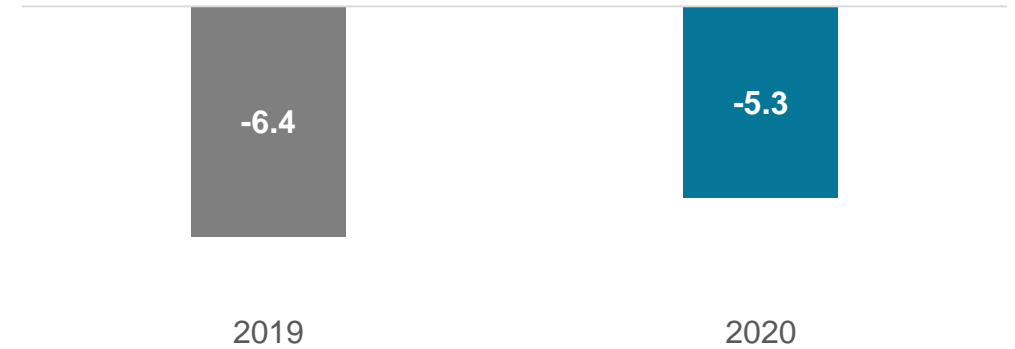
1. Management accounts for reference only.
 2. Management accounts for reference only, not to scale

Biologics CDMO Profitability

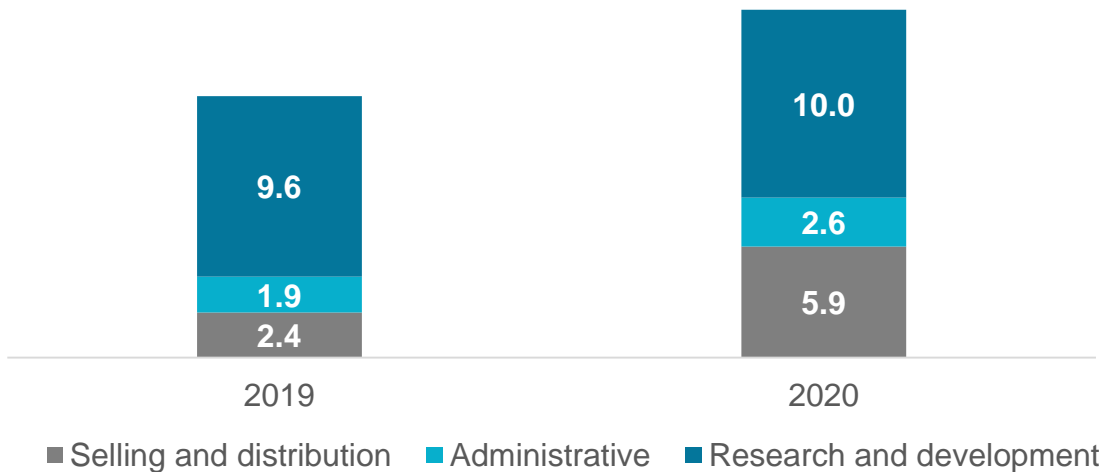
2-Year Gross Profit (\$M)



Segment operating profit/loss before unallocated central expenses and share based compensations (non-IFRS \$M)¹



2-Year Expense Analysis (\$M)



- ✓ Fast growing and highly skilled talent pool
- ✓ Increased depreciation and R&D investments
- ✓ Leveraging sales and administrative expenses in the future
- ✓ Significant capex investment
- ✓ 2nd commercial GMP plasmid facility in H2 2021

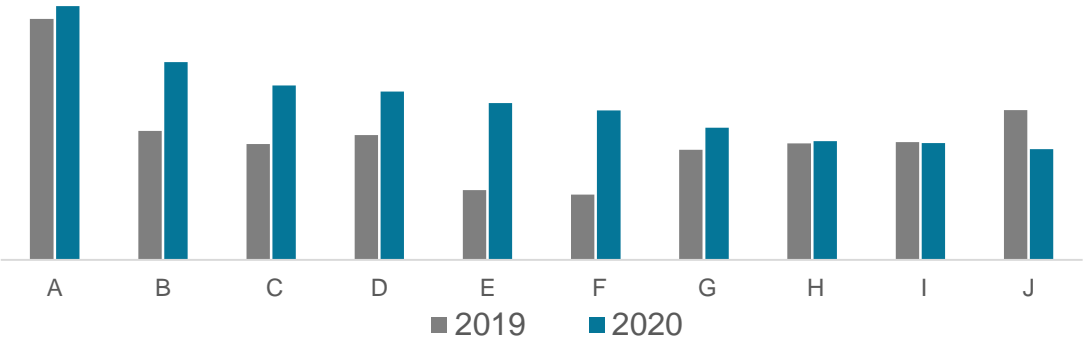
1. Refer to appendix 5 for reconciliation

Industrial Synthetic Biology Products Revenue

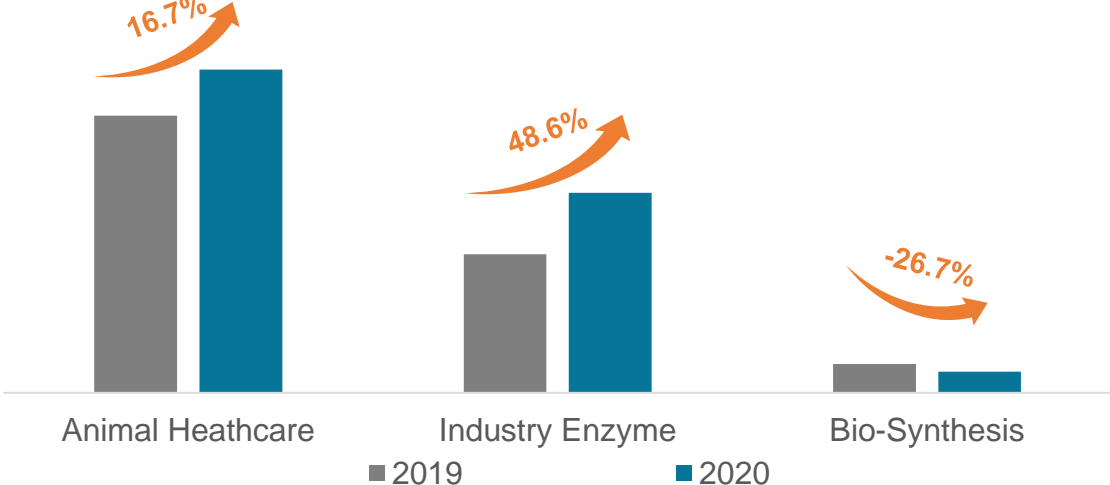
2-Year Revenue (\$M)



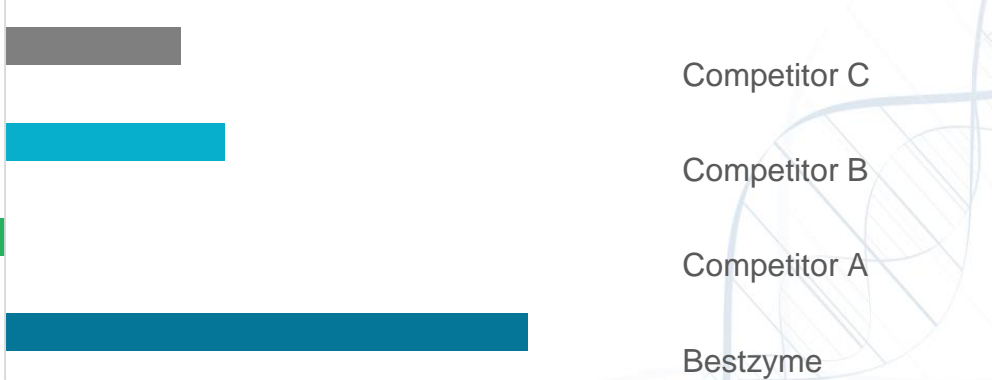
Top 10 Customers Sales²



2-Year Product Category Growth²



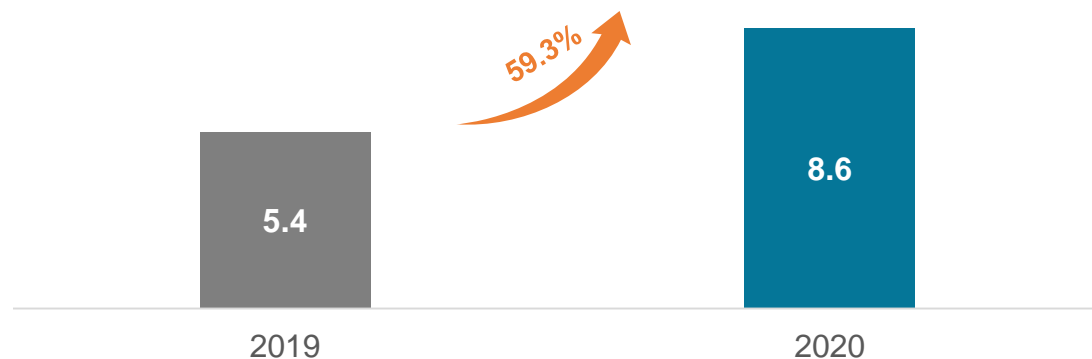
Revenue Growth % vs. competitors¹



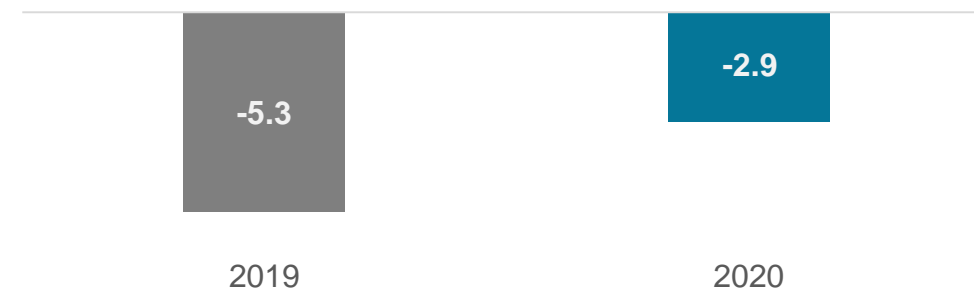
1. Based on company research and analyst consensus
 2. Management accounts for reference only

Industrial Synthetic Biology Products Profitability

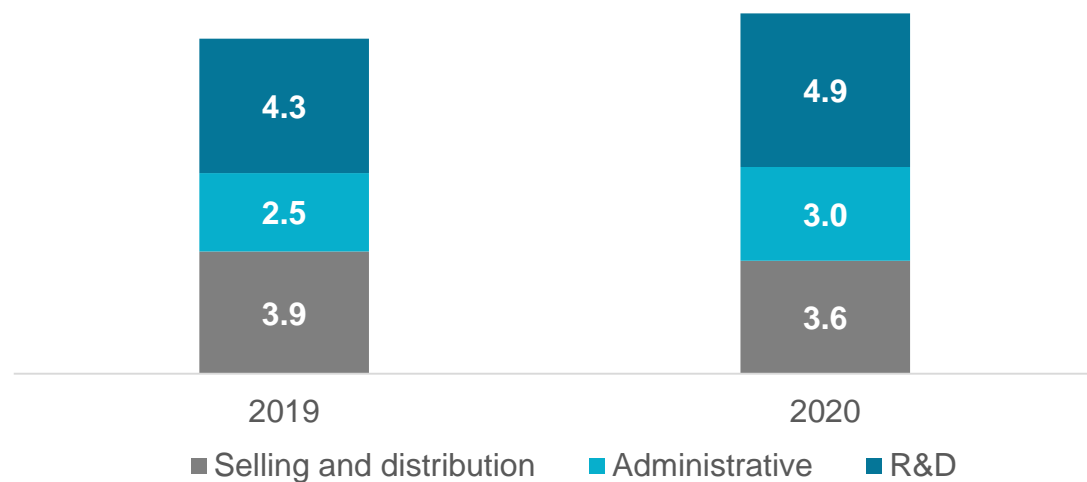
2-Year Gross Profit (\$M)



Segment operating profit/loss before unallocated central expenses and share based compensations (non-IFRS \$M)¹



2-Year Expense Analysis (\$M)

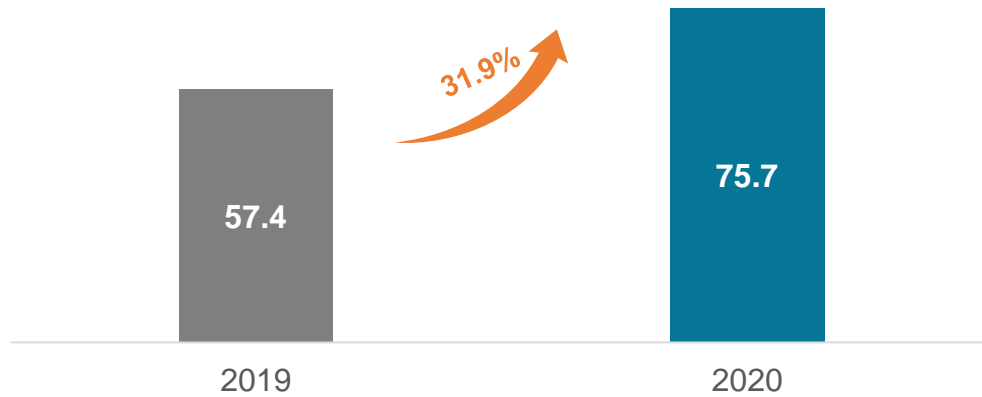


- ✓ Leverage fixed production cost
- ✓ Leverage R&D and selling expense
- ✓ Improve overall profitability

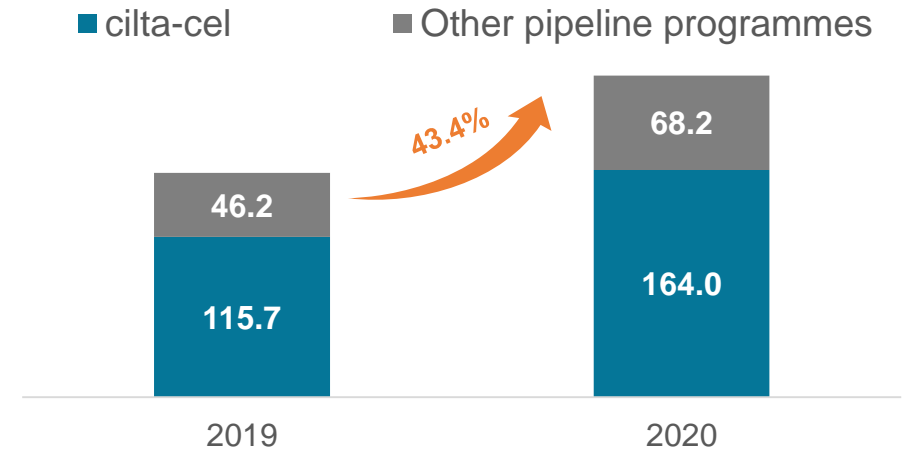
1. Refer to appendix 5 for reconciliation

Cell Therapy Revenue and Loss

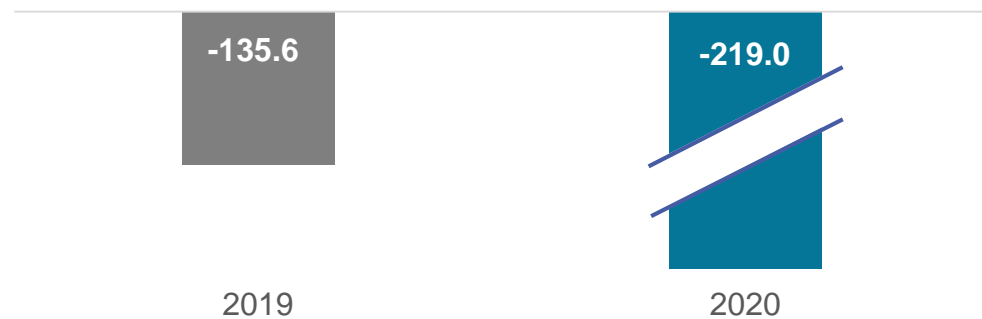
2-Year Revenue (\$M)



2-Year R&D (\$M)



Segment operating profit/loss before unallocated central expenses and share based compensations (\$M)¹



✓ **Continued revenue contribution from Janssen collaboration**

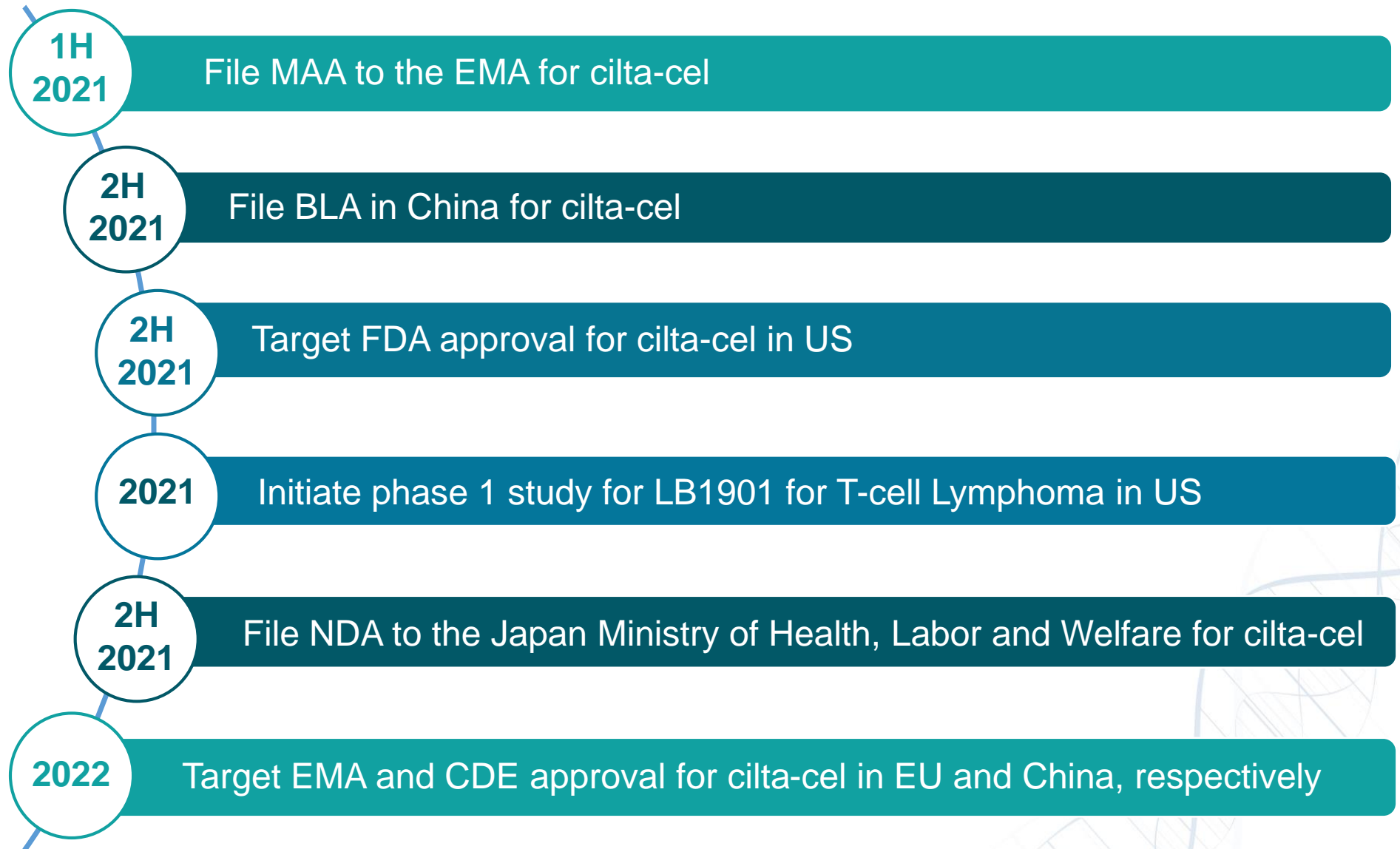
- ✓ Higher revenue as Legend continues to amortize upfront and milestone payments from Janssen

✓ **Significant investment in R&D activities to accelerate clinical process**

- ✓ US/China Clinical trials
- ✓ New pipeline development

1. Refer to appendix 5 for reconciliation, not to scale

Near-term Cell Therapy Catalysts



CONTENT

2020 Company Highlight

2020 Segment Performance

▶ **Future Development Strategies**

Company Strategy



Life Science

- ✓ Implement **localization strategy** to support global expansion
- ✓ **Automation** to boost manufacturing efficiency
- ✓ Enter **diagnostic and therapeutics Industry**



Biologics CDMO

- ✓ Leverage **R&D** to attract and retain customers
- ✓ Scale up **GMP capacity** to meet market demand
- ✓ Become a leading **gene and cell therapy CDMO service provider**



Synthetic Biology

- ✓ Focus on **key accounts**
- ✓ **Product portfolio optimization**
- ✓ **R&D & application integration**
- ✓ Explore new **Synthetic Biology opportunities**



Cell Therapy

- ✓ **cilta-cel commercialization**
- ✓ Move **cilta-cel** into **early line clinical trials**
- ✓ Advance pipeline in **liquid and solid tumors and infectious Diseases**



Thanks

For More Information: <https://www.genscript.com/>

IR Contact: IR@genscript.com

1. Consolidated Statement of Profit/Loss

	Year ended December 31,	
	2020	2019
	US\$'000	US\$'000
REVENUE	390,846	273,354
Cost of sales	(134,953)	(93,064)
Gross profit	255,893	180,290
Other income and gains	24,795	21,185
Selling and distribution expenses	(107,341)	(70,358)
Administrative expenses	(90,341)	(55,256)
Research and development expenses	(263,401)	(186,022)
Fair value loss of convertible redeemable preferred shares	(79,984)	—
Finance costs	(5,432)	(781)
Other expenses	(15,497)	(589)
Share of losses of associates	(599)	(308)
(Reversal of)/provision provided for impairment losses on financial assets, net	7	(1,851)
LOSS BEFORE TAX	(281,900)	(113,690)
Income tax credit/(expense)	477	(3,826)
LOSS FOR THE YEAR	(281,423)	(117,516)
Attributable to:		
Owners of the parent	(204,945)	(96,912)
Non-controlling interests	(76,478)	(20,604)

2. Consolidated Statement of Financial Position

	Year ended December 31,		2020	2019
	2020	2019	US\$'000	US\$'000
	US\$'000	US\$'000		
NON-CURRENT ASSETS				
Property, plant and equipment	345,215	235,986		
Advance payments for property, plant and equipment	5,906	8,585		
Investment properties	7,726	7,442		
Right-of-use asset	34,017	29,642		
Goodwill	14,116	15,245		
Other intangible assets	26,020	25,482		
Investment in associates	3,433	2,615		
Financial assets at fair value through profit or loss	10,555	4,667		
Other non-current asset	3,542	—		
Deferred tax assets	3,702	5,701		
Total non-current assets	<u>454,232</u>	<u>335,365</u>		
CURRENT ASSETS				
Inventories	31,745	16,486		
Contract costs	5,785	3,369		
Trade and notes receivables	141,748	73,067		
Prepayments, other receivables and other assets	32,834	31,621		
Financial assets at fair value through profit or loss	5,866	25,434		
Loans to an associate	2,422	2,007		
Restricted cash	7,471	972		
Time deposits	136,245	148,693		
Cash and cash equivalents	629,058	252,397		
Total current assets	<u>993,174</u>	<u>554,046</u>		
CURRENT LIABILITIES				
Trade and bills payables	23,376	17,627		
Other payables and accruals	168,980	125,035		
Interest-bearing bank borrowings	44,642	17,008		
Lease liabilities	2,588	1,769		
Tax payable	3,532	2,846		
Contract liabilities	84,414	60,130		
Government grants	379	90		
Total current liabilities	<u>327,911</u>	<u>224,505</u>		
NET CURRENT ASSETS	<u>665,263</u>	<u>329,541</u>		
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,119,495</u>	<u>664,906</u>		
NON-CURRENT LIABILITIES				
Interest-bearing bank loans	1,260	1,748		
Lease liabilities	6,513	3,608		
Contract liabilities	277,052	277,827		
Deferred tax liabilities	7,030	5,582		
Government grants	11,495	3,843		
Other non-current liability	554	—		
Total non-current liabilities	<u>303,904</u>	<u>292,608</u>		
NET ASSETS	<u>815,591</u>	<u>372,298</u>		
EQUITY				
Equity attributable to owners of the parent				
Share capital	1,954	1,879		
Treasury shares	(16,712)	(7,774)		
Reserves	916,463	388,699		
Total equity	<u>901,705</u>	<u>382,804</u>		
Non-controlling interests	(86,114)	(10,506)		
TOTAL EQUITY	<u>815,591</u>	<u>372,298</u>		

3. Adjusted Profit

(\$M)	FY2020		FY2019	
	Non-Cell Therapy	Cell Therapy	Non-Cell Therapy	Cell Therapy
Profit after tax	22.1	(303.5)	15.5	(133.0)
Share based payment, net of tax	10.9	4.8	9.1	1.3
Exchange differences, net of tax	6.5	-	(3.0)	(0.3)
Impairment loss on goodwill, other intangible assets and long-term investments, net of tax	3.8	-	-	-
Consultation expenses for the Investigation, net of tax	1.1	-	-	-
IPO related expenses	-	1.4	-	-
Preference shares related expenses	-	4.0	-	-
Fair value loss of convertible redeemable preferred shares	-	80.0	-	-
Rounding				0.1
Adjusted profit	44.4	(213.3)	21.6	(131.9)

4. Segment Operating Results

	Year ended December 31, 2020							Year ended December 31, 2019						
	Life science services and products	Biologics development services	Industrial synthetic biology products	Cell therapy	Operation unit	Eliminations	Total	Life science services and products	Biologics development services	Industrial synthetic biology products	Cell therapy	Operation unit	Eliminations	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Segment revenue														
Sales to external customers	246,502	39,691	28,582	75,676	395	—	390,846	170,399	22,450	23,106	57,399	—	—	273,354
Intersegment sales	3,315	735	323	—	7,364	(11,737)	—	2,617	241	215	3	5,429	(8,505)	—
Total revenue	249,817	40,426	28,905	75,676	7,759	(11,737)	390,846	173,016	22,691	23,321	57,402	5,429	(8,505)	273,354
Segment cost of sales	(84,472)	(30,492)	(20,296)	—	(2,710)	3,017	(134,953)	(60,243)	(16,675)	(17,898)	—	(1,002)	2,754	(93,064)
Segment gross profit	165,345	9,934	8,609	75,676	5,049	(8,720)	255,893	112,773	6,016	5,423	57,402	4,427	(5,751)	180,290
Other income and gains	—	—	801	6,119	18,286	(411)	24,795	—	—	1,019	6,987	15,525	(2,346)	21,185
selling and distribution expenses	(48,475)	(5,915)	(3,589)	(49,571)	—	209	(107,341)	(37,498)	(2,379)	(3,867)	(25,620)	(1,395)	401	(70,358)
Administrative expenses	(8,471)	(2,602)	(3,020)	(23,124)	(56,607)	3,483	(90,341)	(6,249)	(1,921)	(2,530)	(6,752)	(38,652)	848	(55,256)
Research and development expenses	(21,334)	(10,048)	(4,887)	(232,160)	—	5,028	(263,401)	(14,646)	(9,615)	(4,320)	—	—	4,502	(186,022)
Fair value loss of convertible redeemable preferred shares	—	—	—	(79,984)	—	—	(79,984)	—	—	—	—	—	—	—
Finance costs	—	—	(176)	(4,209)	(1,156)	109	(5,432)	—	—	(372)	(223)	(186)	—	(781)
Other expenses	(3,559)	—	(525)	(346)	(11,369)	302	(15,497)	—	—	(324)	(221)	(2,390)	2,346	(589)
Share of profits and losses of associates	—	—	11	—	(610)	—	(599)	—	—	25	—	(333)	—	(308)
(Provision for)/ reversal of impairment of financial assets, net	(1,072)	1,033	69	(23)	—	—	7	(461)	(1,268)	(122)	—	—	—	(1,851)
Profit/(loss) before tax	82,434	(7,598)	(2,707)	(307,622)	(46,407)	—	(281,900)	53,919	(9,167)	(5,068)	(130,370)	(23,004)	—	(113,690)
Income tax (expense)/credit	—	—	(461)	4,145	—	—	3,684	—	—	511	(2,602)	—	—	(2,091)
Unallocated income tax expense	—	—	—	—	—	—	(3,207)	—	—	—	—	—	—	(1,735)
Profit/(loss) for the year	82,434	(7,598)	(3,168)	(303,477)	(46,407)	—	(281,423)	53,919	(9,167)	(4,557)	(132,972)	(23,004)	—	(117,516)

5. Segment Operating Profit/Loss Before Unallocated Central Expenses and Share Based Compensations

	FY2020 (\$M)				FY2019 (\$M)			
	Life Science	Biologics CDMO	Industrial Synthetic Biology	Cell Therapy (Legend)	Life Science	Biologics CDMO	Industrial Synthetic Biology	Cell Therapy (Legend)
LOSS/(PROFIT) BEFORE TAX	82.4	(7.6)	(2.7)	(307.6)	53.9	(9.2)	(5.1)	(130.4)
Other income and gains			(0.8)	(6.1)			(1.0)	(7.0)
Other expenses	3.6		0.5	0.3			0.3	0.2
Finance costs			0.2	4.2			0.4	0.2
Share of losses of associates			(0.0)	-			(0.0)	-
IPO related expenses				1.4				
Preference shares related expenses				4.0				
Fair value loss of convertible redeemable preferred shares			-	80.0				-
(Provision for)/ reversal of impairment of financial assets, net	1.1	(1.0)	(0.1)	0.0	0.5	1.3	0.1	
Share Based compensation	5.6	3.3	-	4.8	5.5	1.5	-	1.3
Segment operating profit/loss before unallocated central expenses and share based expense (non-IFRS)	92.7	(5.3)	(2.9)	(219.0)	59.9	(6.4)	(5.3)	(135.6)