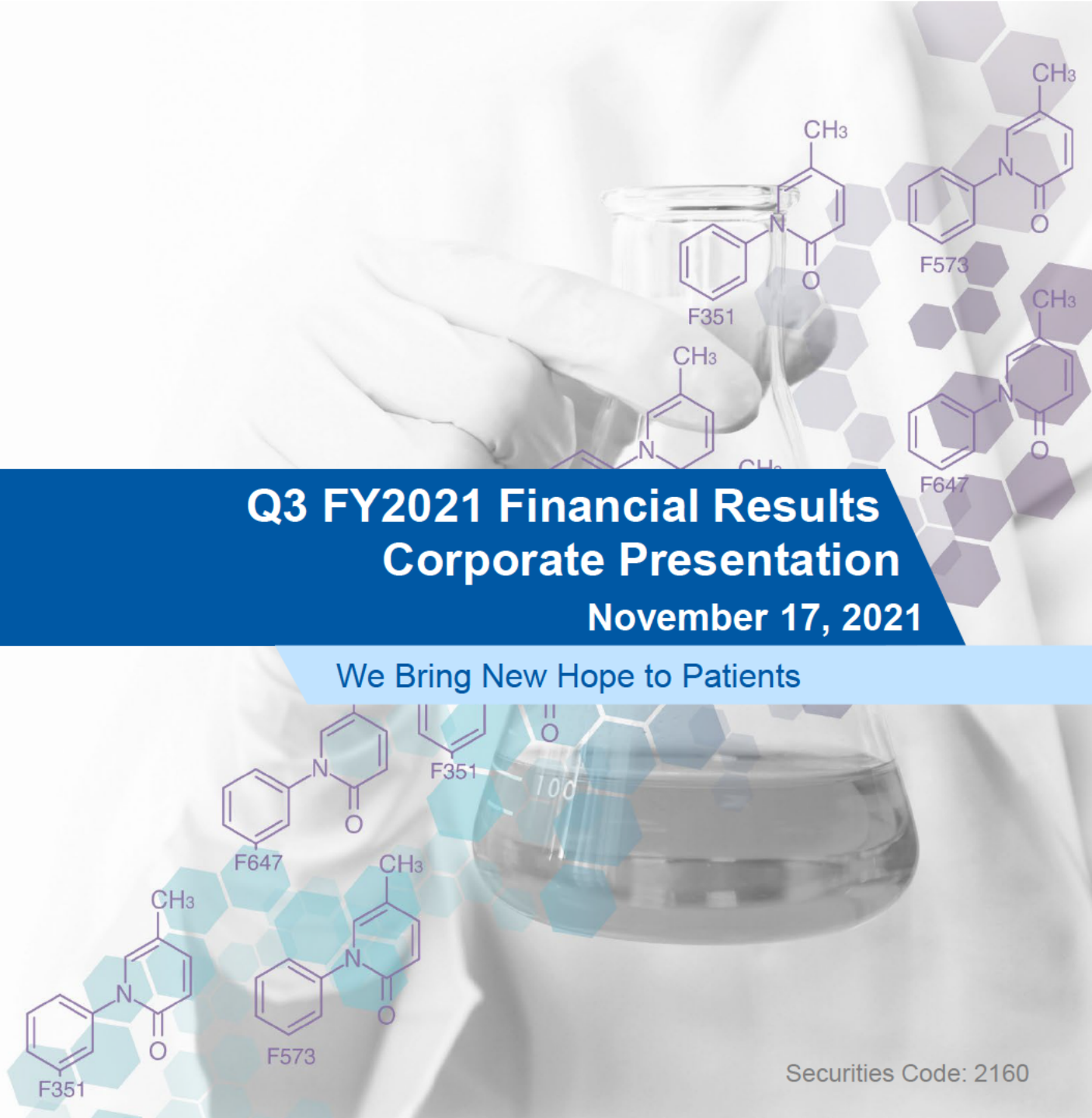
GNI Group Ltd.

Q3 FY2021 Financial Results Corporate Presentation

November 17, 2021

We Bring New Hope to Patients



Securities Code: 2160

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Q3 FY2021 Highlights

Revenues have increased 37% in the nine-month YTD continuing the strong performance we saw in the first half of 2021 in spite of the Covid pandemic

- In China, our Etuary® (Lung Fibrosis therapeutic) drug continues to hold a commanding market share (over 80%) and there is still room to grow.
- Our Liver Fibrosis drug F351 is approaching the start of Phase III clinical trials – engagement of Beijing Stem Technology Co., Ltd, an experienced Contract Research Organization (CRO), completion of ethics review, and now awaiting National Genetics Committee review.
- Outside of China, our additional business pillars in the US provide balance and continued growth. For Medical Devices, Berkeley Advanced Biomaterials LLC has emerged stronger from the Covid slowdown in the US and revenue is expected to hit a historical high in 2021.
- Cullgen's pipeline of cancer drugs are approaching the first IND filing, with multiple other compounds for both blood and solid cancers progressing smoothly to IND preparation.

Operating Profit for the nine-month period was similarly strong, up 39%, while Profit Before Tax was up 14%.

Development : Pipeline Update*

Product - Indication	Origin	Phase I	Phase II	Phase III	Latest Status
Etuary® (China)					
- Connective Tissue Disease Associated Interstitial Lung Disease (CTD-ILD)	Proprietary	→	→	→	Dual Phase III clinical trials ongoing. Proceeding smoothly (No change from Q2 FY2021)
- Radiation Pneumonitis (RP)	Proprietary	→	→		Expanded RP clinical trial is ongoing (No change from Q2 FY2021)
- Diabetic Nephropathy (DN)	Proprietary	→			Phase I clinical trial is underway on schedule (No change from Q2 FY2021)
- Pneumoconiosis (PD)	Proprietary	→	→		Preparations for Phase III are underway (No change from Q2 FY2021)
F351 (China, U.S.)					
- Liver Fibrosis (China)	Proprietary	→	→	→	July 29, 2021, start of Phase III was approved by NMPA (No change from Q2 FY2021)
- Liver Fibrosis (U.S.)	Proprietary	→			Consultations with Key Opinion Leaders(KOLs) and advisors in order to decide the possible indications. Scheduled to file with the FDA by the end of Q1 FY2022
F573 (China)					
- Acute/Acute-on-chronic Liver Failure	License-in →				Phase I clinical Trial protocols were approved by Union Hospital. Protocol has been revised and resubmitted to the HGRAC pending approval (No change from Q2 FY2021)

*Other than the above, preparation for new products in Cancer, Chronic Obstructive Pulmonary Disease (COPD), and pulmonary hypertension are underway.

NMPA : National Medical Products Administration (Formerly known as China Food and Drug Administration)
FDA : Food and Drug Administration HGRAC : Human Genetic Resource Administration of China

Q3 FY2021 Key Developments

✓ Status of F351 Development

- Application to the FDA for Phase II clinical trial in the U.S. is pending. We noted on November 10, the U.S. National Library of Medicine listed Beijing Continent Pharmaceutical Co., Ltd's planned Phase III study in China to confirm efficacy and safety of Hydronidone for the treatment of Liver Fibrosis associated with HBV. This 52-week study will involve 248 patients.

✓ Investments in Healthcare and CDMO businesses have created economic value

- We sold our minority stake in IRISYS in Q3 FY2021 for a significant profit and will continue to seek other global investments in Healthcare businesses.

✓ Human Capital

- Thomas Eastling has assumed the role of CFO for the Americas businesses.
- Joseph Meyer has joined as Group CFO at Holding Company in Japan.
- Addressing human capital and infrastructure gaps at the holding company level continues to be a priority.

✓ New banking facilities, committed and other, were established in Q3 FY2021

Q3 FY2021 Consolidated Financial Results Comparison (YoY)

(Million yen)

Statements of Income	FY2020 Jan.-Sept.	FY2021 Jan.-Sept.	Change
Revenue	**6,953**	**9,536**	37.1%
Gross profit	**5,828**	**8,327**	42.9%
Selling, general and administrative expenses	△3,495	△5,503	57.4%
Research and development expenses	△855	△1,417	65.6%
Operating profit	**1,411**	**1,960**	38.8%
Finance income	40	69	73.6%
Finance costs	△72	△461	538.8%
Profit before tax	**1,379**	**1,568**	13.7%
Income tax expense	△482	△693	43.7%
Profit after Tax	**897**	**874**	△2.5%
Quarterly profit attributable to owners of the parent	**466**	**1,294**	177.2%

Statements of Financial Position	As of Dec. 31, 2020	As of Sept. 30, 2021	Change
Cash and cash equivalents	**10,322**	**13,945**	35.1%

Revenue & Gross Profit
Continuous strong sales of Etuary® in China. Strong performance in the Medical Device segment by BAB

SG&A Expenses
Increase in costs mainly due to new hires in Cullgen, in addition to BC's costs of building the sales force to over 290 vs. 256 people at the same period in 2020 for Etuary® Lung Fibrosis treatment

R&D Expenses
Mainly an increase of BC's R&D expenses and Cullgen's preparation expenses for IND filings

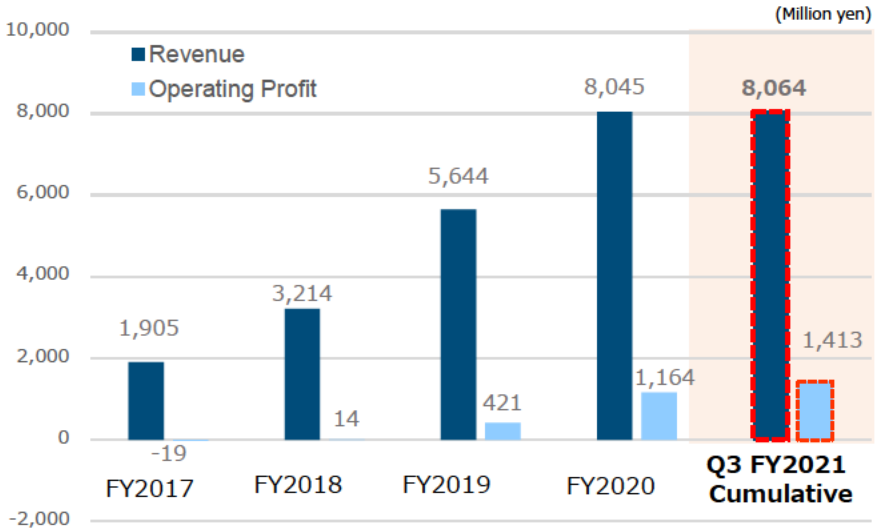
Operating Profit
Along with steady expansion of the Pharmaceutical segment, we realized economic value in the Q2 and Q3 FY2021 when our investments in IRISYS and Reveal were acquired

Finance Costs
The sharp increase in Finance costs relate to non-cash accrual of dividends treated as interest expense under IFRS

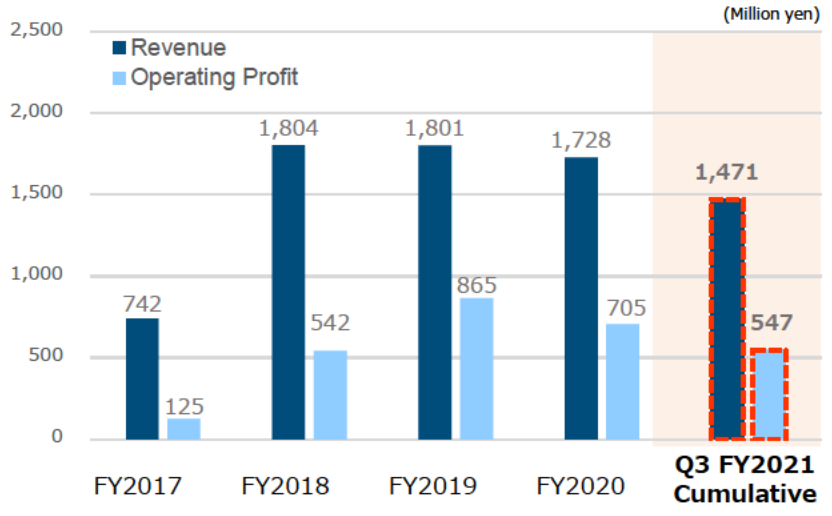
Quarterly Profit Attributable
Increase is the result of lower expenses from our Cullgen subsidiary attributable to GNI due to the decrease in our shareholding following the successful Series B capital raise in Q1 FY2021

BAB : Berkeley Advanced Biomaterials LLC BC : Beijing Continent Pharmaceutical Co., Ltd

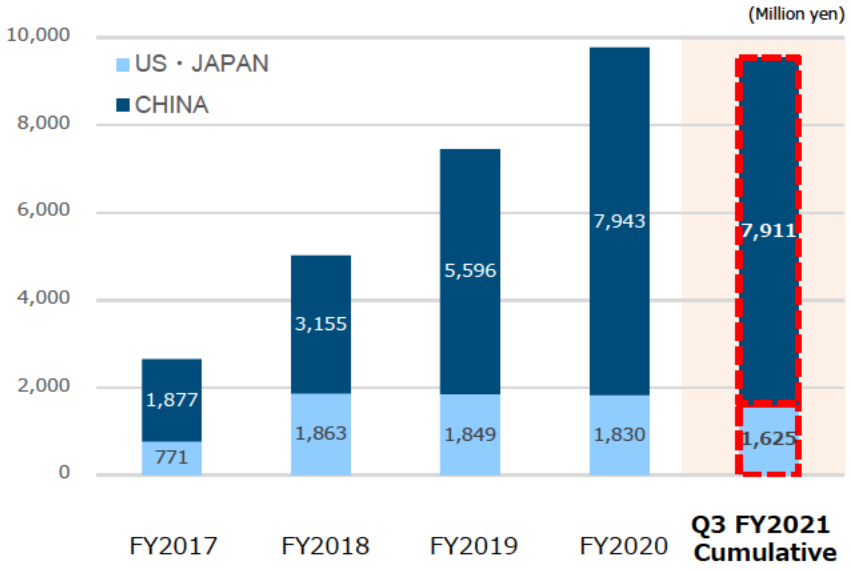
Pharmaceutical Segment Revenue and Operating Profit



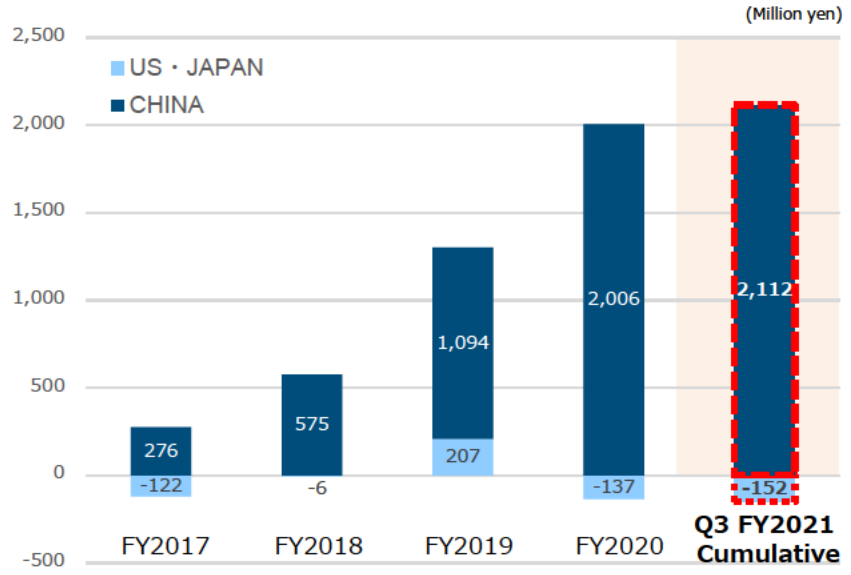
Medical Device Segment Revenue and Operating Profit



Revenue by Region



Operating Profit by Region



SG&A Expenses

(Million yen)

	FY2020 Jan. – Sept.	FY2021 Jan. – Sept.	Change
Japan	**252**	**379**	**51%**
U.S.	**634**	**911**	**44%**
Cullgen	164	448	173%
BAB	393	406	3%
Others	77	56	-27%
China	**2,608**	**4,212**	**61%**
BC	2,420	3,925	62%
SG	28	38	32%
Cullgen Shanghai	45	71	57%
Others	113	176	56%
Total	**3,495**	**5,503**	**57%**

BAB : Berkeley Advanced Biomaterials LLC BC : Beijing Continent Pharmaceutical Co., Ltd SG : Shanghai Genomics

R&D Expenses

(Million yen)

	FY2020 Jan. – Sept.	FY2021 Jan. – Sept.	Change
Japan	**15**	**0**	**-100%**
U.S.	**174**	**234**	**34%**
Cullgen	120	228	90%
Others	54	6	-89%
China	**665**	**1,183**	**78%**
BC	303	653	115%
Cullgen Shanghai	253	470	86%
Others	109	59	-46%
Total	**855**	**1,417**	**66%**

BC : Beijing Continent Pharmaceutical Co., Ltd

FY2021 Financial Forecast – Continued Growth

(Revised and disclosed in August 2021)

(Million yen)

	Revenue	Operating profit (loss)	Profit (loss) before tax	Profit/Quarterly Profit (loss)	Profit/Quarterly Profit (loss) attributable to owners of the parent
FY2021 Forecast	**12,753**	**1,828**	**1,245**	**410**	**1,235**
Q3 FY2021 Actual	**9,536**	**1,960**	**1,568**	**874**	**1,294**
FY2020 Actual	9,773	1,869	1,805	1,365	1,258
FY2019 Actual	7,446	1,302	1,197	629	181
FY2018 Actual	5,018	568	364	192	△200
FY2017 Actual	2,648	154	137	28	△175
FY2016 Actual	1,306	△276	△385	△465	△513

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