Business Plan and Growth Potential March 2022

GNI Group Ltd.

Bringing New Hope to Patients in Asia and Worldwide

Securities Code: 2160

Forward-looking Statements

- Statements contained herein with respect to our current plans, estimates and strategies that are not historical facts are forward-looking statements.
- Forward-looking statements are based on our management's beliefs in light of information currently available. Actual results may differ materially from these forward-looking statements due to a variety of risks and uncertainties. Therefore, please do not rely on these forward-looking statements to make investment decisions.
- Important factors that could affect actual results include economic and /or regulatory conditions involving the Group's business segments, market trends, and global conditions.
- Note: In places, pro forma figures may be rounded to underscore direction of the business.

Executive Summary

✓ Research & Development

Beijing Continent (BC)

F351 Phase III clinical trial started in Jan 2022 for HBV-induced liver fibrosis targeting NMPA application in Q2 2024 in China.

F573 Phase I clinical trial also started in Jan 2022 for acute / acute-on-chronic liver failures also in China.

Cullgen Inc.

Lead PROTAC drug molecule pre-IND consultation with China's NMPA.

✓ Corporate Finance

- Consolidated revenue reached JPY12,690 million in FY2021, the highest in history
- BC filed an application for listing of the H-shares on the Main Board of The Stock Exchange of Hong Kong (HKEx).

1. Corporate Profile
2. Business
3. Growth Strategy
4. Companies
5. Market Environment
6. Business Outlook
7. Risk Considerations

Corporate Profile

Head office address
Nihonbashi-Honcho YS Bldg. 3F 2-2-2
Nihonbashi-Honcho, Chuo-ku,
Tokyo 103-0023, Japan

Business
A global healthcare company that focuses on pharmaceutical drug development and distribution, and biomaterials

Establishment
November 2001

President and CEO
Ying Luo, Ph.D.

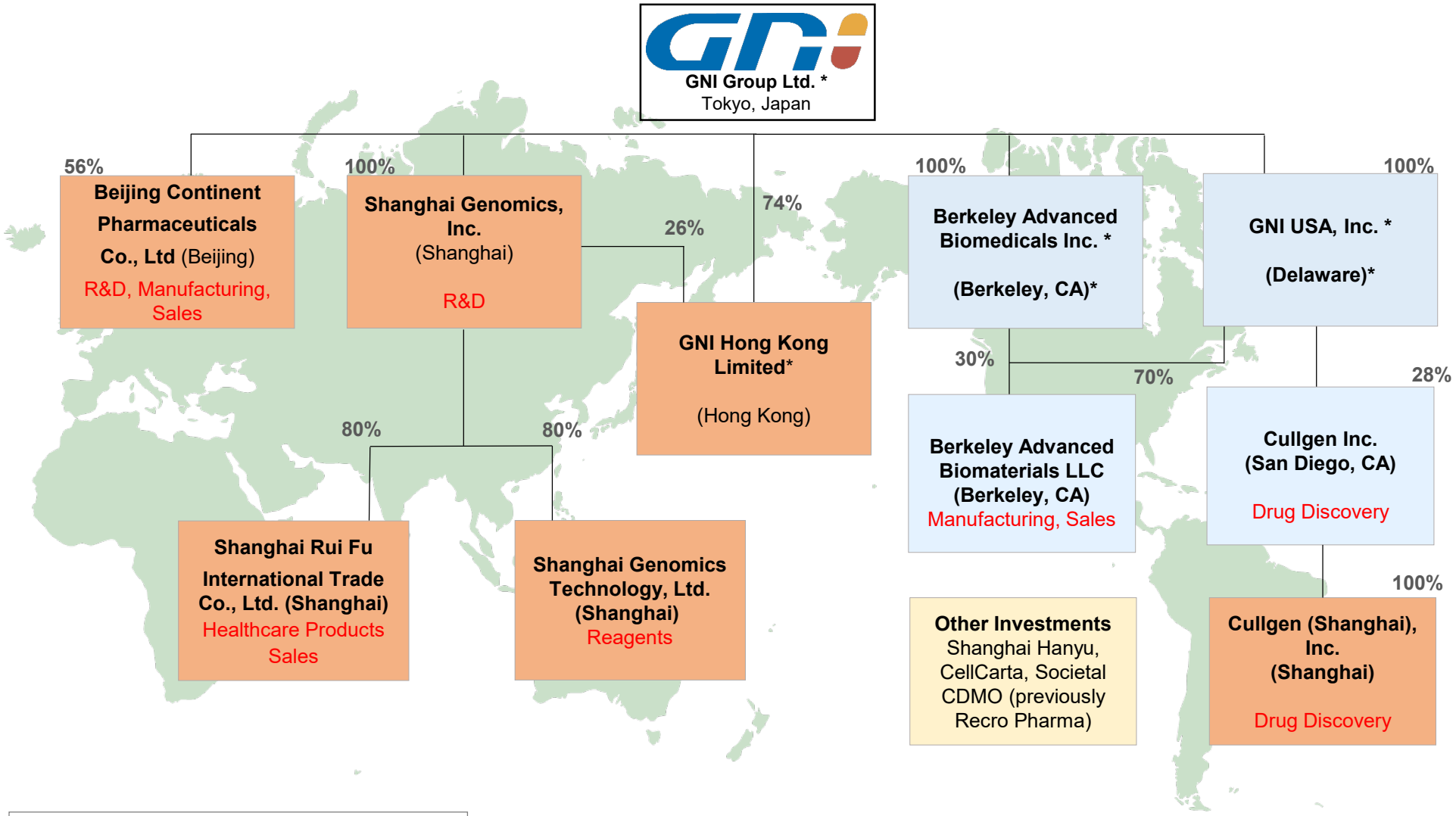
Paid-up Capital
10,884 million JPY
(as of the end of December 2021)

Employees (aggregate)
629 full-time employees
(as of the end of December 2021)

Listing
Tokyo Stock Exchange Mothers Market
(August 2007 / Code : 2160)

Auditor
Grant Thornton Taiyo LLC

Global Business Expansion



* - Holding company
- China & Hong Kong
- United States

As of February 2022
Note : Only significant investees are shown.

GNI Group Vision and Business Overview

Bringing New Hope to Patients in Asia and Worldwide

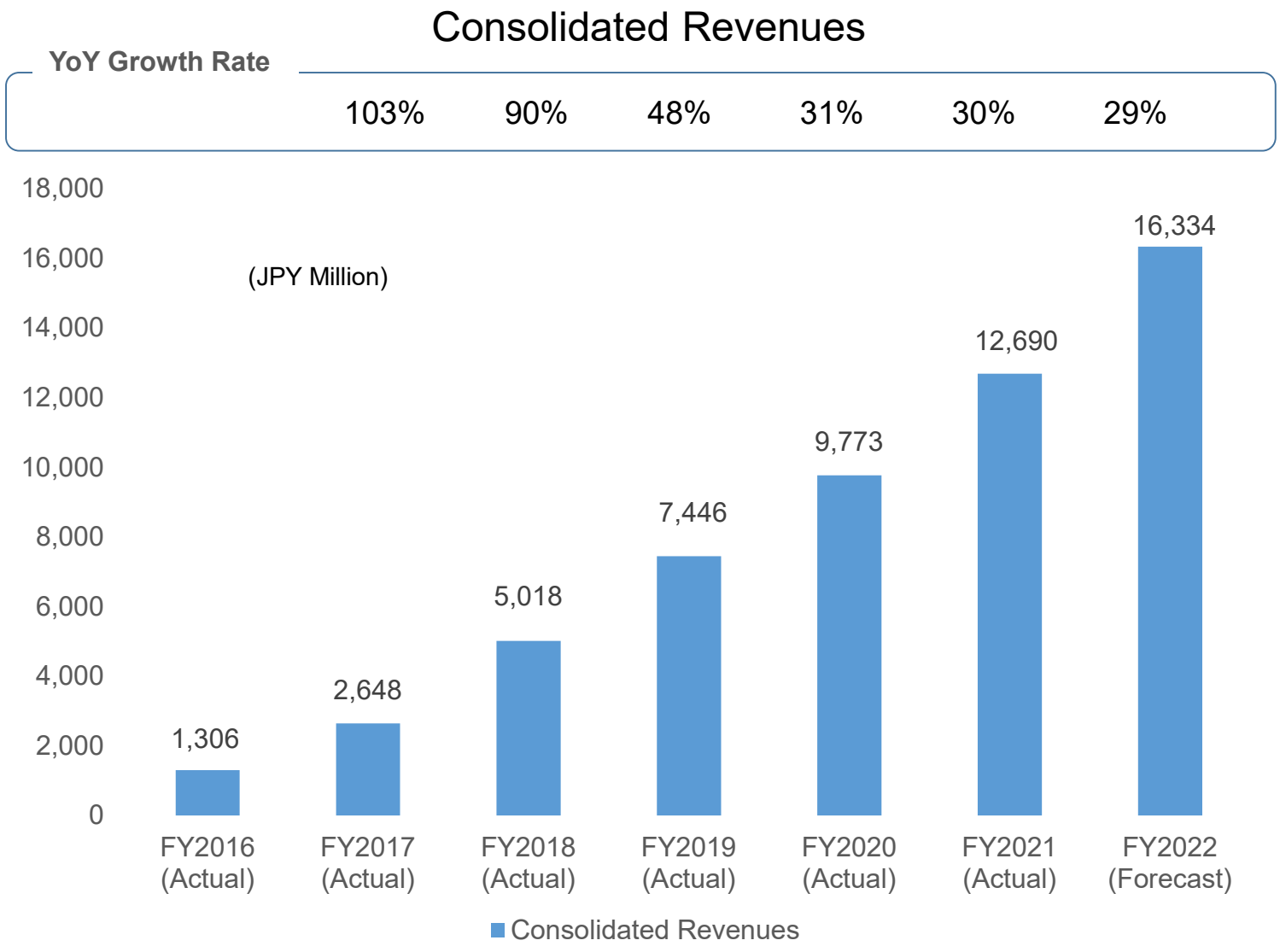
- ✓ Headquartered in Japan as a global healthcare holding company, our subsidiaries operate drug discovery, pharmaceutical development, biomaterial development, clinical studies, manufacturing, and sales in both the US and China.

- ✓ In China, our fully-integrated drug discovery and pharmaceutical business, Beijing Continent (BC), focuses on developing antifibrotic therapies for diseases in lung, liver, and kidney. It also holds a pipeline of products under development for organ fibrosis and other pulmonary and liver diseases. (Please refer the Hong Kong Stock Exchange web site (https://www1.hkexnews.hk/app/sehk/2022/104256/documents/sehk22022800504.pdf) for more information about BC.)

- ✓ In the US our biomaterials business Berkeley Advanced Biomaterials (BAB) develops, manufactures, and markets synthetic / tissue bank biomaterials for orthopedics and cosmetic applications. Its products are considered to be among the premier brands worldwide. Also in the US, Cullgen Inc. is engaged in cancer drug discovery utilizing cutting-edge, targeted protein degradation technologies.

- ✓ Geographically diverse and well-coordinated operations allow us to leverage:
  - Innovations in US and China
  - Cost efficiencies
  - Access to both the largest healthcare market in the world and one of the fastest growing healthcare markets globally
  - Access to global capital markets

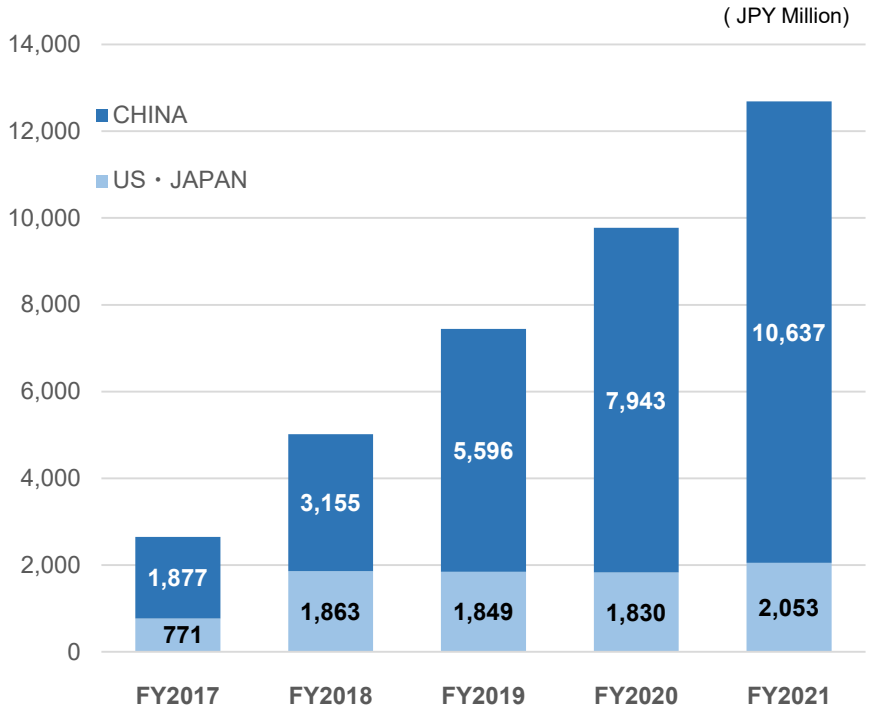
Growth Trend as of March 2022



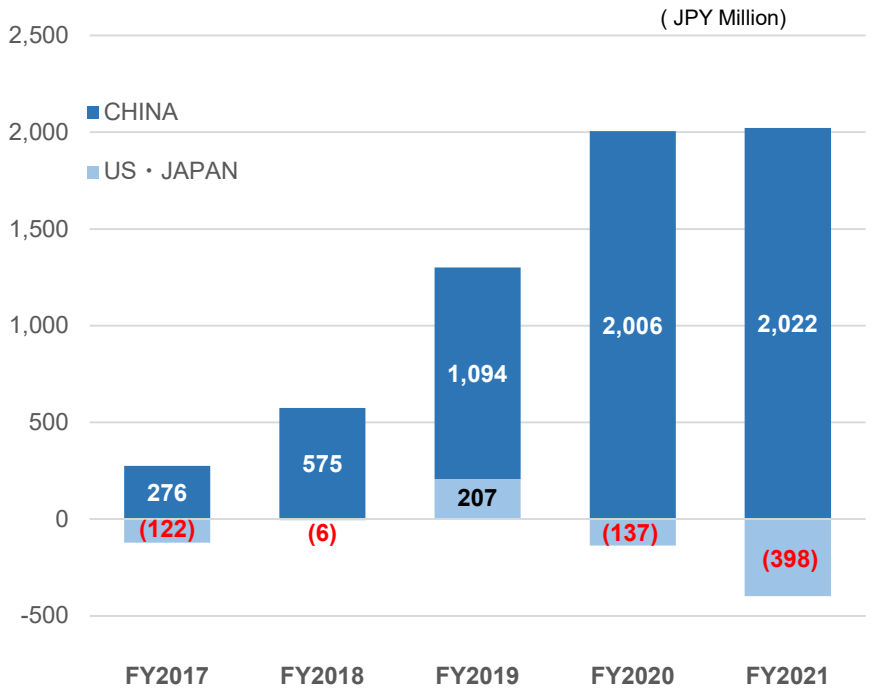
FY 2021 Revenue and Operating Profit by Geographical Regions

China is diversified and self-funded; the US is R&D-intensive.

Revenue by Region



Operating Profit by Region



Assumptions Behind Our Projections

Pharmaceutical Business

- Lung fibrosis drug market in China continues to grow in spite of the disruptions caused by COVID pandemic.
- Beijing Continent's ETUARY® continues to hold a commanding market share in the face of growing competition.
- Drugs under development will be approved.

Biomaterials Business

- Berkeley Advanced Biomaterials came through COVID well: growth resumed, maintained strong margins.
- Considering expansion into cosmetic applications in Asia

Our Strengths

Pharmaceutical Business

Beijing Continent*

The Competition

Boehringer Ingelheim, Beijing Kaiwin, CSPC Enbipu Pharmaceuticals

Our Strengths

- Global leader in organ fibrosis treatment
- Pioneer in CHB-induced liver fibrosis
- Expansion of therapeutic areas based on organ fibrosis and inflammation expertise
- Full pharmaceutical value chain coverage from R&D to manufacturing and sales
- Strong management team with high execution capabilities

Cullgen Inc.

The Competition

Arvinas, Nurix, Kymera Therapeutics, C4 Therapeutics, Monte Rosa Therapeutics

Our Strengths

- Top-tier scientists
- Cost-effective development and testing operations in the US and China
- Innovative and differentiated platform
- Many new drugs in the pipeline
- Regulatory relationships and experience

Biomaterials Business

Berkeley Advanced Biomaterials

The Competition

Ventris Medical, Biologica Technologies, Biogennix, Access2Bone, PUR Biologics

Our Strengths

- Long and stable operating history
- High-quality and premier-brand products
- Well-established market share in orthobiologics
- Strong and stable margins

*: Please refer to BC's prospectus on Hong Kong Stock Exchange web site.

Growth Strategy

Medium Term Strategy

In the medium term, our goal is to continue operating a profitable, global healthcare company with strong product pipelines, continuous R&D, and multiple revenue bases in various parts of the pharmaceutical value chain.

Long Term Strategy

In the long term, through surgically-focused minority investments and periodic exists, our goal is to become a fully-integrated multinational healthcare investment holding company.

Growth Strategy for Each Business

Pharmaceutical Business

Beijing Continent (BC)* (China)

- Solidify the leading position in fibrosis disease treatments and explore opportunities for expansion
- Further enhance academic promotion and expand sales network
- Prudently enrich the product portfolio through value-accretive business development and partnerships
- Expand facilities to increase production capacity and control production costs
- Continuously attract, develop and retain high-quality talents

Cullgen Inc. (US)

- Lead protein degradation through discovery of novel E3 ligases
- Develop novel therapies for cancers
- Build excellent R&D team
- Focus on global markets

*: As we disclosed on Feb 28, 2022, BC applied for IPO in the Hong Kong Stock Exchange (HKEx). Please note we are unable to comment on BC's strategy; by definition strategy is forward-looking. Such comments would conflict with the listing requirements of the HKEx (see the web site link on p7) .

Biomaterials Business

Berkeley Advanced Biomaterials (US)

- Maintain high quality reputation in the field
- Expand tissue bank operation
- Increase direct sales worldwide, especially in China
- Seek new commercial application of products in cosmetic surgery/operation

Others

Shanghai Rui Fu (aka Reef) International Trade
Shanghai Genomics Technology
Shanghai Hanyu Biotechnology

- Generate synergy among existing businesses

Investments

CellCarta, Societal CDMO (previously Recro Pharma)

- Carry out investments opportunistically and selective to create economic value
- Seek significant financial returns

Drug Development Pipeline

Beijing Continent

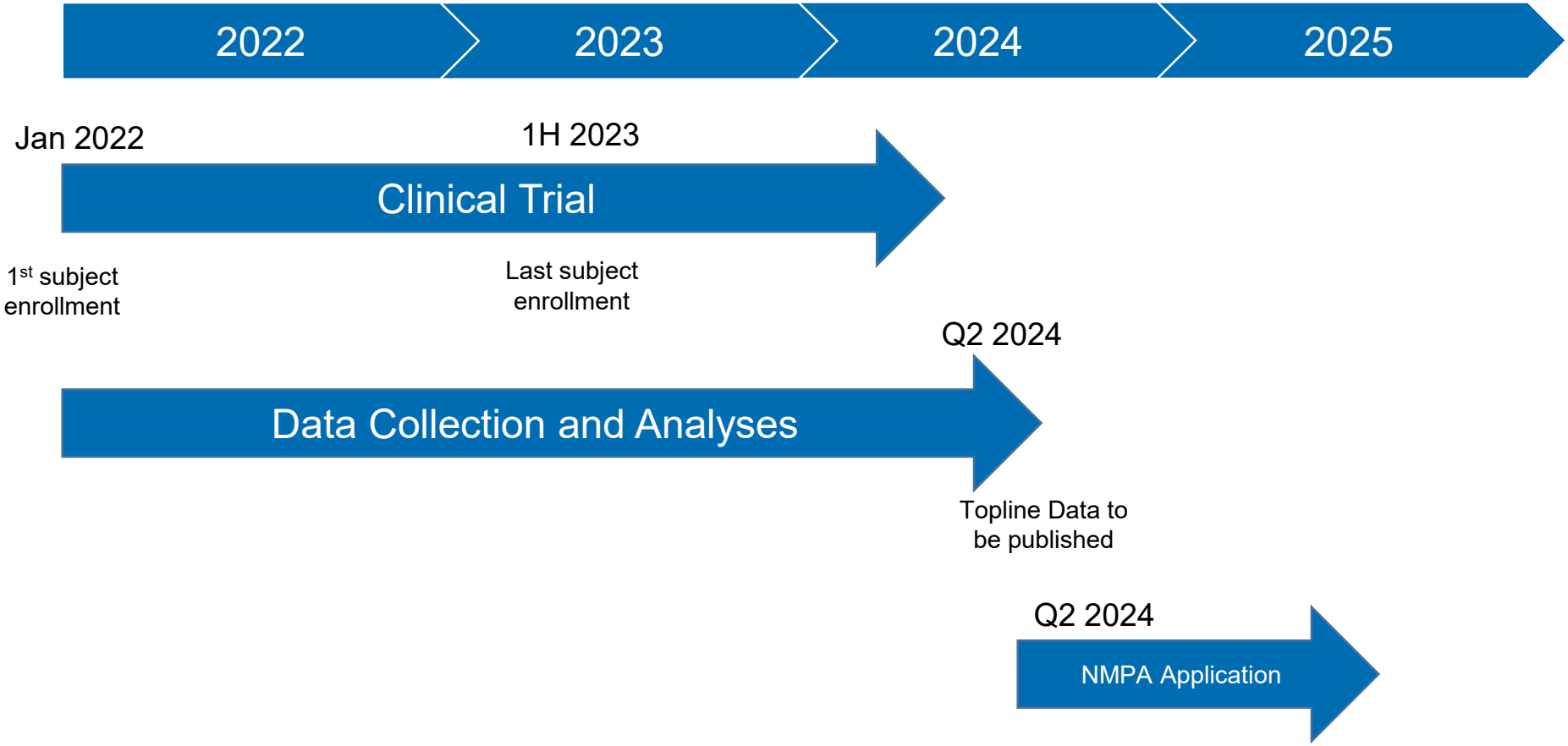
Product			Indication	Pre-clinical	Phase I	Phase II	Phase III	NDA	Marketed	Upcoming Milestone	Expecting approval date	Commercial Rights
Pulmonary Diseases	Fibrosis-associated	ETUARY® (Pirfenidone)	Idiopathic Pulmonary Fibrosis (IPF) ★							Commercialized		
			Dermatomyositis Interstitial Lung disease (DM-ILD) ★							NDA in 2025	2025	
			Systemic Sclerosis-associated Interstitial Lung Disease (SSc-ILD) ★							NDA in 2027	2027	
			Pneumoconiosis							Phase III initiation in 2022 Q2	2025	
	Others	F528	Chronic Obstructive Pulmonary Disease (COPD)							IND in 2022 Q4	2028	
		F230	Pulmonary Arterial Hypertension (PAH)							IND in 2023 Q3	2028	
Liver Diseases	Fibrosis	F351 (Hydronidone)	Chronic Hepatitis B Liver Fibrosis							NDA in 2024 Q2	2024	
	Other	F573	Acute Liver Failure (ALF) / Acute-on-Chronic Liver Failure (ACLF)							Phase II initiation in 2022 Q4	2025	
Kidney Disease	Fibrosis-Associated	ETUARY® (Pirfenidone)	Diabetic Kidney Disease (DKD)							Phase III initiation in 2022 Q4	2027	

★ Rare Disease China Rights Global Rights Global First Right

Cullgen

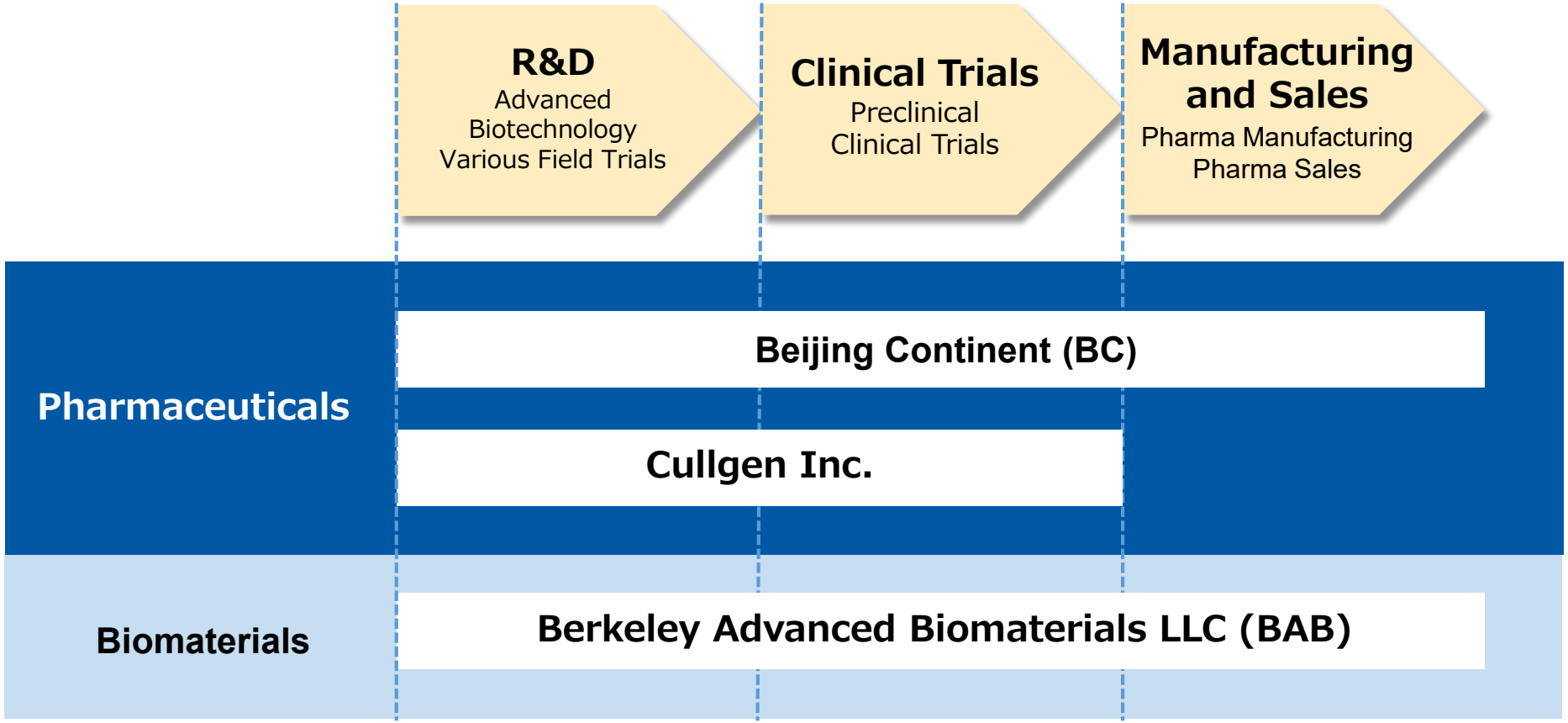
	Origin	Phase I	Phase II	Phase III	Latest Status as of 2022 Mar
PROTAC (China)					
Cancer	Proprietary				Initiated pre-IND discussion with NMPA for cancer Phase 1 trial

Development Highlight: F351 Roadmap* as of 2022 Mar



* As with any drug development, timeline and milestones may be significantly impacted or delayed by factors out of our control. Please refer the Hong Kong Stock Exchange web site (https://www1.hkexnews.hk/app/sehk/2022/104256/documents/sehk22022800504.pdf) for more information about BC's drug development pipeline.

Our Therapeutic Products Value Chain - Overview



Key Attributes of Beijing Continent (BC)*

- ✓ Spanning the entire pharmaceutical industry value chain from new drug discovery to compound search, clinical trials, manufacturing, and sales.
- ✓ Established API / formulation production capabilities through the production and commercial launch of ETUARY® (艾思瑞®), a treatment for idiopathic pulmonary fibrosis, which boasts a commanding market share in Chinese market. Also promotes clinical trials to expand ETUARY®'s indications.
- ✓ Built a leadership position in fibrotic diseases in Chinese market through a nationwide sales/distribution network in China.
- ✓ Investing excess earnings in new drug development and other biotech companies with unique strengths in the pharmaceutical business.
- ✓ Developing F351 for liver fibrosis associated with chronic hepatitis B (CHB) and ETUARY® for renal fibrosis caused by diabetic kidney disease to lead global organ fibrosis therapies.
- ✓ Continuing therapeutic pipeline expansion through prudent selection of drug candidates involved in organ inflammation and failure.

*: Please refer to BC's prospectus (https://www1.hkexnews.hk/app/sehk/2022/104256/documents/sehk22022800504.pdf) on Hong Kong Stock Exchange web site.

康蒂尼 CONTINENT

Key Attributes of Cullgen

- ✓ Combining cutting-edge research with China's speed and cost-effectiveness to revolutionize drug discovery through our proprietary drug discovery technology platform uSMITE™ (ubiquitin-mediated, small molecule-induced target elimination).
- ✓ Top-tier research scientists in the fields of cancer biology, and ubiquitin-proteasome system in both the US and China.
- ✓ Building a pipeline of new drugs cost-effectively in laboratory facilities in the US and China.
- ✓ Strong financial support and partnership from global venture capital and specialized private equity investors.

Key Attributes of Berkeley Advanced Biomedicals (BAB)

- ✓ Manufacture and sell a variety of self-transplanting, synthetic and tissue bank biomaterial products for bones and soft tissue (such as alternative bones, artificial bones, pates, etc.).
- ✓ Proprietary development and manufacturing expertise.
- ✓ Skilled management team with proven track records.
- ✓ Market penetration through direct sales and OEM for multinational companies.
- ✓ Streamlined and efficient organizational structure.
- ✓ Potential to expand business into non-US markets.

Balanced Profitability and R&D Investments

1. GNI Group aims for its subsidiaries to balance investing in product development and expansion while maintaining profitability - rare among global biotech ventures.

2. Our R&D-intensive subsidiary Cullgen continues to invest in next generation of drug discovery technology, supported by leading global venture capital and private equity firms.

3. Our group structure enables each subsidiary to pursue the most suitable corporate development plan flexibly under the leadership of its own on-the-ground management team.

4. We encourage subsidiary companies to consider listings as a means to further strengthen financing for expansion in their individual sectors. To this end, Beijing Continent filed an application for listing of H-shares on the Main Board of Hong Kong Stock Exchange on February 28, 2022.

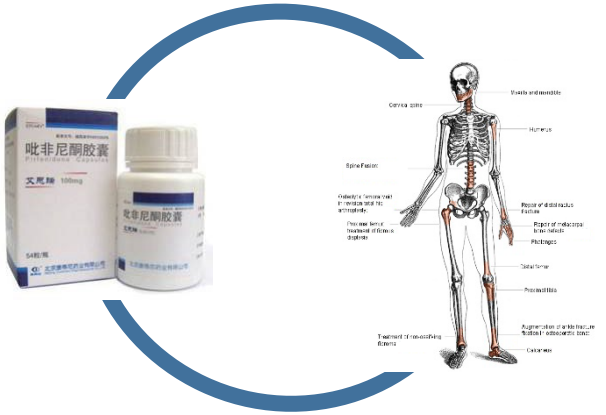
Addressable Markets

Pharmaceutical Business

- BC focuses on the market of fibrosis in lung, liver, and kidney diseases. In 2020, the patients suffering from major organ fibrosis amounted to 158.6 Million in China. (Source: Frost & Sullivan)
- Global liver fibrosis market alone is USD 13 billion in 2021 and is forecasted to grow to USD 22 billion by 2026. (Source: Market Data Forecast)
- The total cancer market size globally, to which Cullgen's underlying technology and drug development platform can be applied, is expected to reach USD 394 billion by 2027. (Source: Fortune Business Insights)

Biomaterials Business

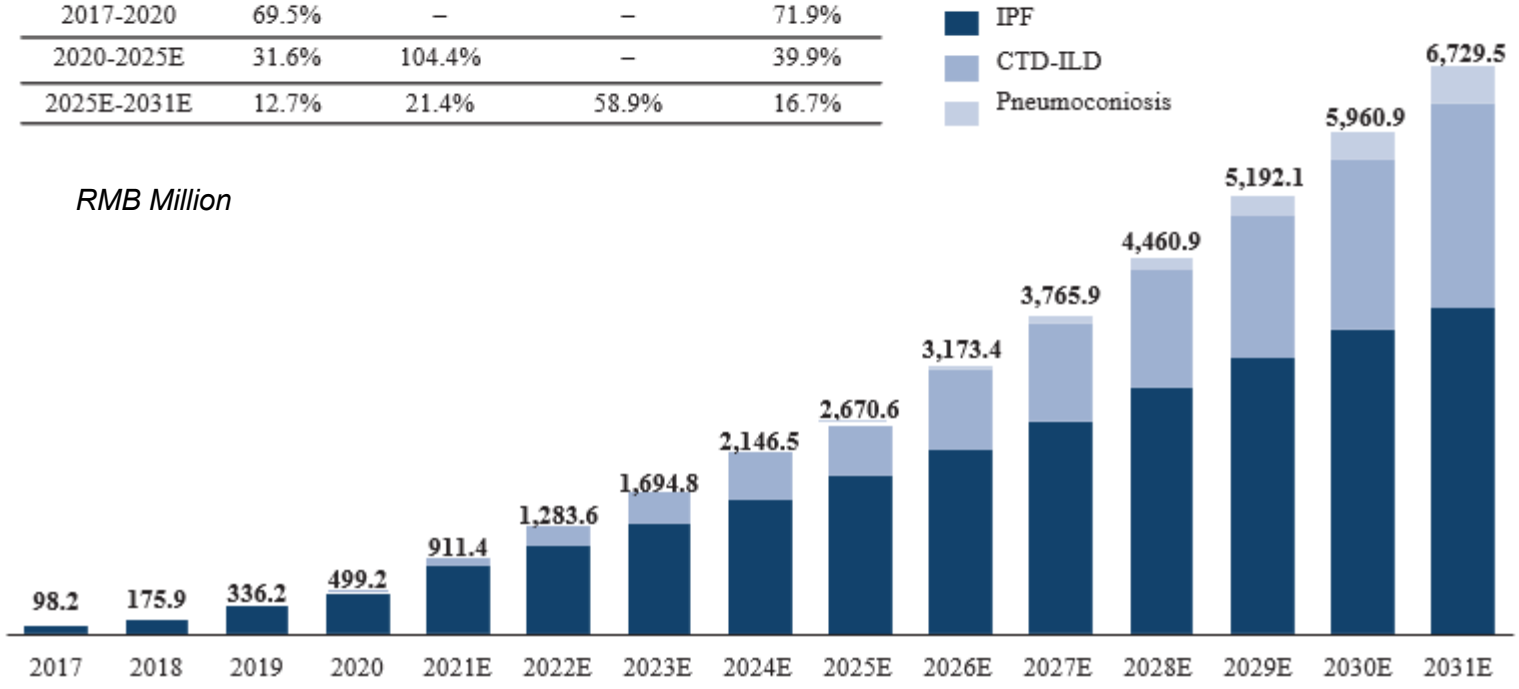
- The size of the biomaterials market worldwide in which BAB operates is USD 1.7 billion. (Source: iData Research)



ETUARY®'s Market: Pulmonary Fibrosis Drug Market in China

- ✓ The overall market for pulmonary fibrosis drugs in China is expected to grow to RMB 6.7 Billion by 2031, representing 35.2% CAGR from 2017 to 2031. (Frost & Sullivan)
- ✓ BC's ETUARY® (Pirfenidone) was the early mover and has gained trust of the medical establishment, and commands the dominant market share in anti-pulmonary fibrosis drugs market in China.

CAGR	IPF	CTD-ILD	Pneumoconiosis	Overall
2017-2020	69.5%	–	–	71.9%
2020-2025E	31.6%	104.4%	–	39.9%
2025E-2031E	12.7%	21.4%	58.9%	16.7%

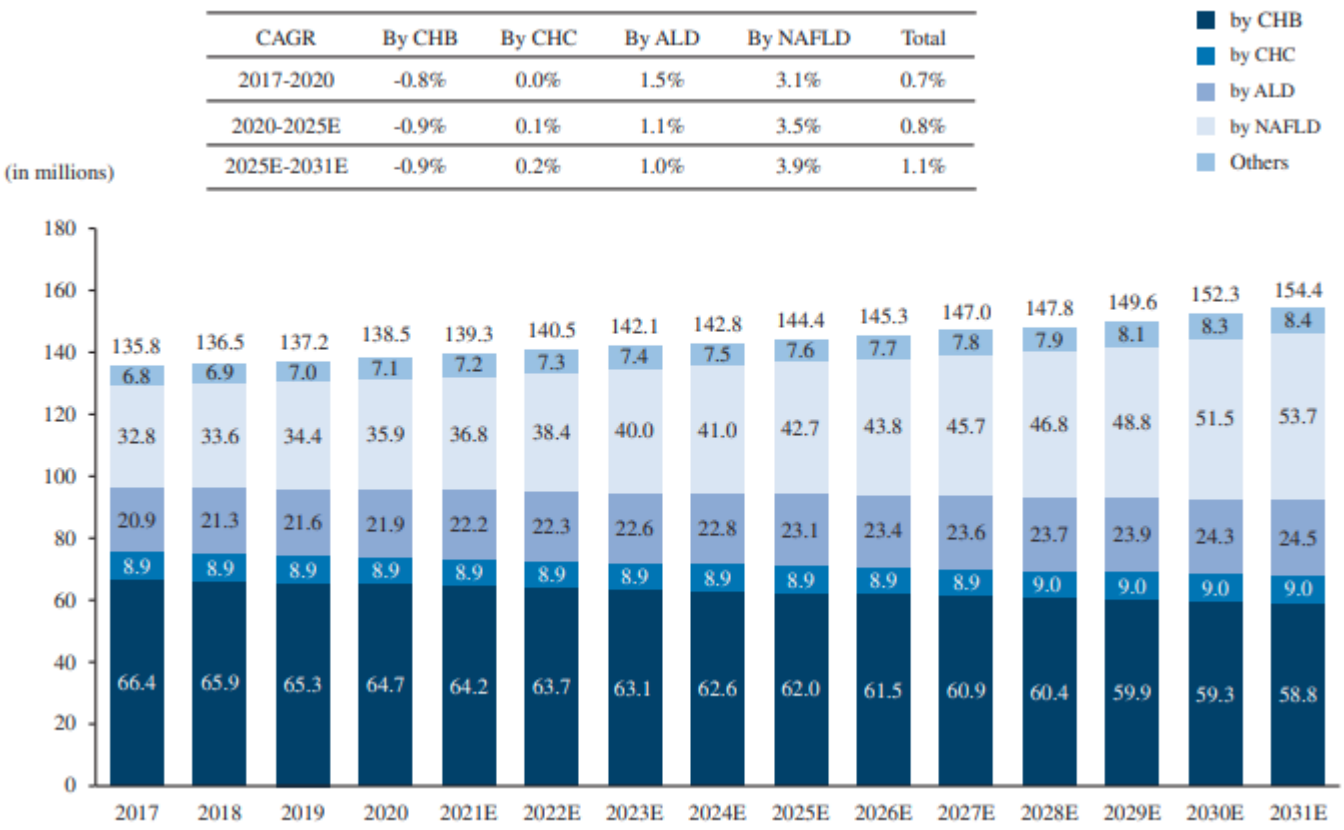


Source: Frost & Sullivan Analysis

F351's Potential Market: Prevalence of Liver Fibrosis in China

- ✓ The prevalence of liver fibrosis in China increased from 135.8 Million in 2017 to 138.5 Million in 2020, and it is expected to increase to 144.4 Million by 2025 and 154.4 Million by 2031. In 2020, the population of liver fibrosis associated with CHB accounted for 46.7% of the total liver fibrosis patients in China.

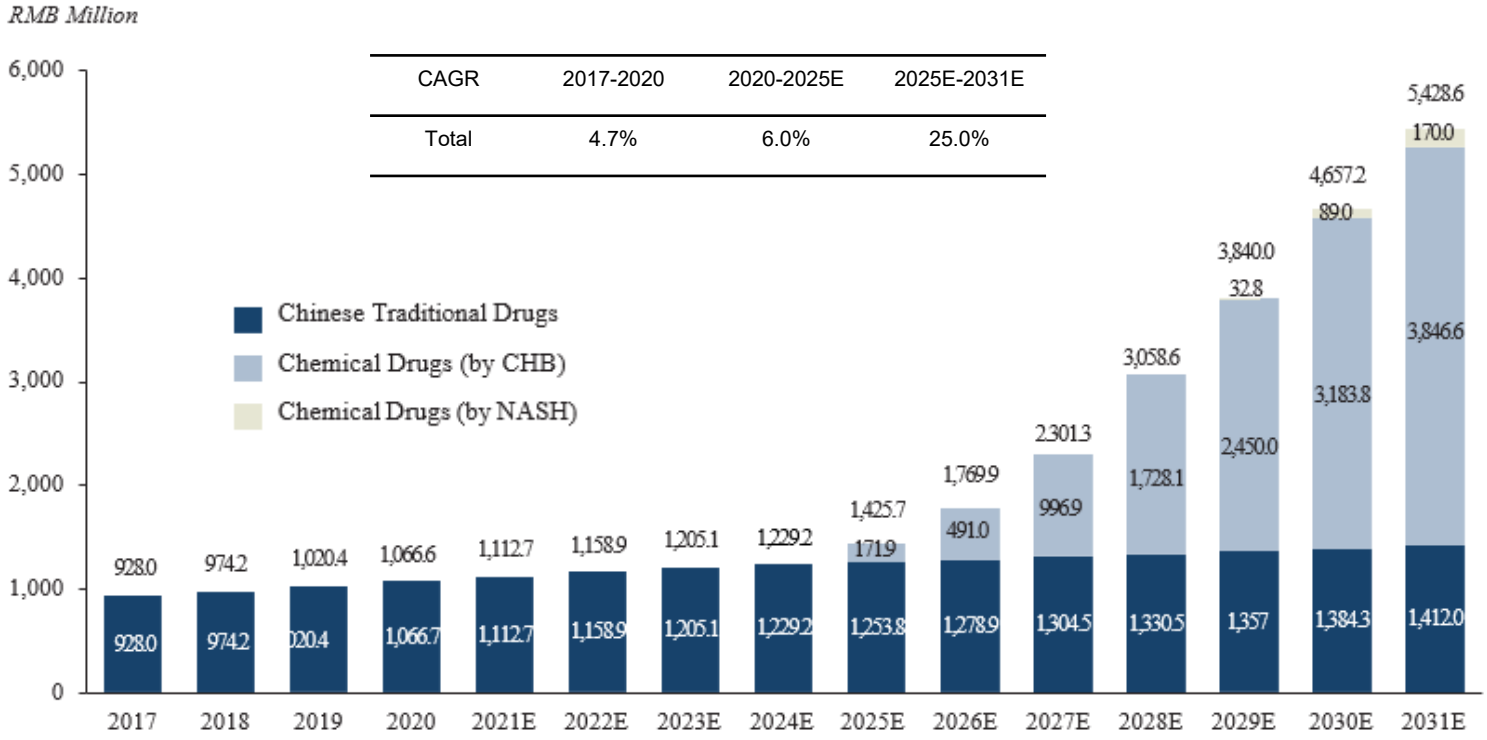
CAGR	By CHB	By CHC	By ALD	By NAFLD	Total
2017-2020	-0.8%	0.0%	1.5%	3.1%	0.7%
2020-2025E	-0.9%	0.1%	1.1%	3.5%	0.8%
2025E-2031E	-0.9%	0.2%	1.0%	3.9%	1.1%



Source: Fu-Sheng Wang, et al. The global burden of liver disease: the major impact of China. Hepatology. December 2014; Lin MH, et al. Liver Fibrosis in the Natural Course of Chronic Hepatitis B Viral Infection: A Systematic Review with Meta-Analysis. Dig Dis Sci. May 2021. Literature Review; Expert Interview; Frost & Sullivan Analysis

F351's Potential Market: Anti-Liver Fibrosis Drug Market in China

- ✓ The overall market for anti-liver fibrosis drugs in China is expected to grow to RMB 5.4 Billion by 2031, representing 13.4% CAGR from 2017 to 2031. (Frost & Sullivan)
- ✓ The addressable drug market is expected to increase faster than the number of affected persons in the future; as more diagnoses and prescriptions take place and patients continue their treatment, this may be expected to widen further.



Source: Expert Interview; Frost & Sullivan Analysis

Year-on-year Financial Performance

(JPY Million)

Statements of Income	2020 Actual	2021 Actual	Change
Revenue	**9,773**	**12,690**	30%
Gross profit	**8,227**	**11,089**	35%
Selling, general and administrative expenses	5,180	7,958	54%
Research and development expenses	1,243	2,015	62%
Operating profit	**1,869**	**1,624**	-13%
Finance income	46	129	182%
Finance costs	109	647	491%
Profit before tax	**1,805**	**1,107**	-39%
Income tax expenses	440	1,051	139%
Profit after tax	**1,365**	**55**	-96%
Annual profit attributable to owner of the company	**1,258**	**1,066**	-15%

Statements of Financial Position	FY2020 Actual	FY2021 Actual	Change
Cash and cash equivalents	**10,322**	**14,352**	39%

Main Points:

- ✓ Revenue
  - BC and BAB continue to follow the strong sales trend.
- ✓ Selling, General & Admin Expenses
  - BC successfully expands their sales force, and Cullgen successfully on-boards additional research scientists as planned.
- ✓ R&D Expenses
  - Increase in BC's R&D and Cullgen's IND filing preparations.
- ✓ Finance Costs
  - Non-cash accrual of interest expense is per IFRS reporting requirements.

Capital Management:

In early 2021, we engaged in a series of private transactions which raised USD 50 Million in new capital to enable further investment in R&D by our Cullgen subsidiary. Warrants associated with this financing may not be exercised unless GNI participates in the next round of Cullgen's financing. Separately, in early 2022, BC prepared for an IPO and subsequently announced their filing on the Hong Kong Stock Exchange.

Financial Results

- ✓ Topline 5-year CAGR 57%
- ✓ Values inherent in GNI Groups' business are reflected in profit attributable to shareholders.

(JPY Million)

IFRS-Based	Revenue	Operating profit (Loss)	Profit before tax (loss)	Profit after tax(loss)	Profit (loss) attributable to owners of the company
FY2022 Forecast	16,334	1,815	988	36	961
FY 2021 Actual	12,690	1,624	1,107	55	1,066
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)

Risk Considerations (1/3)

Item	Risk	Countermeasure
Development of pharmaceuticals	■There is no guarantee that new compounds will receive approval. ■Changes in the content of required clinical trial data during the clinical development period and may vary depending on the country in which the application is filed ◎Risk level : Low ◎Time line : Medium to long term ◎Impact : Large	■Continue investing in R&D ■Diversify drug pipelines to minimize dependency on one product
Business expansion on a global level	■Possibility that global supply chain disruption constrains business activities in the pharmaceutical manufacturing, distribution, sales, medical practices, and biomaterials industries ◎Risk level : Low ◎Time line : Medium to long term ◎Impact : Large	■In parallel to collaborating across multiple regions, establish business operations in such a way that each region can run their businesses independently
Competition	■Lower revenues, sluggish selling prices and declining market share as a result of subordination to competitors, which may affect operating results and profit margins ◎Risk level : Low ◎Time line : Medium to long term ◎Impact : Medium	■Improvement of existing products and development of novel and price competitive products

Risk Considerations (2/3)

Item	Risk	Countermeasures
Regulatory environment	■ Pharmaceutical R&D activities are subject to various regulations imposed by the regulatory authorities in each country in which they are conducted. ◎ Risk level : Low ◎ Time line : Short to long term ◎ Impact : Large	■ Monitoring of relevant agencies and early detection of regulatory changes ■ Examine in advance how to respond to regulatory changes
Data and Intellectual Property Rights (IPRs)	■ Regulations related to data protection and transfer across national borders, esp. the ones related to genetic information, are rapidly changing and becoming more strict. ■ Our IPRs may be challenged by external parties. ◎ Risk level : Low ◎ Time line : Medium to long term ◎ Impact : Large	■ Assigned Material Information Manager and started building a framework to track and comply with the latest data-related regulations ■ Closely monitor patents and other IPRs in the industry and file patents after thorough investigations into similar patents
Product liabilities	■ Pharmaceutical companies are expected to fulfill extremely high quality requirements in their products. We might encounter quality issues even if we build a robust quality assurance mechanism. ◎ Risk level : Low ◎ Time line : Medium to long term ◎ Impact : Large	■ Ensure adherence to GCP (Good Clinical Practices)

Risk Considerations (3/3)

Item	Risk	Countermeasures
Impact of COVID-19 pandemic	■ Lockdown due to pandemic may hamper R&D activities much of which need to be conducted in labs. ■ Hospitals' and medical staffs' focus on pandemic may slow down non-pandemic-related clinical trials. ■ Focus of medical activities on pandemic may slow down non-pandemic-related treatments. ◎ Risk level : Low ◎ Time line : Short to medium term ◎ Impact : Medium	■ Enhance R&D facilities so that more activities can be carried out remotely ■ Diversify operation and business locations

Contact Information

infojapan@gnipharma.com