



JW THERAP-B [2126.HK]

Issue Particulars

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|--|--------------------|
| Industry sector | Biopharmaceutical |
| Listing category | Main Board |
| Major Shareholders | Juno (19.91%) |
| Offer shares (mn) | 97.692 |
| Issue price (HK\$) | 20-23.8 |
| Total share offer size (HK\$mn) | 1,954-2,325 |
| Shares offered for Placement (mn) | 87.922 |
| Shares offered for IPO (mn) | 9.77 |
| FY19 net loss (RMB mn) | 633 |
| FY19 P/E(x) | - |
| Market cap. of shares (HK\$mn) | 7,524-8,953 |
| Total outstanding shares (new + existing shares)(mn) | 376 |
| NAV per share(HK\$) | 7.83-8.81 |
| Nominal value(US\$) | 0.00001 |
| Board Lot (shares) | 500 |
| Sponsors | Goldman Sachs, UBS |

Time Table

| | |
|---------------------------|-------------|
| IPO open | 22-Oct-2020 |
| IPO close | 28-Oct-2020 |
| Results announcement date | 2-Nov-2020 |
| Cheques refunded | 2-Nov-2020 |
| Dealing of shares | 3-Nov-2020 |

Financial Data

| FYE 31 Dec (000' RMB) | FY18 | FY19 | 1H20 |
|---|------------------|------------------|------------------|
| R&D expenses | (75,989) | (136,107) | (82,266) |
| General and admin expenses | (41,259) | (72,892) | (81,007) |
| Other gains/(losses), net | 4,801 | (1,165) | 4,115 |
| Other income | 215 | 5,483 | 847 |
| Operating loss | (112,232) | (204,681) | (158,311) |
| Finance (costs)/income — net | (1,825) | 469 | (164) |
| Fair value loss of preferred shares | (46,028) | (128,781) | (484,442) |
| Fair value loss of warrants | (112,531) | (300,264) | (7,112) |
| Loss before income tax | (272,616) | (633,257) | (650,029) |
| Income tax expense | - | - | - |
| Loss attributable to owners of the Company | (272,616) | (633,257) | (650,029) |

Clawback Structure

| Over subscription for IPO (x) | % of IPO for the total share offer |
|-------------------------------|------------------------------------|
| 15-50 | 30% |
| 50-100 | 40% |
| Over 100 | 50% |

Business

JW Therapeutics is a leading clinical and pre-clinical stage cell therapy company in China. Since the founding in 2016 by Juno Therapeutics and WuXi AppTec(2359) (through its wholly-owned subsidiary WXAT Shanghai), JW Therapeutics has built an integrated platform focused on developing, manufacturing and commercializing breakthrough cell-based immunotherapies for hematological cancers and solid tumors.

All of the Company material patents are in-licensed from third parties. Historically the Company has not conducted in-house product discovery, and has instead accessed discovery capabilities through relationships with counterparties such as Juno, Eureka and Acepodia.

There are 7 product candidates as well as 7 potential pipeline products of JW Therapeutics. Core Product Candidate, relma-cel, is an autologous anti-CD19 CAR-T therapy for relapsed or refractory (“r/r”) B-cell lymphoma.

In June 2020 the NMPA accepted for review the Company NDA relating to relma-cel as a third-line treatment for DLBCL, and in September 2020 the NMPA granted priority review status to the NDA relating to relma-cel. Relma-cel is expected to be the first CAR-T therapy to be approved as a Category 1 biologics product in China, and has potential to be a superior CAR-T therapy.

According to Frost & Sullivan, the market for CAR-T therapies in China is expected to grow from RMB0.6 billion in 2021 to RMB5.4 billion in 2024, and to RMB24.3 billion in 2030, at a CAGR of 28.7% from 2024 to 2030.

JW Therapeutics has never been profitable and has incurred loss in every year since inception. The operating loss was RMB204 million in 2019, up 82% YoY. As of 1H20, operating loss increased 97% to RMB158 million.

In 2019, the Company completed the Series A financing and raised a total of approximately US\$168 million; In June 2020, the Company conducted the Series B financing and raised a total of US\$100 million. Pre-IPO investors include Temasek, Sequoia, etc. In addition, the cornerstone investors include Oaktree and Hillhouse Capital, etc, with a total investment amount of US\$150 million, accounting for about 50% of offer shares.

Overall, the product pipeline of JW Therapeutics may not be rich. However, it has near-term market potential as Core Product Candidate, relma-cel, already obtained priority review status to the NDA. Besides, strong background of WuXi Group and major cornerstone investors is likely to boost investors’ confidence. Subscribe.

Use Of Proceeds

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|--|-----|
| • Core Product Candidate, relma-cel | 60% |
| • Other products candidates | 34% |
| • Potential pipeline products | 16% |
| • Working capital and general corporate purposes | 10% |

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Some of KGI Asia equity research and earnings estimates are available electronically on KGIEWORLD.COM. Please contact your KGI representative for information

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