



2024 Q3 Results

Asymchem Laboratories (Tianjin) Co., Ltd.

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All financials disclosed in this document are presented in accordance with International Financial Reporting Standards (“**IFRS**”s) except for those specifically noted otherwise.

Use of Adjusted Financial Measures

We have provided adjusted net profit attributable to shareholders of the Company and adjusted net profit margin attributable to shareholders of the Company as additional financial measures, which are not required by, or presented in accordance with, the 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, non-recurring, non-cash and/or non-operating 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 the IFRS. You should not view adjusted results on a stand-alone basis or as a substitute for results under IFRS.

4,091

Q1-Q3 Revenue
(RMB mm)

(35.5%)

Exclude Large Orders  +3.9%

14.36

Q3 Revenue
(RMB mm)

qoq¹ +11.2%

Exclude Large Orders  pop² +12.5%

710

Net Profit Attributable to
Shareholders of the Company
(RMB mm)

42.9%

Q1-Q3
Gross Profit Margin

46.1%

Q3 Gross Profit Margin

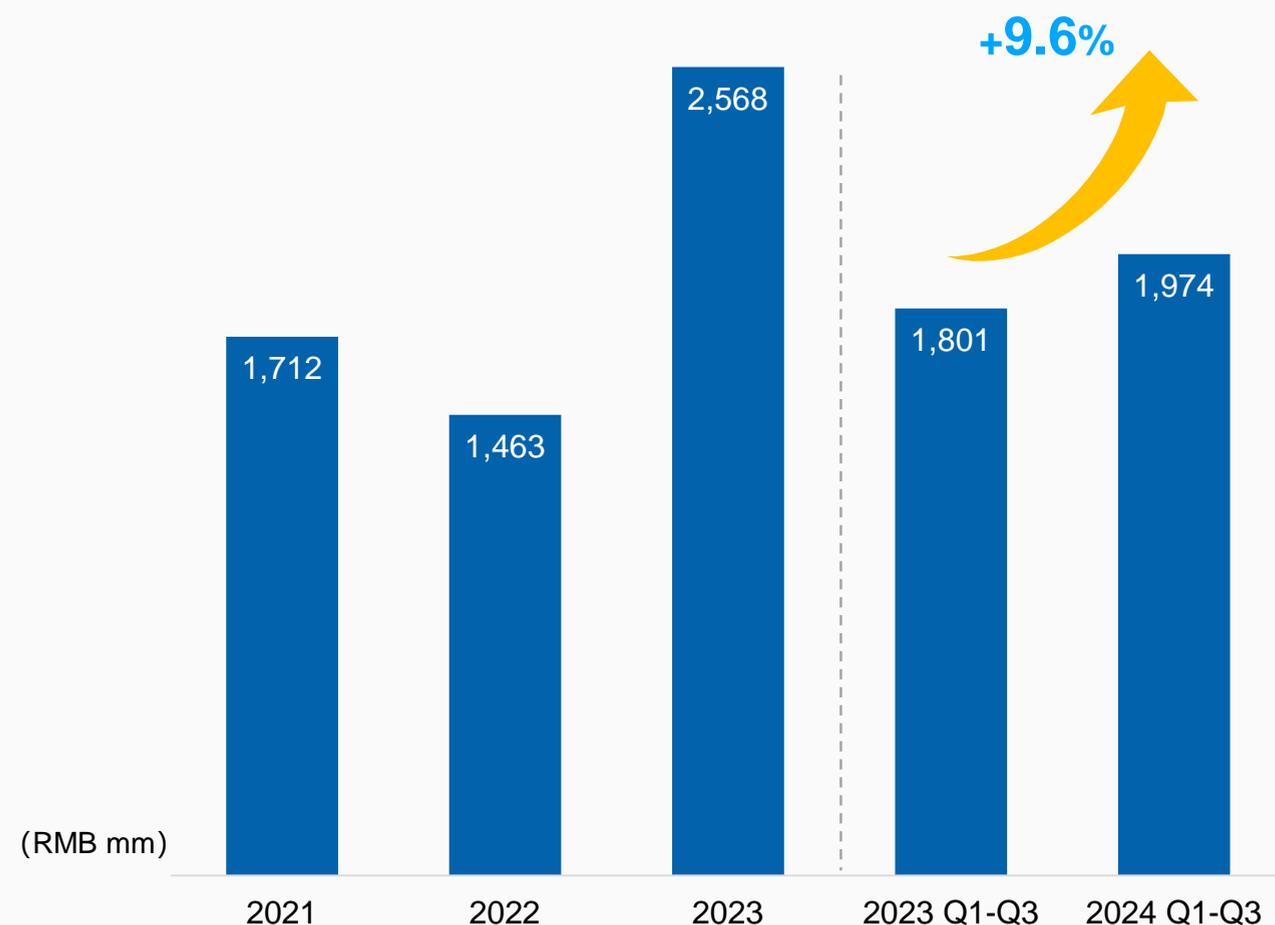
17.4%

Net Profit Margin Attributable to
Shareholders of the Company

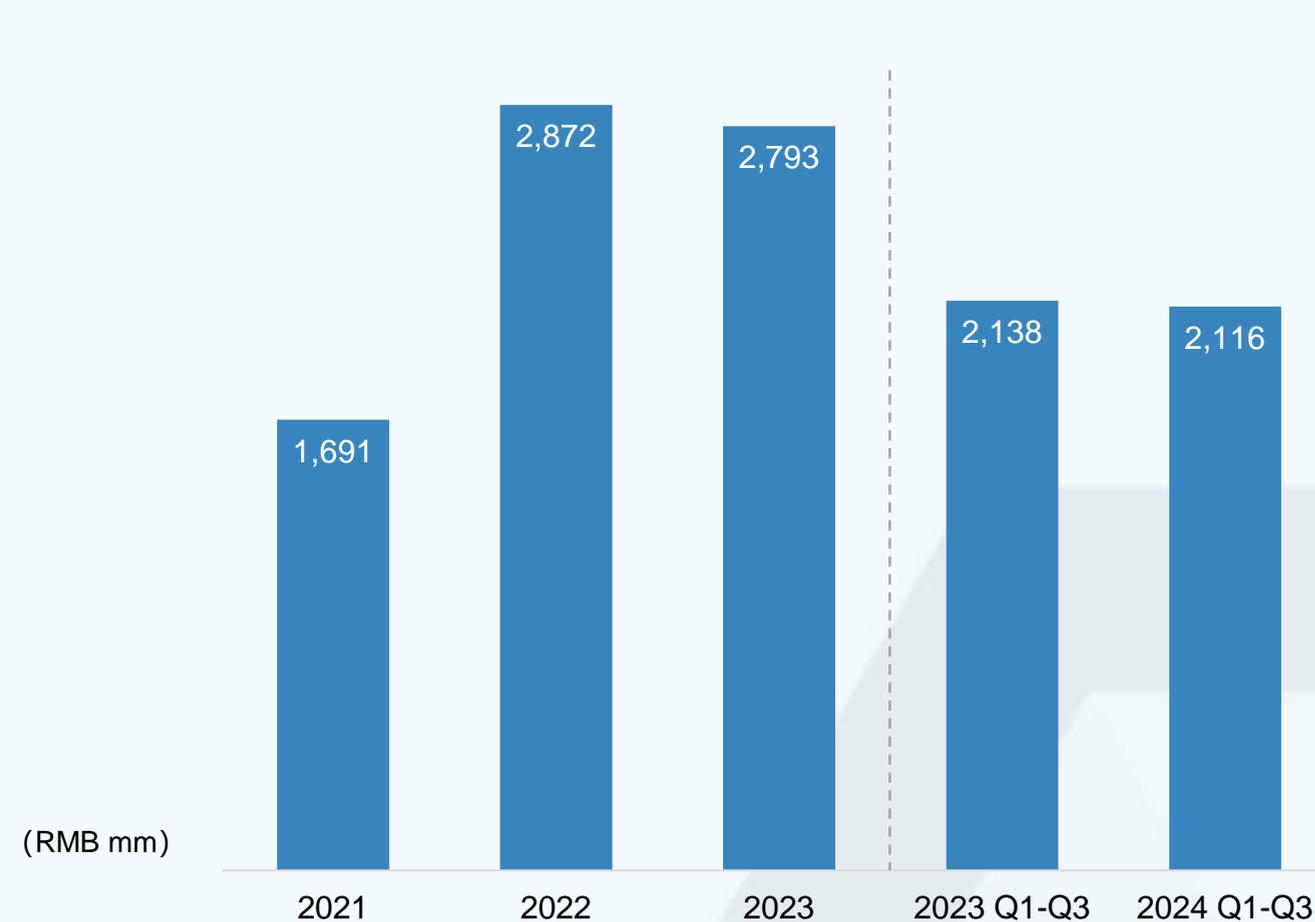
The Company continues to strengthen its partnership with leading customers, actively expanding domestic and international markets and broadening its customer base. The new order development continues to be improved

Note: All financial data disclosed in this document are presented in accordance with IFRS unless otherwise specified

Revenue From Large Pharma (Exclude Large Orders)

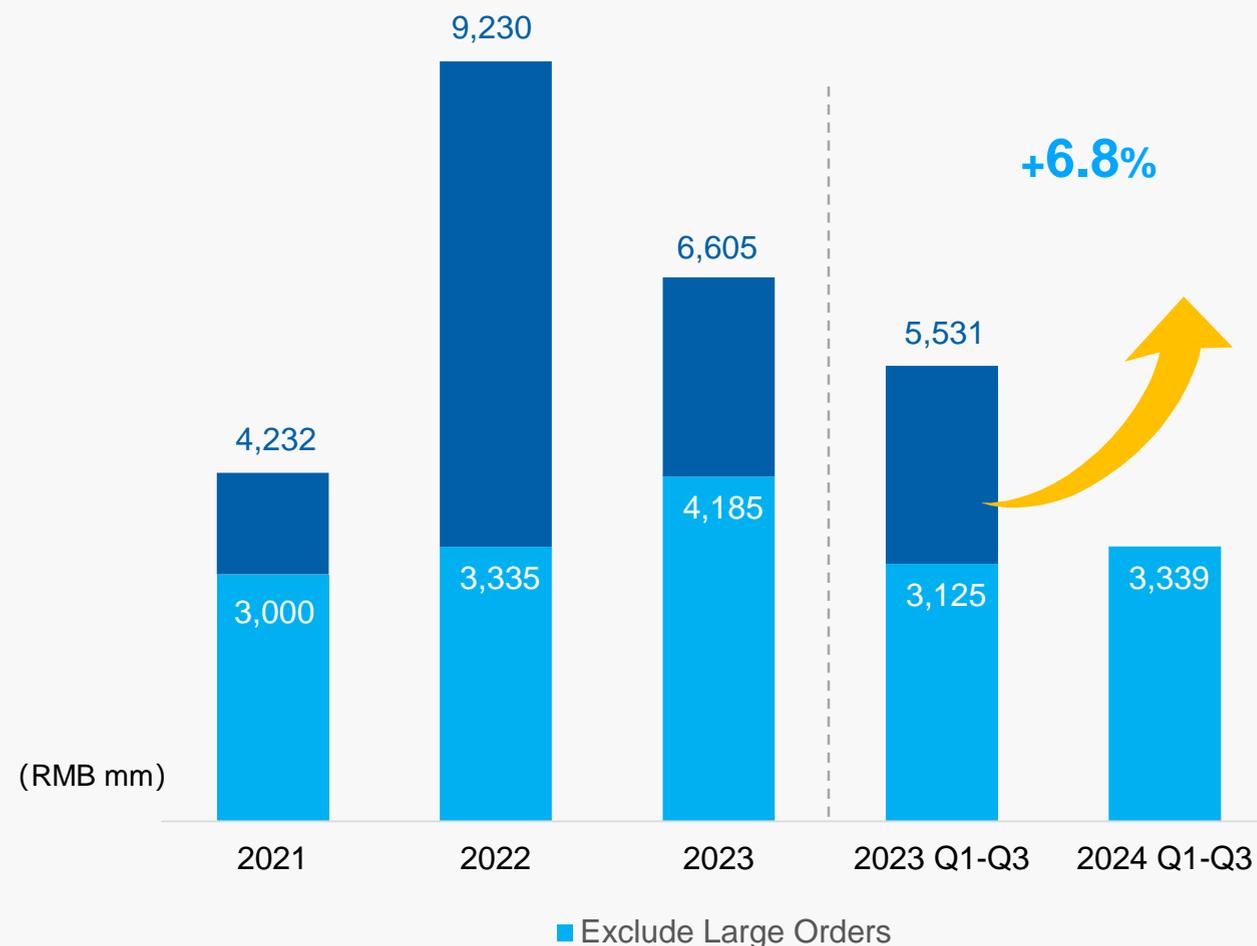


Revenue From Mid-to-Small Pharma



Revenue from Mid-to-Small Pharma amounted to **RMB2,116 mm**, representing a slight decrease of 1.0% *pop*;
 Revenue from overseas Mid-to-Small Pharma was **RMB1,069 mm**, reflecting a slight decrease of 0.3% *pop*

Revenues from Small Molecule CDMO Services



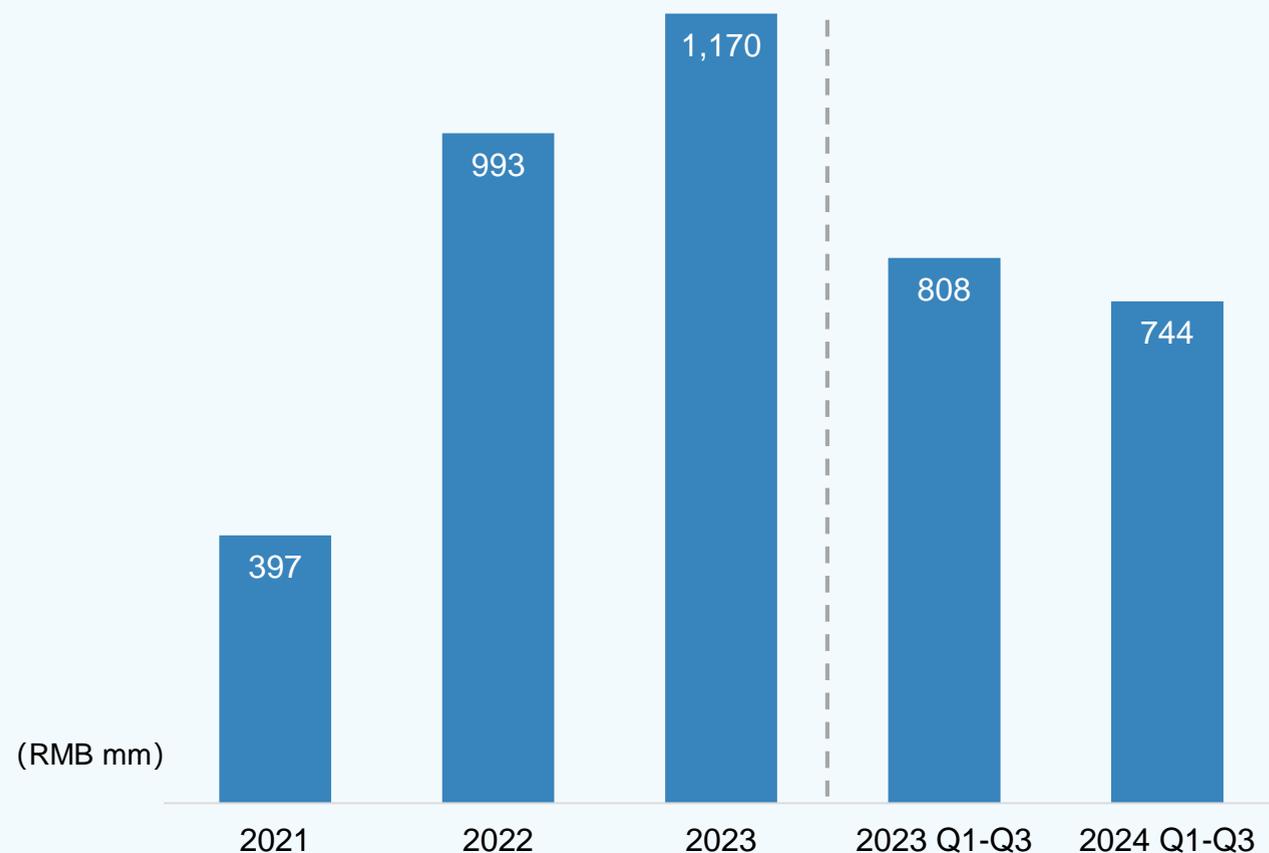
In Q3, small molecule business generated revenue of **RMB1,185 mm**, increasing by **19.1%** pop excluding large orders and **22.6%** qoq respectively

Gross Profit Margin of Small Molecule CDMO Business (Excluding Large Orders)



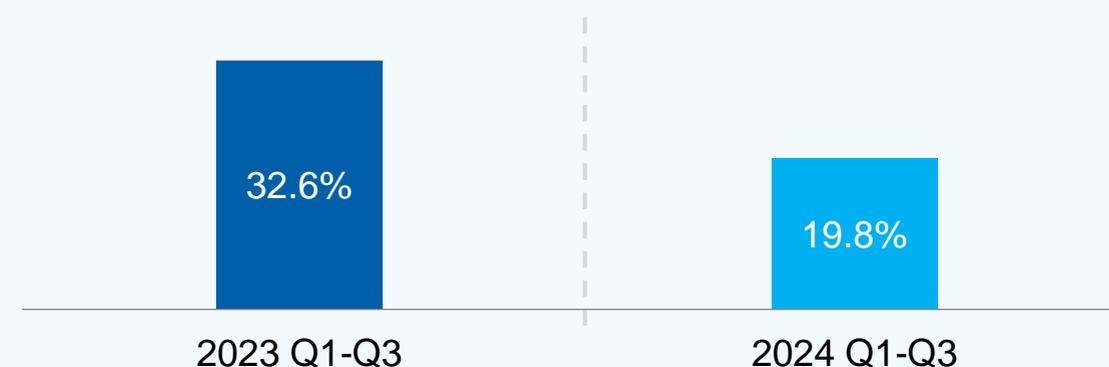
- With the implementation of cost control measures and the growth of late-stage clinical and commercial projects, the small molecule business has effectively absorbed the additional resources from large orders
- From Q1 to Q3, the gross profit margin for the small molecule business was **48.2%**, reflecting a **0.8 pts¹** increase pop, excluding large orders
- The **1st R&D and pilot plant** in Sandwich, Europe, has commenced operations and **begun accepting new orders**, further enhancing the Company's overseas commercialization capacity

Revenues from Emerging Services



Emerging business reflected revenue of **RMB244 mm** in 2024 Q3, representing a 13.0% pop decline. Based on the backlog and execution status, the emerging business will **resume a growth trend in the Q4**.

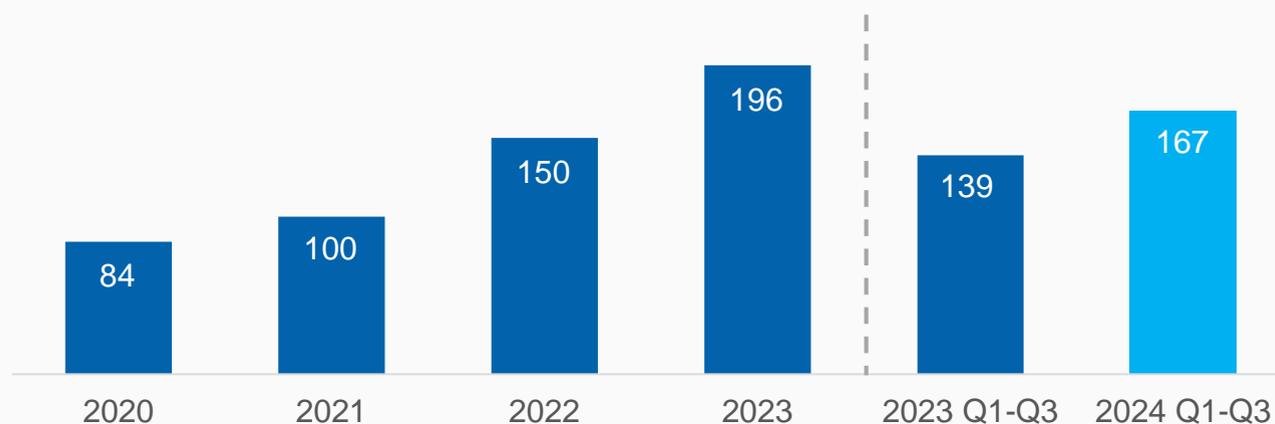
Gross Profit Margin of Emerging Services



- Gross profit margin for emerging business was **19.8%**, representing a decrease of 12.8 pts *pop*, which is primarily affected by the continued sluggishness of the domestic market and the fact that certain businesses are still in a capacity ramp up phase. **This issue will gradually ease as project deliveries continue to increase, especially with the growing number of overseas projects**
- The markets for peptides, ADCs, and small nucleic acids remained active, and the Company accelerated the expansion of peptide business and its capacity construction, having secured **multiple middle-to-late clinical stage peptide projects from MNCs and signed GLP-1 peptide commercialization orders with significant domestic clients**. As of the end of the Reporting Period, the Company's solid-phase synthesis peptide capacity exceeded **20,000L**.

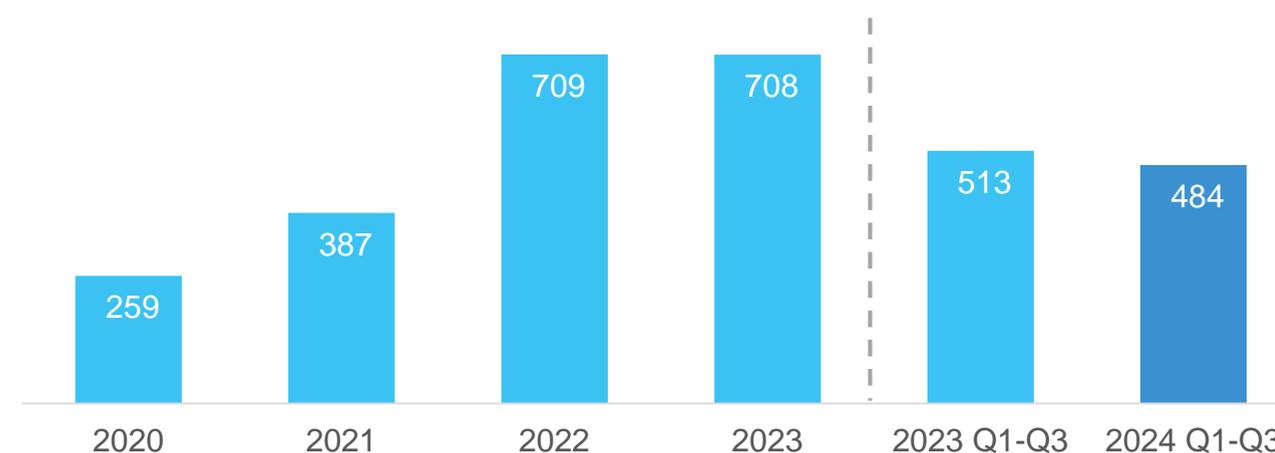
Selling and Distribution Expenses

(RMB mm)



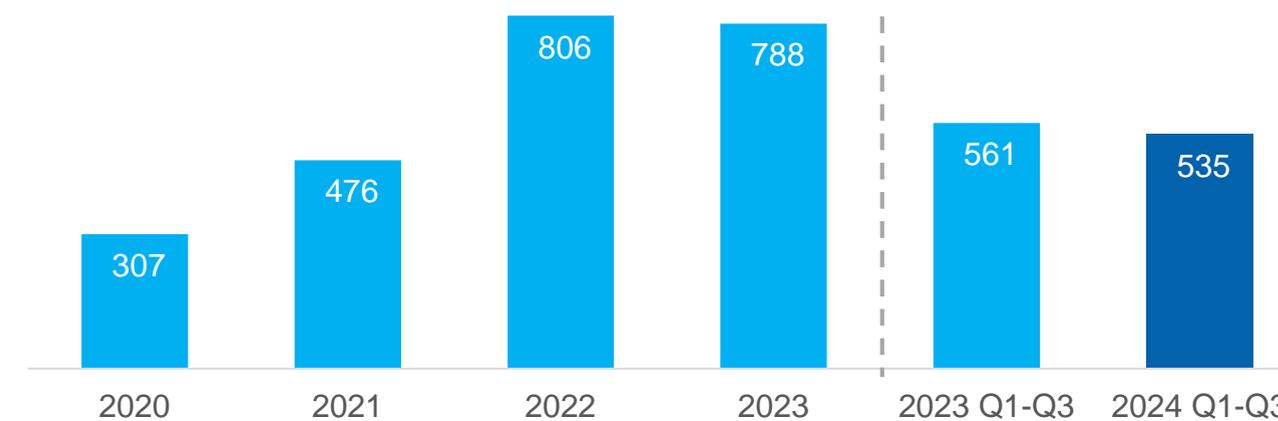
R&D Expenses

(RMB mm)



Administrative Expenses

(RMB mm)

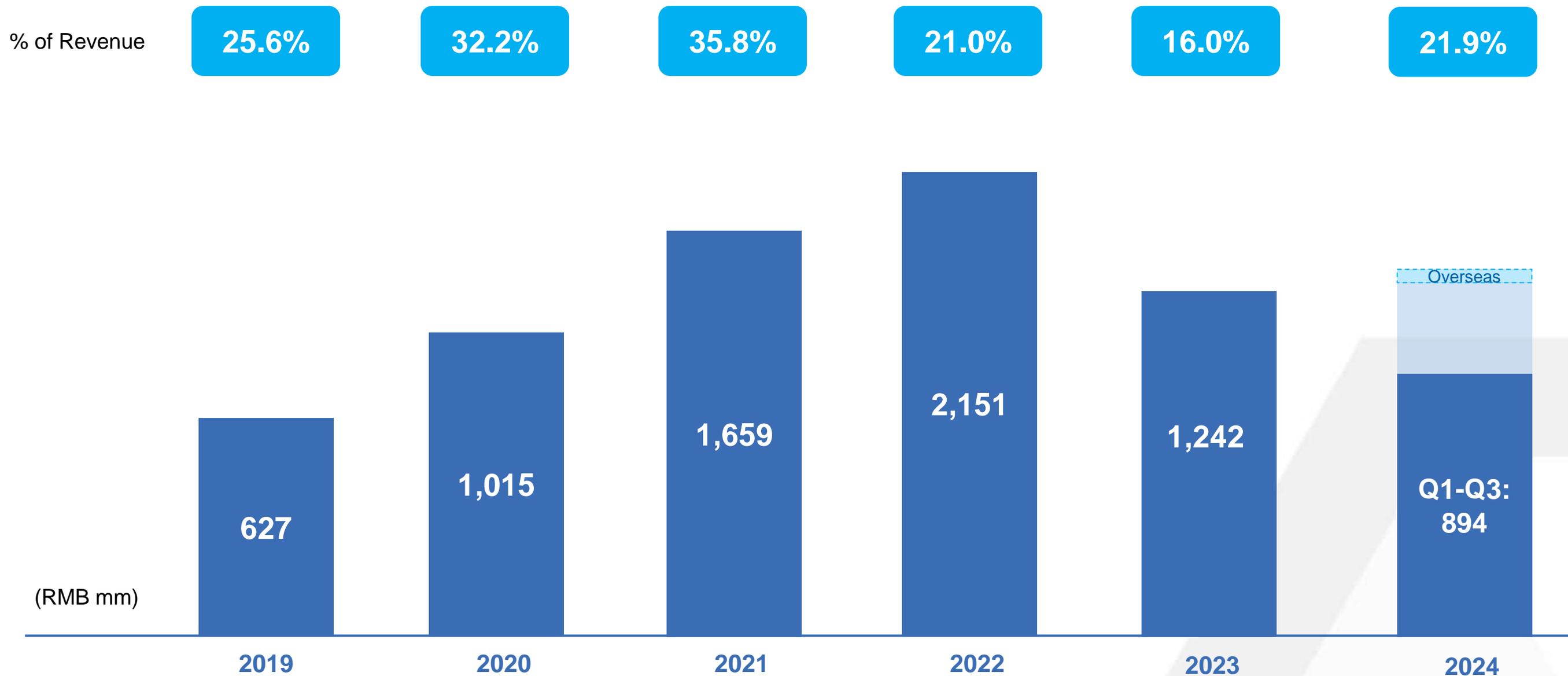


*Due to the disparities between Chinese Accounting Standards ("CAS") and International Financial Reporting Standards ("IFRS"), there exist variations in the treatment of administrative expenses and finance costs. Consequently, under IFRS, these expenses differ from those recognized under CAS. To accurately represent the concept of "net finance costs," we have chosen to utilize finance costs as per CAS. This entails including exchange gains, bank interest income, and other gains derived from financing activities.. Also, we display the administrative expenses under CAS

Finance Costs

(RMB mm)





(RMB MM)	2024 Q1-Q3	2023 Q1-Q3
Net Profit Attributable to Shareholders of the Parent	710	2,210
Additions:		
Amortization expenses of share-based compensation	59	38
Gain or loss on exchange rate fluctuations	(57)	(58)
Income tax effect	0	3
Adjusted Net Profit Attributable to Shareholders of the Parent	712	2,193
Adjusted Net Profit Margin Attributable to Shareholders of the Parent	17.4%	34.6%

Appendix



RMB mm

	2024 Q1-Q3	2023 Q1-Q3
Revenue	4,091	6,345
Cost of sales	(2,335)	(2,929)
Gross profit	1,756	3,416
Other income and gains	263	305
Selling and distribution expenses	(167)	(139)
Administrative expenses	(558)	(583)
Research and development expenses	(484)	(513)
Net impairment losses on financial and contract assets	(10)	(16)
Other expenses	(28)	(4)
Finance costs	(4)	(1)
Share of (loss)/profit of associate	(9)	23
Profit before tax	759	2,488
Income tax expense	(59)	(287)
Profit for the period	700	2,201
Attributable to:		
Owners of the parent company	710	2,210
Plus:		
Amortization expenses of share-based compensation	59	38
Gain or loss on exchange rate fluctuations	(57)	(58)
Income tax effect	0	3
Adjusted net profit attributable to shareholders of the listed company	712	2,193

RMB mm

	2024 Q3	2023
Non-current assets		
Property, plant and equipment	5,865	5,366
Right-of-use assets	500	526
Goodwill	146	146
Other intangible assets	47	54
Deferred tax assets	277	213
Investments in associates	530	260
Prepayments, deposits and other receivables	566	689
Financial assets at fair value through profit or loss	155	131
Equity investments at fair value through other comprehensive income	-	30
Total non-current assets	8,086	7,415
current assets		
Inventories	1,198	945
Trade receivables	1,671	2,011
Contract assets	76	81
Prepayments, deposits and other receivables	508	297
Tax recoverable	0	2
Financial assets at fair value through profit or loss	1,957	1,906
Cash and bank balances	5,202	7,110
Total current assets	10,612	12,352
Total assets	18,698	19,767

RMB mm

	2024 Q3	2023
Current liabilities		
Trade payables	550	452
Other payables and accruals	974	1,276
Interest-bearing bank borrowings	-	12
Lease liabilities	31	29
Amounts due to related party	1	1
Tax payable	30	31
Total current liabilities	1,586	1,801
Non-current liabilities		
Deferred income	260	233
Lease liabilities	85	106
Provision	1	-
Deferred tax liabilities	133	117
Total non-current liabilities	479	456
Equity		
Share capital	368	369
Restricted Shares under share-based payment	(1,233)	(494)
Other reserves	17,478	17,605
Non-controlling interests	20	30
Total equity	16,633	17,510



Thanks!

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