



2022 Annual Results

Asymchem Laboratories (Tianjin) Co., Ltd.

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- 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, our ability to protect our clients’ intellectual property, unforeseeable international tension, competition, the impact of emergencies and other force majeure. 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. All information provided in this presentation is as of the date of this presentation and are based on assumptions that we believe to be reasonable as of this date, and we do not undertake any obligation to update any forward-looking statement, except as required under applicable law.
- 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.

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Performance Overview

 **ASYM-CHEM**

10.23

Revenue
(RMB billion)

↑ +120.9%

3,302

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

↑ +208.8%

2,999

Adjusted Net Profit
(RMB mm)

↑ +167.0%

1,136

Free Cash Flow
(RMB mm)

Generated Positive Free
Cash Flow for the First
Time in 3 years

1,150

Backlog
(\$ mm)

47.2%

Gross Profit Margin

↑ +2.9
Percentage Points

39.7%

EBITDA Margin

↑ +9.4
Percentage Points

32.3%

Net Profit Margin Attributable to
Shareholders of the Company

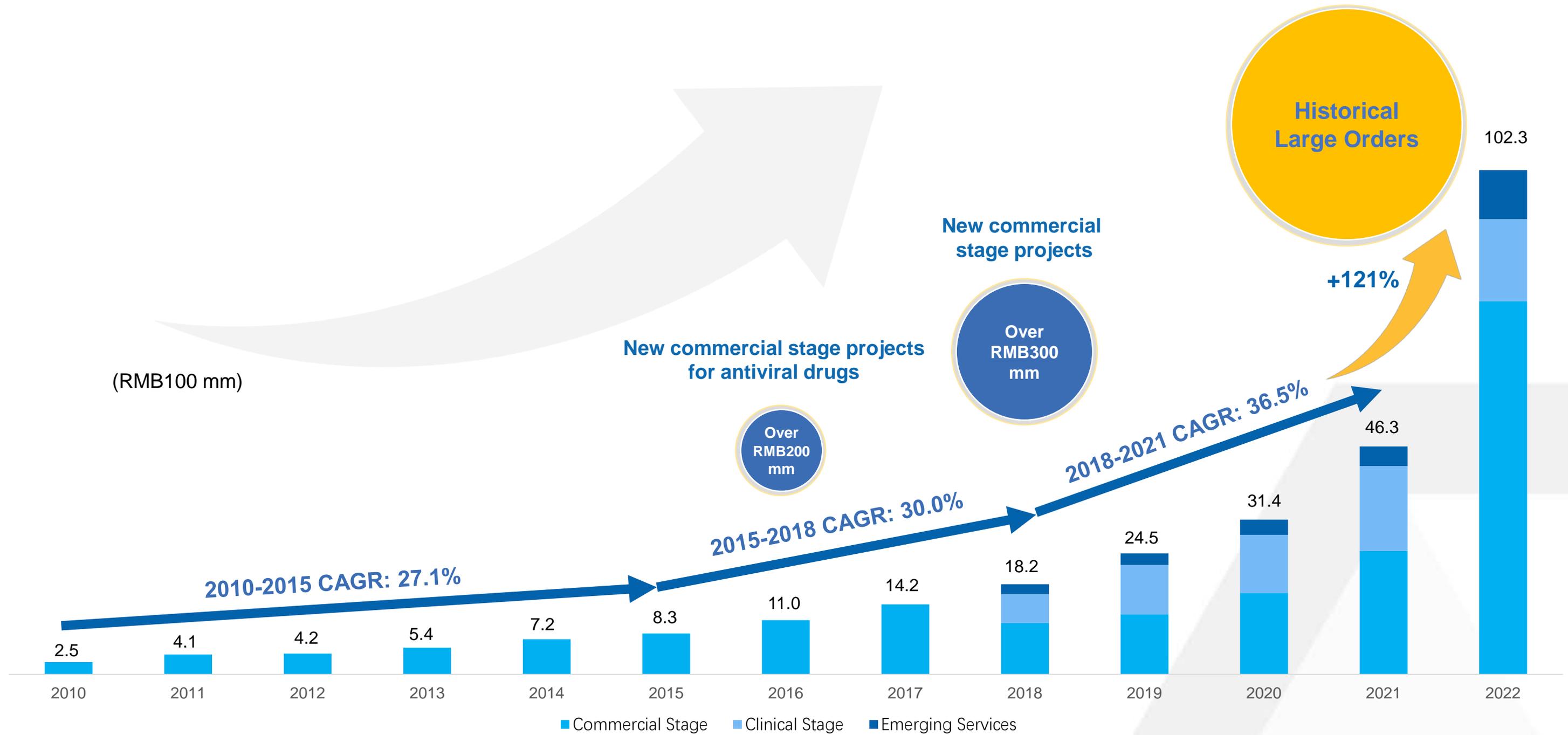
↑ +9.2
Percentage Points

29.3%

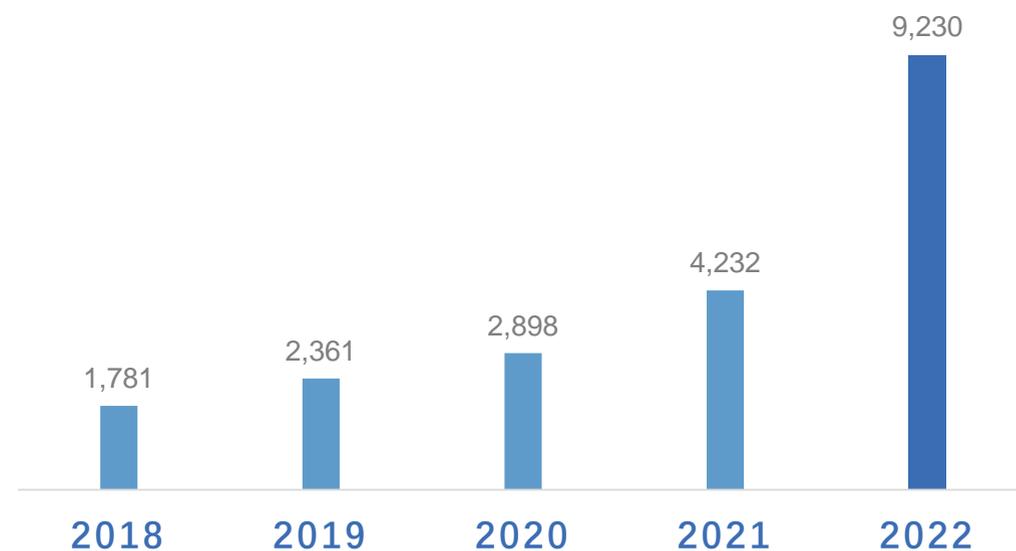
Adjusted Net Profit Margin

↑ +5.1
Percentage Points

Driven by Large Orders in 2022, Our Revenues have Surpassed RMB10bn for the First Time in our Corporate History



Revenues from Small Molecule CDMO Services (RMB mm)



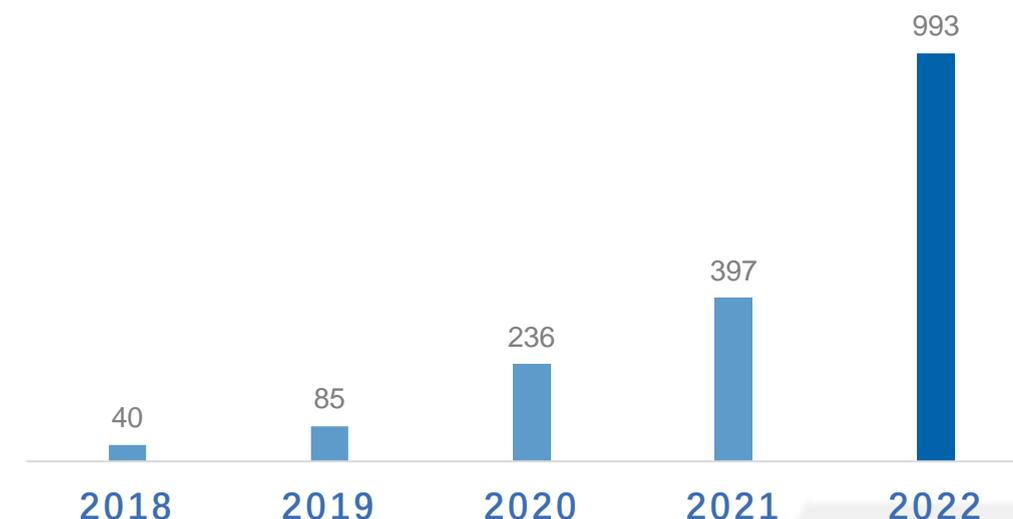
Small Molecule CDMO Service

In 2022, we generated **RMB9,230 mm** in revenues from small molecule CDMO services, representing a **118.1%** yoy growth and a **50.9%** CAGR from 2018 to 2022

We delivered unprecedented volume of orders in the CDMO industry in 2022, further demonstrating our **global leading delivery capabilities**

Continued to explore new projects in 2022 and completed **399** projects (+21.6% growth yoy), including **62** Phase III projects and **40** commercial stage projects

Revenues from Emerging Services (RMB mm)



Emerging Business

In 2022, we generated **RMB993 mm** in revenues from our Emerging Business, representing a **150.3%** yoy growth and a **123.2%** CAGR from 2018 to 2022

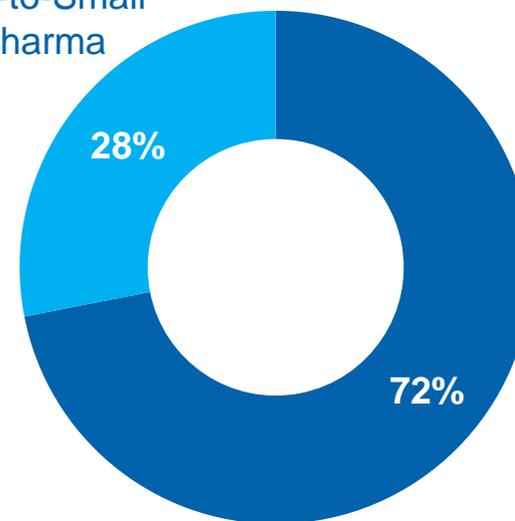
A number of segments under our Emerging Business grew more than **100%** yoy, with each of the segments having grown **from "0" to "1"** in its stage of growth, and demonstrating synergies with our small molecule business

Robust Revenue Growth from All Types of Customers

RMB mm

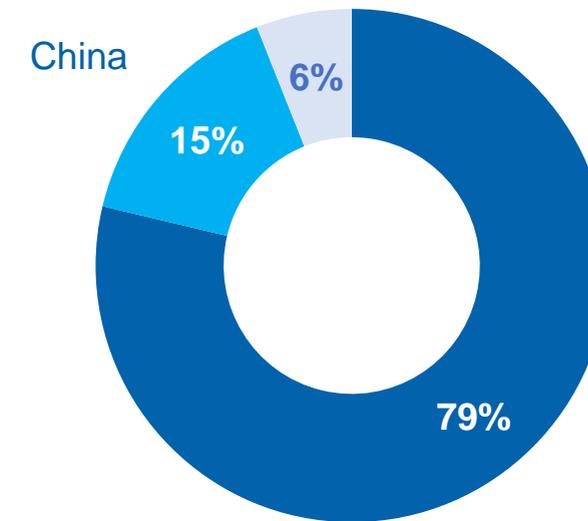


Mid-to-Small Pharma



Large Pharma

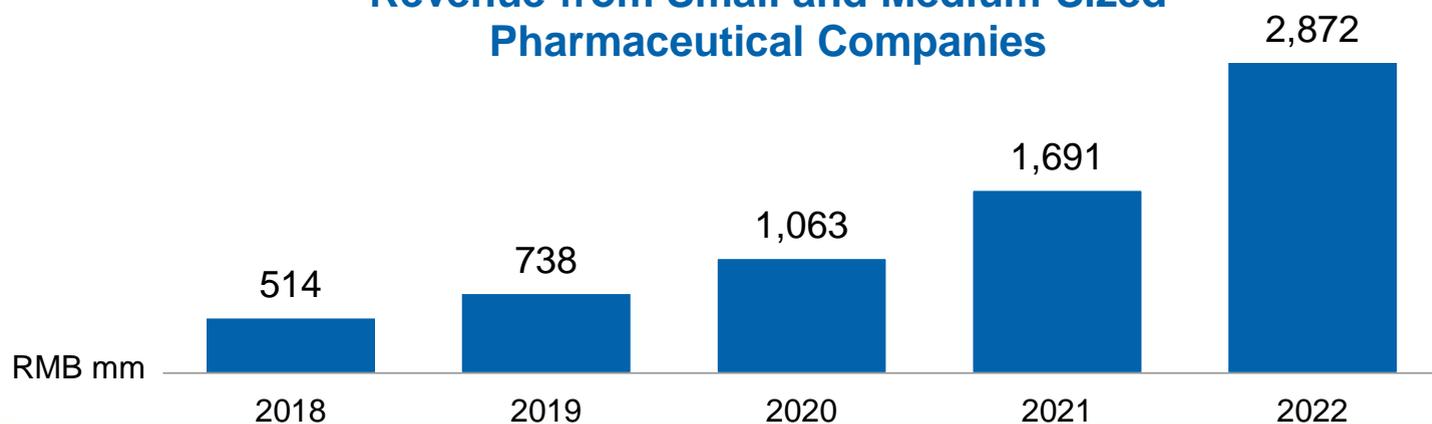
Asia Pacific



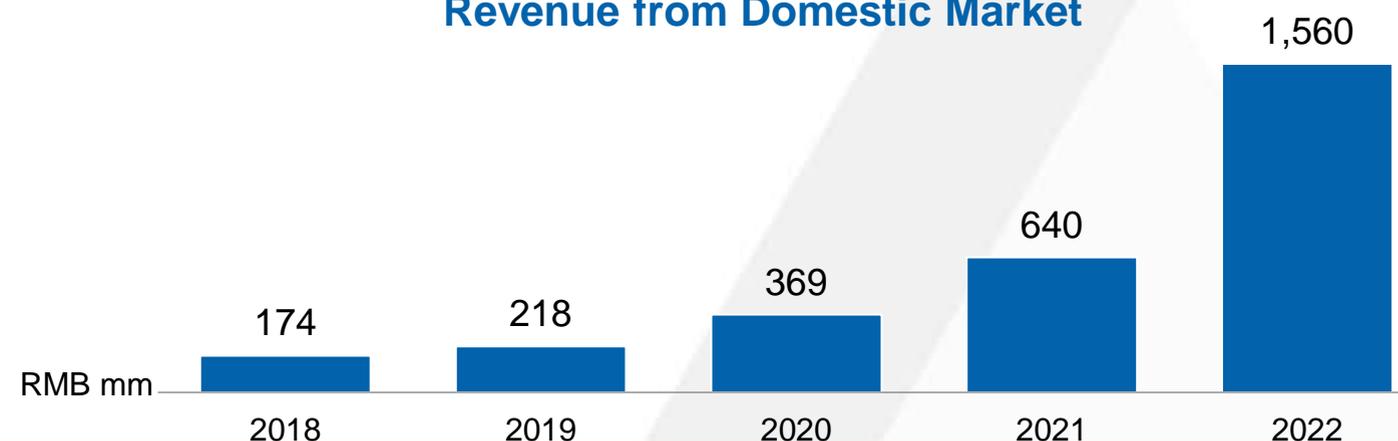
Europe & America

In the reporting period, we have continued to expand our customer base, serving **561** unique customers with orders throughout the year and over **1,000** active customers

Revenue from Small and Medium-Sized Pharmaceutical Companies

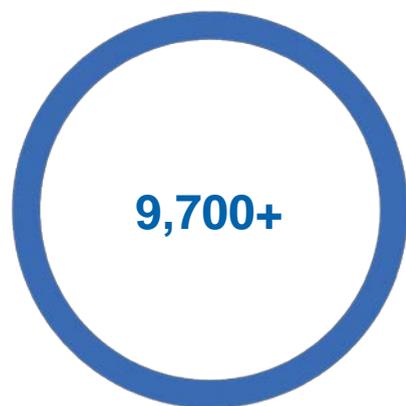


Revenue from Domestic Market

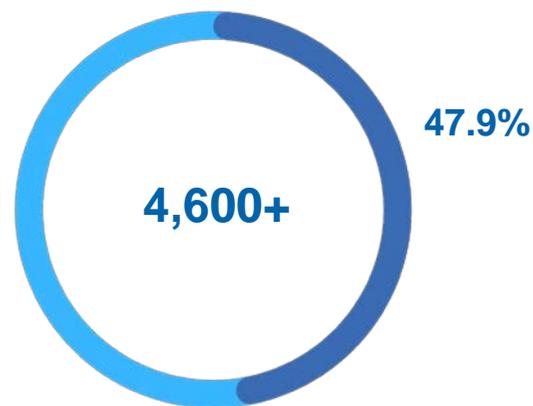


Continuous Improvement of Employee Structure and Echelon

No. of Employees



No. of R&D Employees



Attract Overseas Top Talent and Optimize Organizational Structure

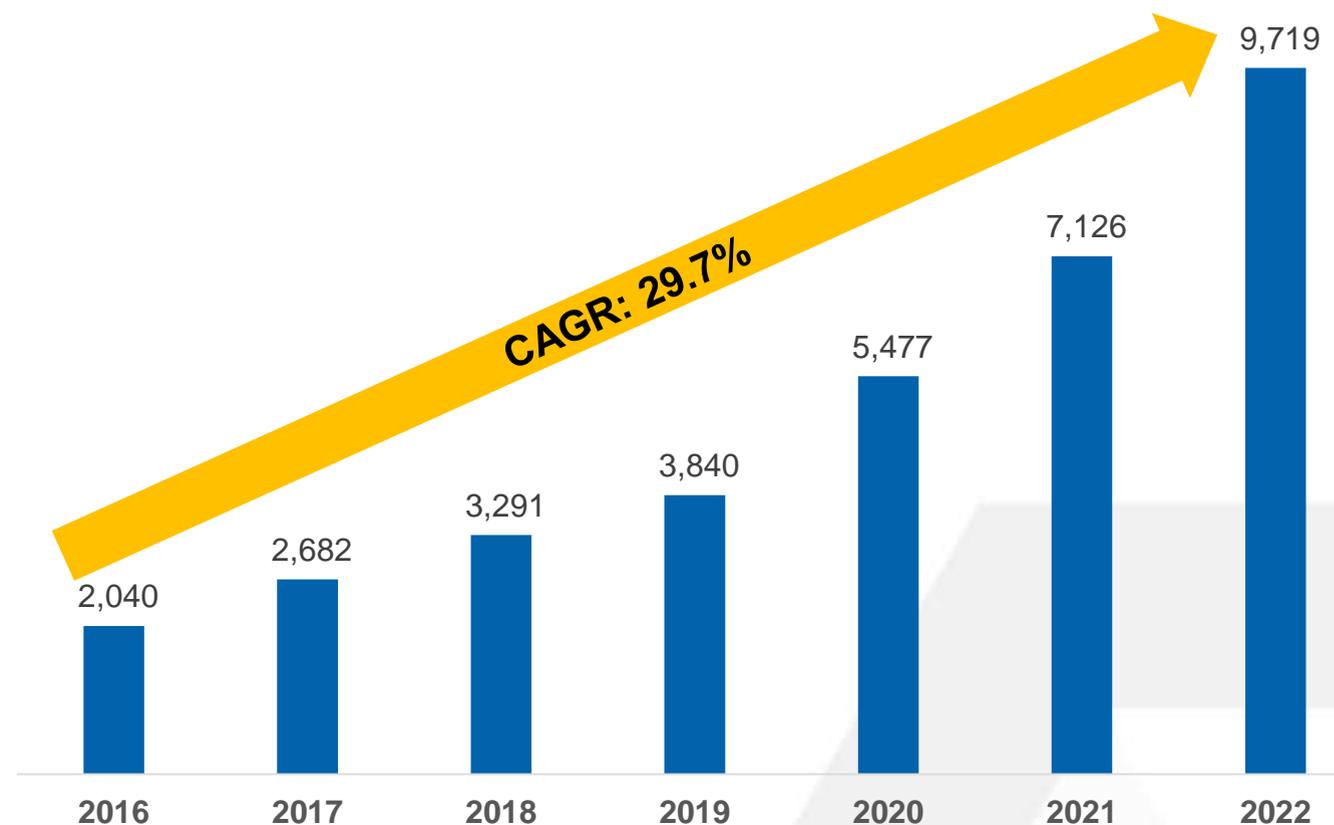
185
Introduction of Top Talents in 2022



111
Doctors

68
Overseas Returnees and Foreign Talents

Stable Increase in Headcount



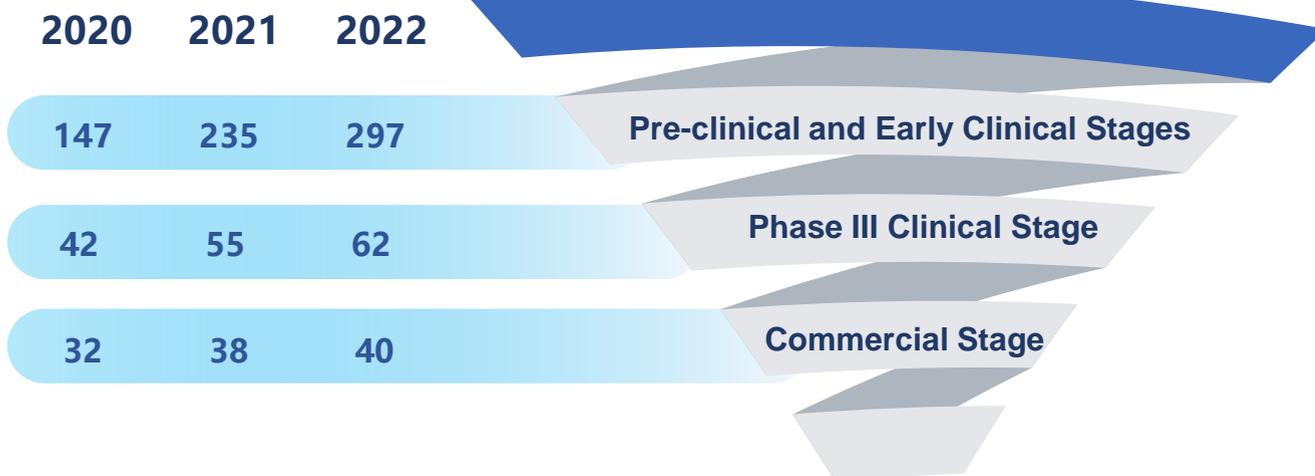
2016-2021 Revenue CAGR: **45.0%**

2016-2021 headcount CAGR : **29.7%**

2

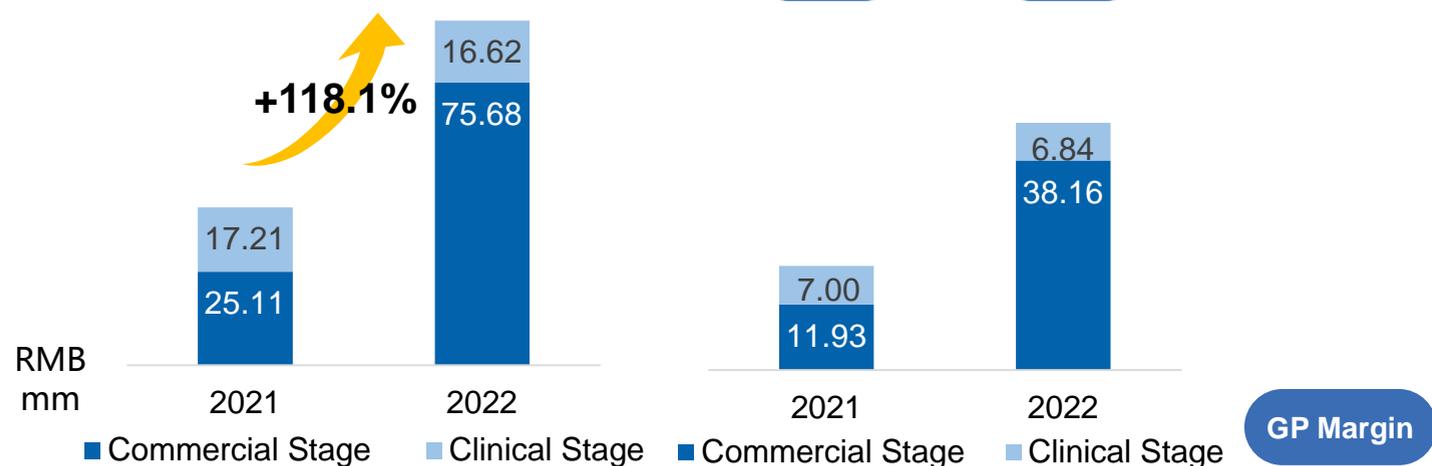
Business Highlights





Revenues from Small Molecule CDMO Services

Gross Profit Margin for Small Molecule CDMO Services



Delivery of Large Orders

- High-quality **delivery of large orders**, resulting in revenues of **RMB5.91 billion**
- Large orders have driven robust growth of commercialization projects, resulting in revenues of **RMB7.568 billion** in 2022, representing an increase of **201.4%** yoy and a gross profit margin of **50.4%**
- Strongly promoted further cooperation with other multinational customers for the commercialization of API, and Company has newly added **2 API verification projects** for large MNC

Explores New Projects

- We increased our efforts in early-stage project development in order to lay the foundation for long-term growth. In 2022, Company completed **297** clinical and pre-clinical projects, representing a yoy increase of **26.4%**
- In 2022, Company had a total of **359** clinical stage projects, including **62** clinical Phase III projects
- We have strategically built a pipeline of blockbuster projects, including Phase III projects that involve a number of **popular or major drug targets**. These projects account for more than **60%** of our pipeline, as we continue to strategically position ourselves and allocate capacity for commercialized, blockbuster drugs

New Markets Expansion

- After years of endeavor in developing our business in **Japan**, we have started to earn the reward, with revenues from Japan increasing **201.8%** yoy
- Positive progress was made in the domestic market, achieving revenue of **RMB780 million**, representing an increase of **106.3%** yoy
- We have secured **40** orders for projects currently in **NDA phase in China**. We have accumulated rich experience in completing dynamic verification efficiently, which will drive rapid growth of the Company's revenues from domestic customers, as more projects enter into commercialization stage in China or globally
- Boston R&D center** was put into operation to promote the development of Biotech customers in the US

Technology Export

- In 2022, Company signed **a number of orders** for continuous reaction process development and technology export, and service scope has also expanded **from the pharmaceuticals to the chemical industry**
- More than 40%** of Phase II clinical stage or later clinical stage and commercial stage projects have applied emerging technologies such as continuous reactions and bioenzyme technology, generating strong economic benefits and efficiency

10



Tianjin 1
cGMP Production



Tianjin 2
Headquarter, R&D base



Tianjin 3
R&D and cGMP
Production



Fuxin 1
cGMP & RSMs
Production



Fuxin 2
RSMs Production



Dunhua 1
cGMP and non GMP
Production



Dunhua 2
cGMP and non-GMP
Production



Dunhua 3
cGMP and non-GMP
Production



Suzhou
R&D Center
under Construction



Yangtze River Delta
cGMP and non GMP
Production
Under Construction



Boston
R&D Center &
Sales Center



North Carolina
Sales Center

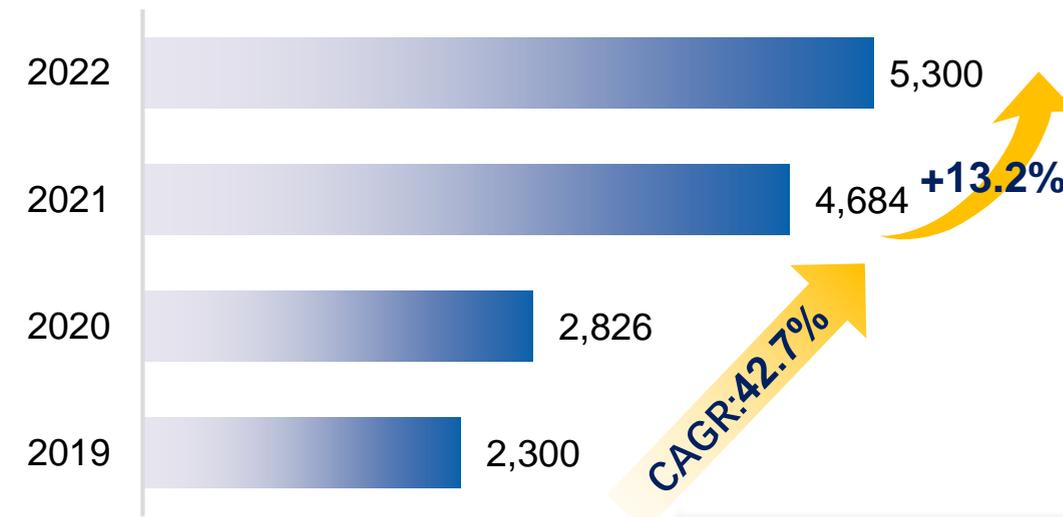
2

1



London
Sales Center

Capacity of Small Molecule CDMO (Conventional Reactor)



Application of Continuous Reaction Technology in Scale Production

- The **floor area** of the continuous reaction workshop increased by more than **70%** yoy
- The number of continuous **equipment** increased by nearly **75%** yoy
- The continuous reaction **capacity** increased by nearly **400%** yoy

cost

RMB **372** mm +138.5%
Revenue 

40+
New Customers

68
New Projects

Business Progress

- Revenue from oligonucleotide increased by more than **464%** yoy, as we undertook over **25** new projects, including **5** projects beyond Phase II
- Completed the establishment of a **process development and quality control platform** for oligonucleotide, and improved the supply chain system of raw materials and consumables
- Developed the technology platform of oligonucleotide **enzyme chain link technology platform** and explore further innovations in synthesis
- Peptide, toxin-linker, peptide-drug coupling, pharmaceutical polymer, and cationic lipid continued to grow, as we undertook over **40** new projects, completed **3** validation production projects, and have **5** ongoing validation production projects

Capacity Construction

- Finished construction of our approximately **12,000m²** R&D center and our approximately **9,500m²** GMP production plant for chemical macromolecules
- Completed the construction of a first-class production line for oligonucleotide with an **annual output of hundreds of kilograms**
- **Doubled** the production capacity of OEB5 and cytotoxic

RMB **228** mm
Revenue  +84.5%

100+
New Projects

20+
Accumulation of
NDA Projects

Business Progress

- Added **40** new customers in 2022, as well as **10** NDA projects; orders for sterile eye drops increased by **150%** yoy
- Completed process verification for **hot melt extrusion** for later-stage projects, further expanding our capabilities and opportunities in commercial manufacturing
- Significant increase in the number of **small nucleic acid and peptide injection** projects, with several projects successfully **entering into the clinical stage**
- A number of projects gradually expanded from the early stage to the late stage, which laid a solid foundation for **first public official audit** in 2023

Technology Platform

- Overcome a series of technical challenges in scale-up production of liposomes in complex dosage form to successfully achieve **process scale-up in the cGMP workshop** for the project
- R&D and production capability of topical formulations was enhanced, with several projects currently under smooth execution

RMB **264** mm **+201.1%**
Revenue

260+
New Projects

150+
Innovative Drug Projects

Business Progress

- Assisted our clients in obtaining implicit clinical trial approvals for **14 projects**, with a number of projects successfully entering to the clinical stage
- In cell and gene therapy, where the Company has certain advantages, we have added **30+ new projects** and helped clients obtain implicit IND approvals for cellular drugs for acute respiratory distress syndrome, liver failure, lupus nephritis, coronary heart disease, knee arthritis, etc
- Helped the world's **first** lung basal stem cell drug and the **first** dental pulp stem cell in China
- Helped Azvudine, **first** oral anti-specific viral drug in China to be conditionally approved for the market

Technical Capacity Construction

- To improve our **overseas capabilities**, we have established an overseas business team in Boston and entered strategic cooperation with **6** overseas CROs to facilitate the smooth submission of the first one-stop Sino-US dual filing IND application to FDA
- Successfully integrated Improve Quality following the completion of acquisition, and continued to promote the development of data management and statistical analysis business, with revenue from this segment growing by more than **50%** yoy compared with Improve Quality's revenue in 2021
- The CDMO business segment "**GXP**" **one-stop service** under the Clin-nov Medical, Yugen Medtech and Group was further promoted to reduce customer management costs and improve R&D efficiency, and a number of projects completed registration and received implicit clinical trial approval
- Continue to promote the capacity development of TICCR, build differentiated competitiveness under the Clin-nov Medical and academically led **CARO model**

RMB **100** mm ^{+3,400.8%}


Revenue Reached Milestone of RMB100 million

48

Projects Serviced

11

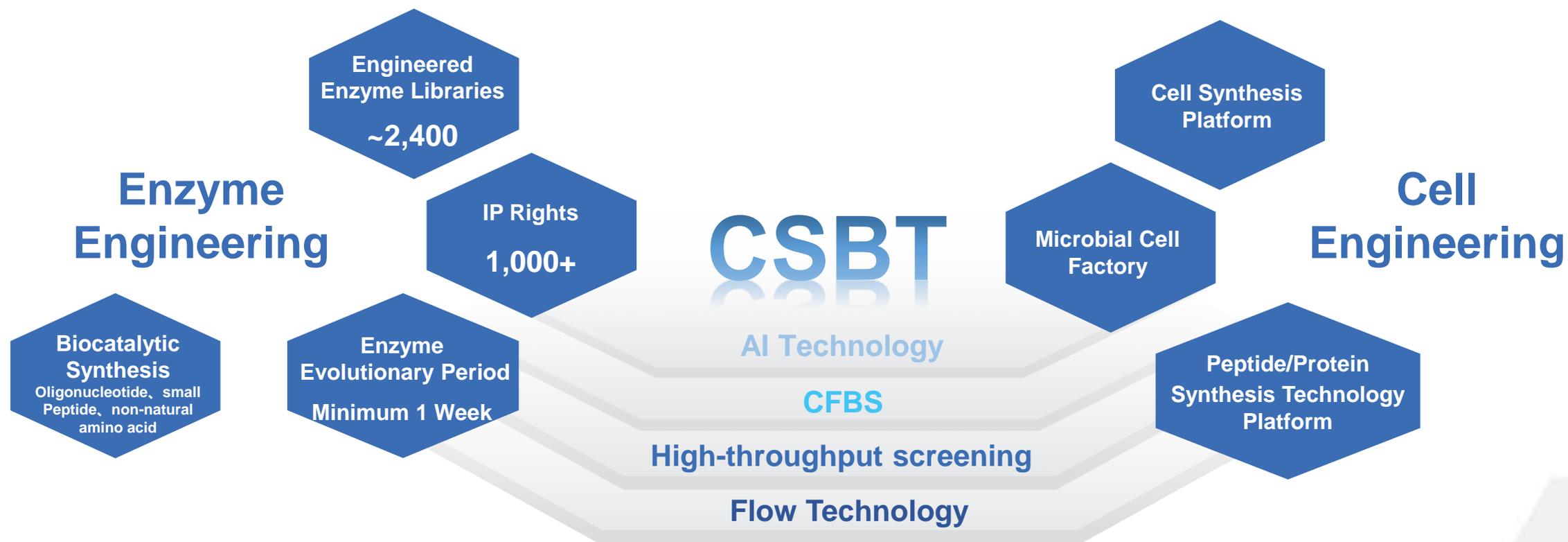
IND Projects

Business Progress

- Unwavering strategic focus of developing our ADC business by leveraging the synergies with our small molecule business
- Successfully completed the **delivery of several antibody and ADC projects** in the first year of operation, generating revenue of **over RMB100 mm**
- Successful delivery of the **first antibody IND** project and **approval for clinical trial**
- Passing a **first audit** by MNC to **fully enhance** production compliance standards
- Established a CGT CDMO team in Suzhou to focus initially on plasmids, mRNA and other industries; have started accepting various R&D and IND projects
- Awarded the title of “**Annual Pharmaceutical Service (CXO) Supplier**” in the Bio-pharmaceutical Industry

Capacity Construction

- Jinshan: going into full-scale production of **newly-built antibody 2,000L** and conjugated drug **pilot** and commercial bulk and drug production **workshops**
- Fengxian: launching and actively promoting the **construction of commercial production base**
- Zhangjiang: **CBTI** was established to carry out forward-looking capacity reserve, empowering process development
- Suzhou: Building our **plasmid and mRNA R&D and pilot test base**



- 1st** Late Stage Clinical Study
R&D and Production of Oral Enzyme
- 1st** Biologics License Applications
Process Characterization Project of BLA
- 1st** Pharmaceutical Enzyme
50-500L Purification Production



Capacity Construction

CSBT Platform

Production Workshop & Supporting Auxiliary Engineering



Capacity Construction

Enzyme Fermentation Capacity: **10000L/week**

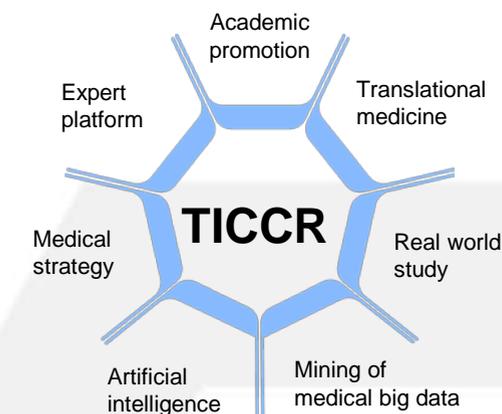
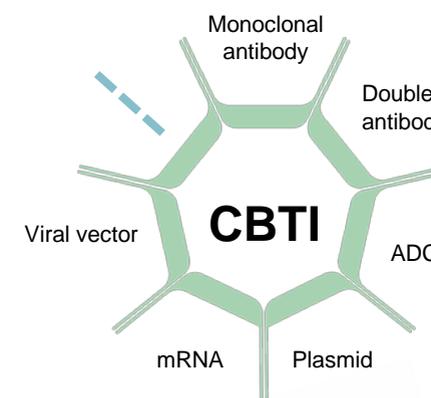
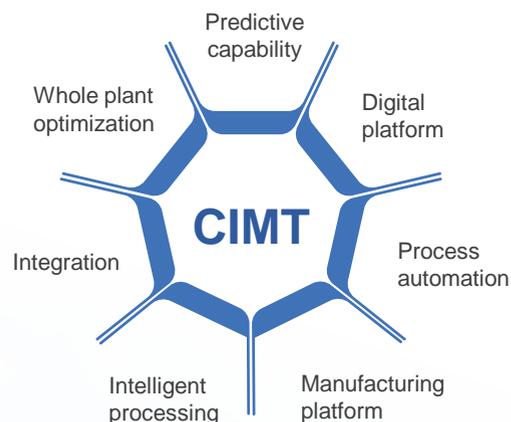
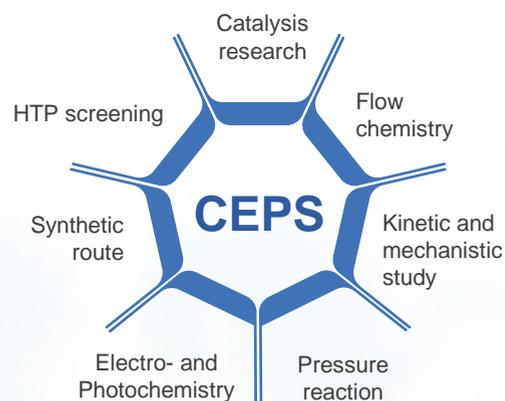
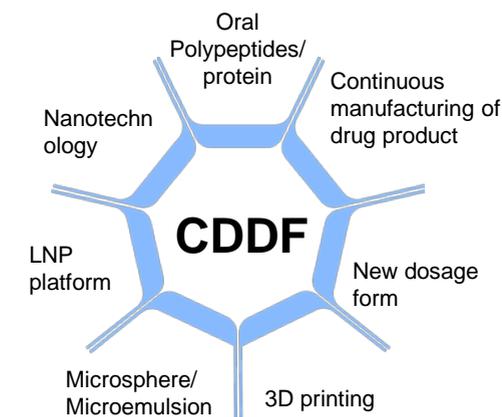
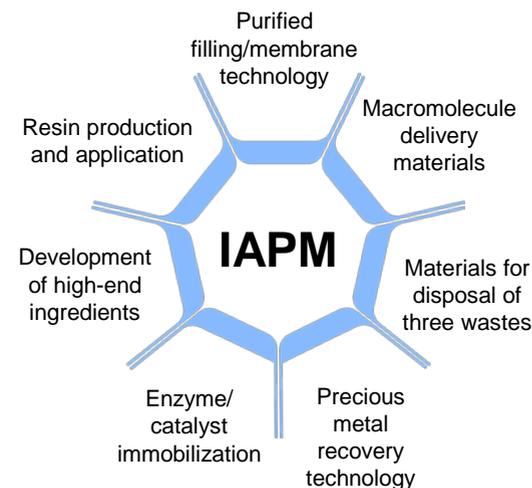
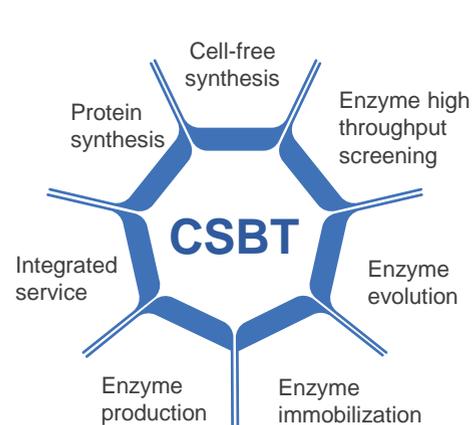
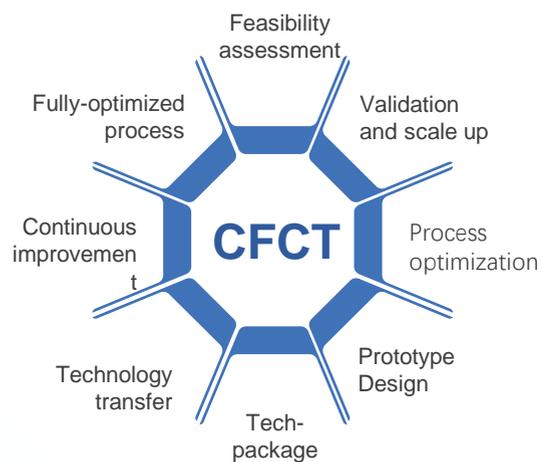
70+CSBT Patents



Technology Application

Applied in **innovative pharmaceutical projects** or **commercialization projects** with life cycle management for customers, signaling great potential for future development

Eight R&D Centers Striving to Create Innovative Breakthroughs



Further enhance our technical capabilities based on new technologies such as continuous reaction and bioenzyme catalysis, and promote their application in the production of small molecule clinical and commercialization projects

Actively expand our business footprint in the synthetic biology space and build enzyme engineering and cell synthesis technology platforms, improve production capability for synthetic biology product

Accelerate the innovative application of one-stop service in critical clinical steps through the capability development of biologics and advanced therapies, as well as the buildup of technology platforms and optimization of supply chain

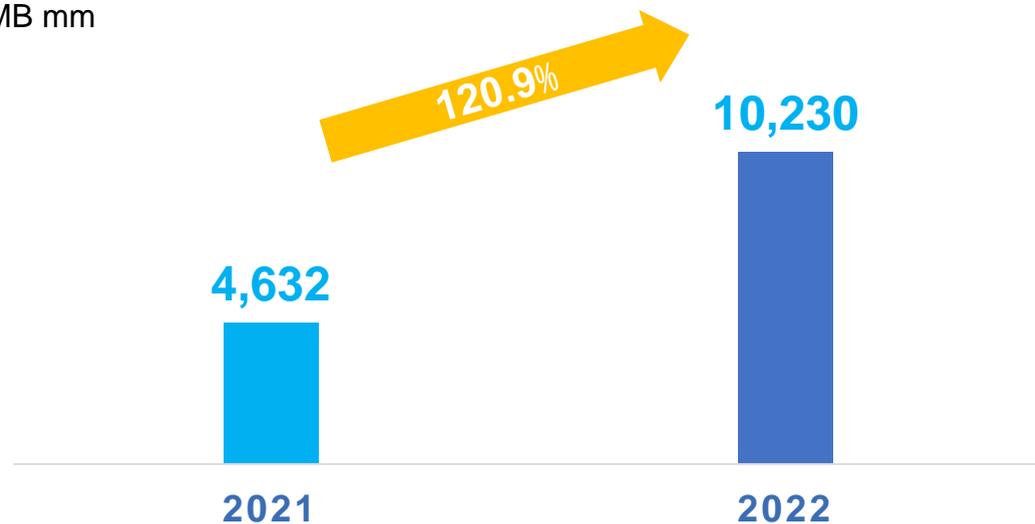
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Financial Performance



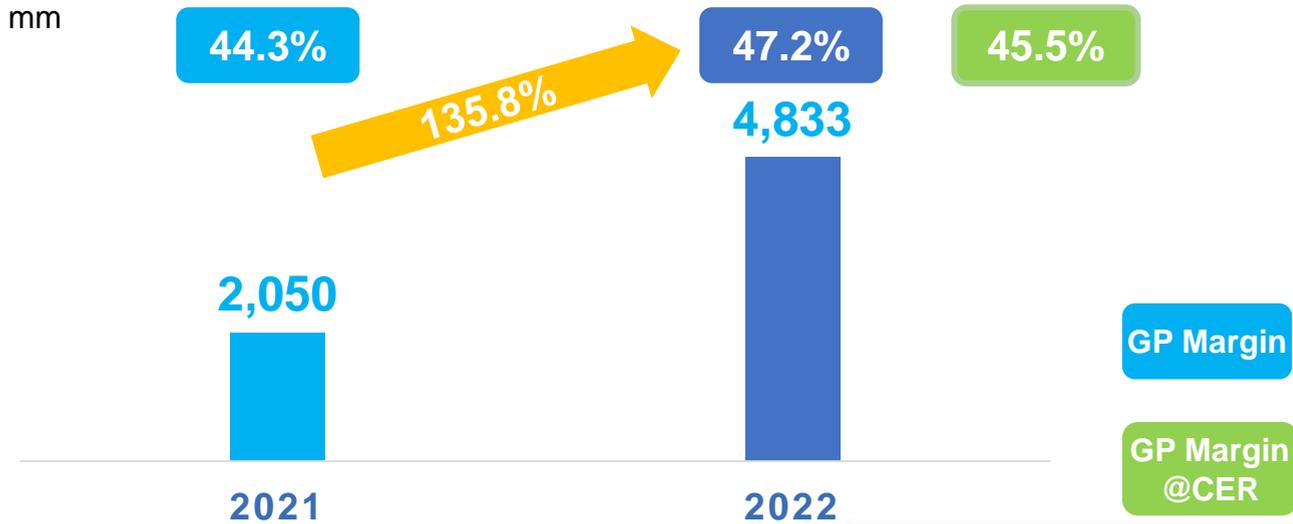
Revenue

RMB mm



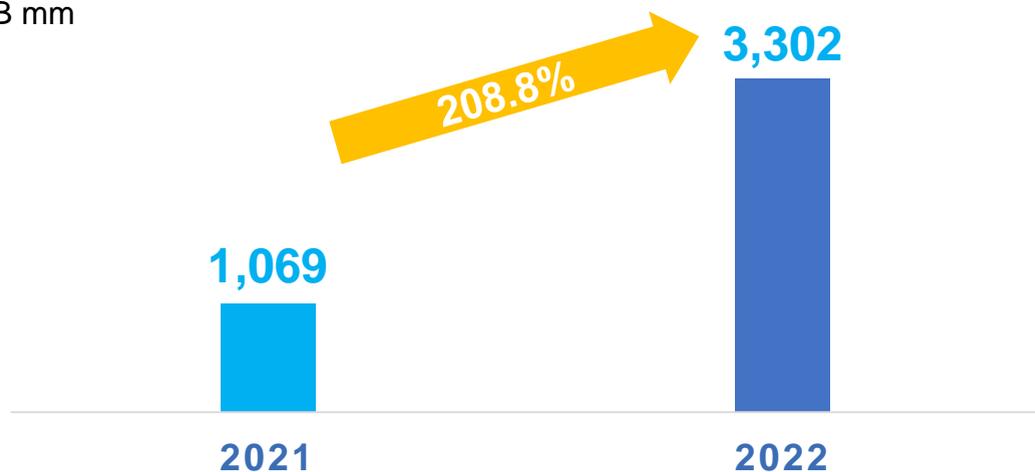
Gross Profit and Gross Profit Margin

RMB mm



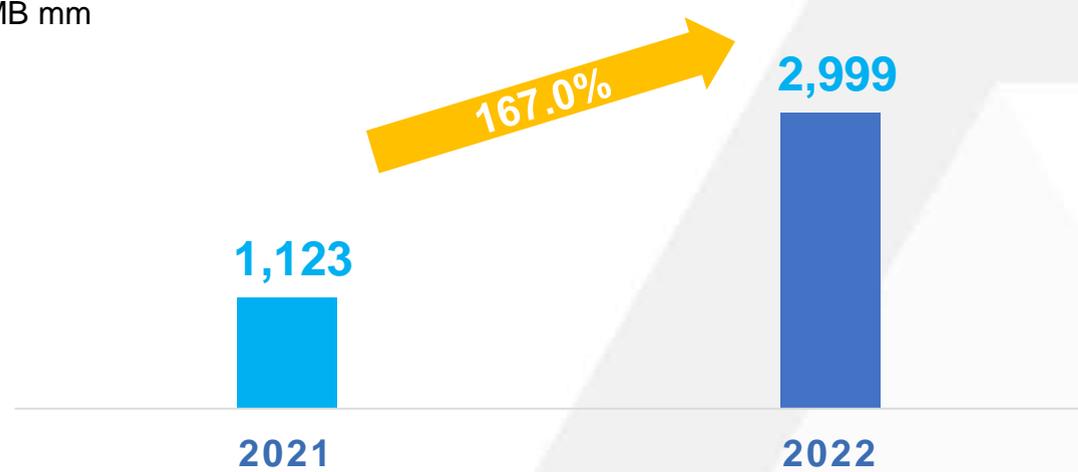
Net Profit Attributable to Shareholders of the Company

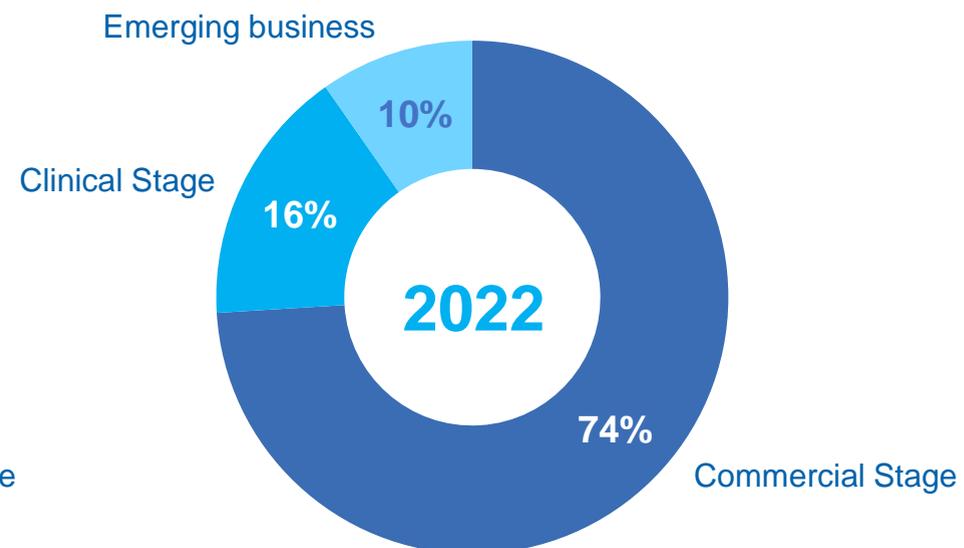
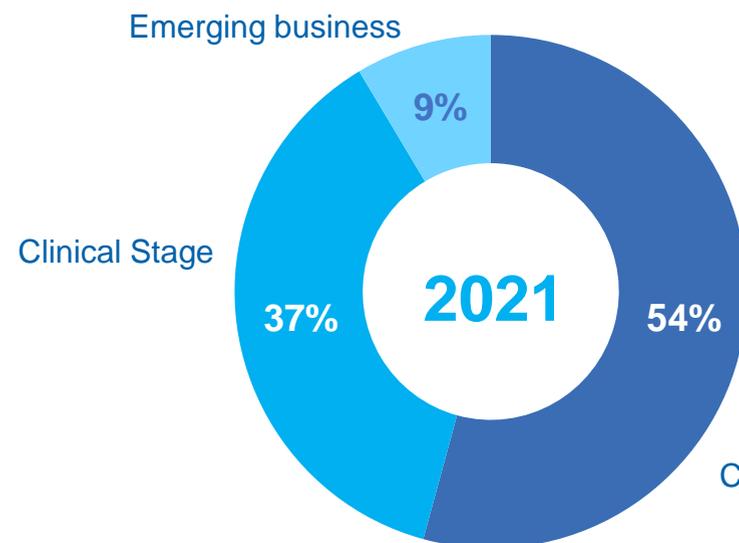
RMB mm



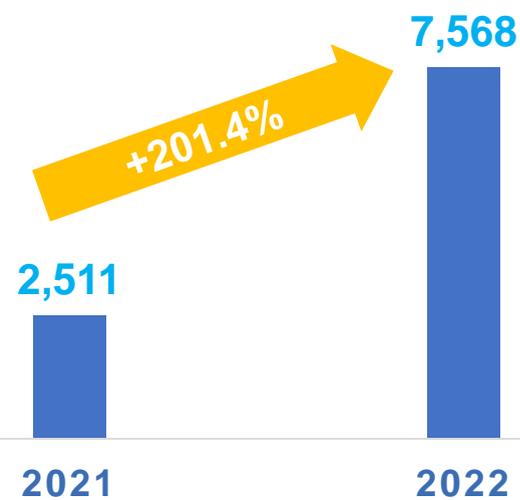
Adjusted Net Profit Attributable to Shareholders of the Company

RMB mm

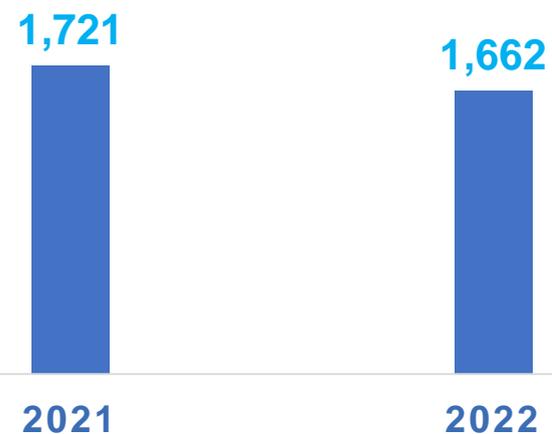




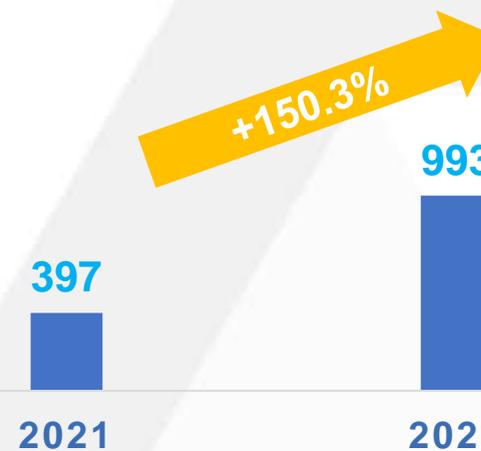
Commercial Stage CDMO Services



Clinical Stage CDMO Services



Emerging business

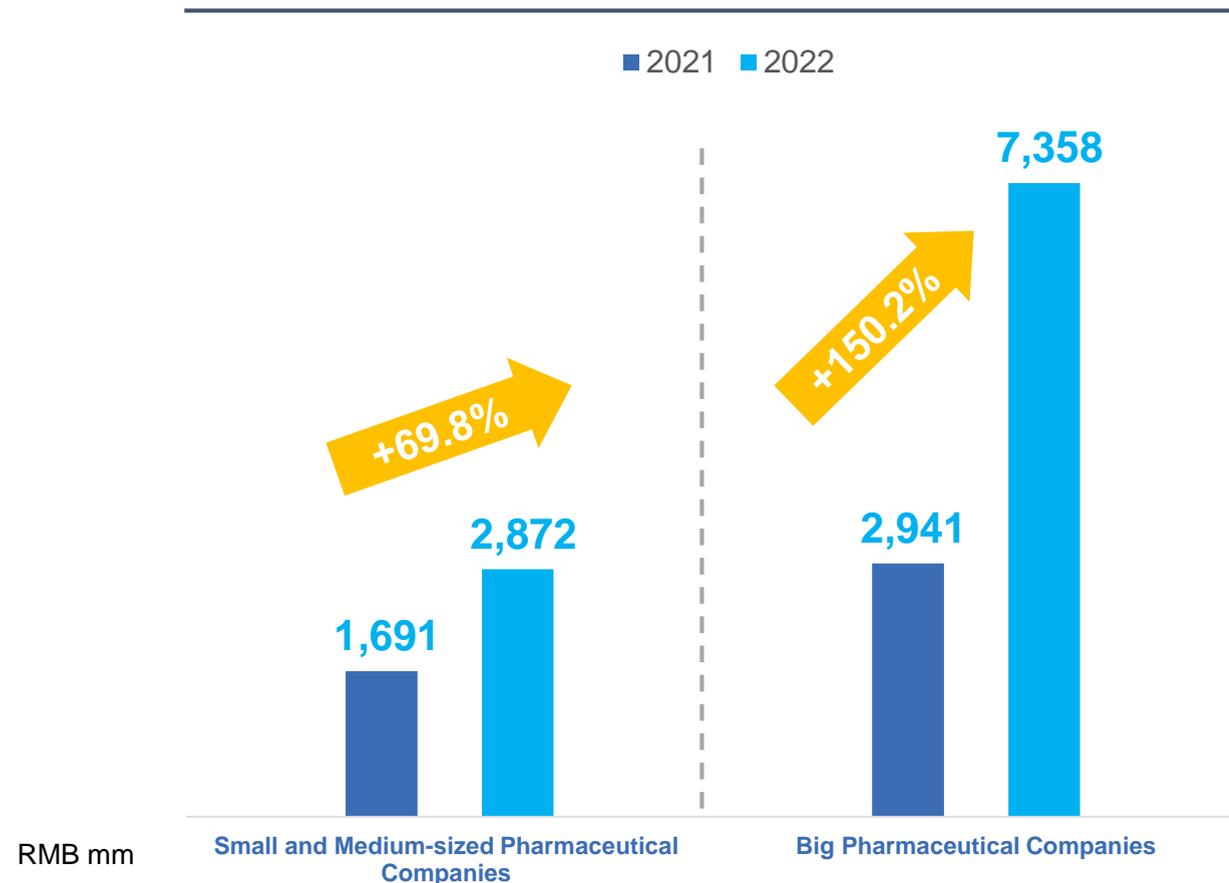


RMB mm

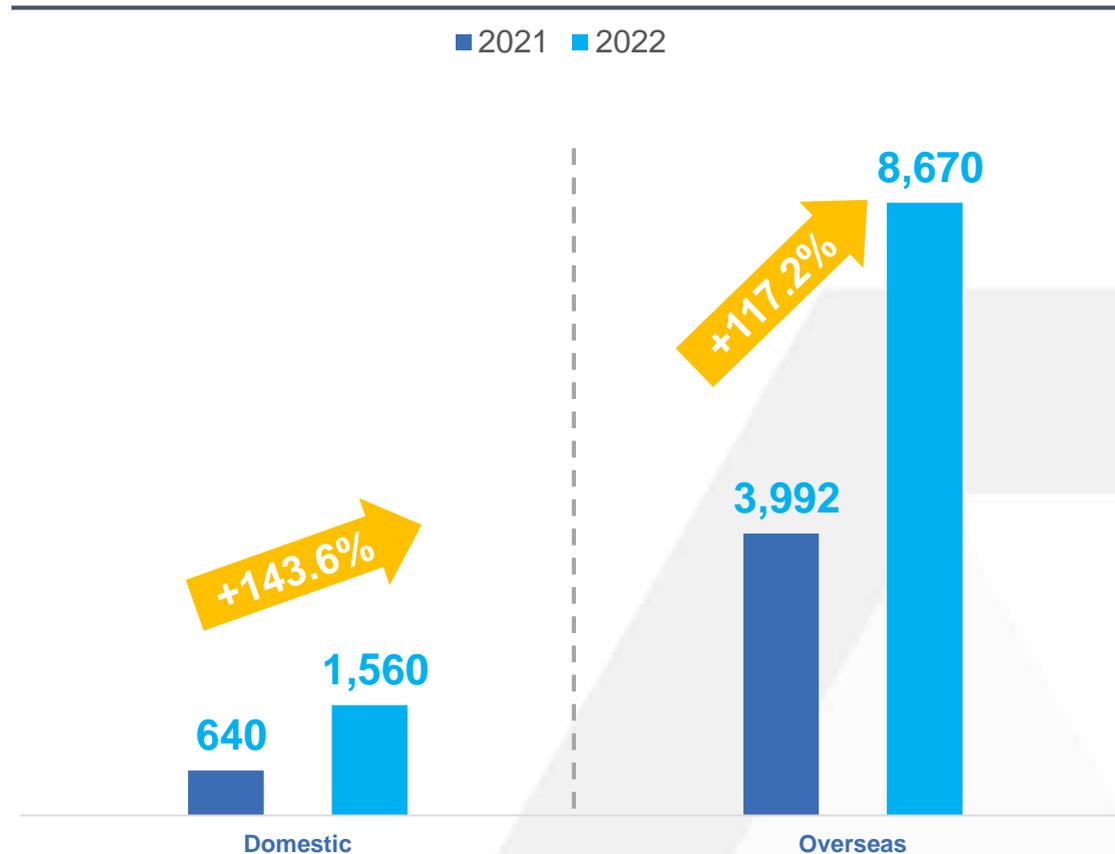
Revenue would have increased by **19.0%** if exclude two large-scale projects related to antiviral

Through continuously providing high-quality services to major customers, the Company has enhanced coverage of diversified customers both domestically and internationally, as well as expanded market share.

Revenue by Customer Type

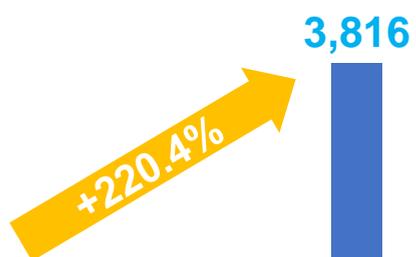


Revenue by Customer Region



Segment Gross Profit and Gross Profit Margin

Commercial Stage CDMO Services



Clinical Stage CDMO Services



Emerging Business



RMB mm

2021

2022

2021

2022

2021

2022

GP Margin @ CER

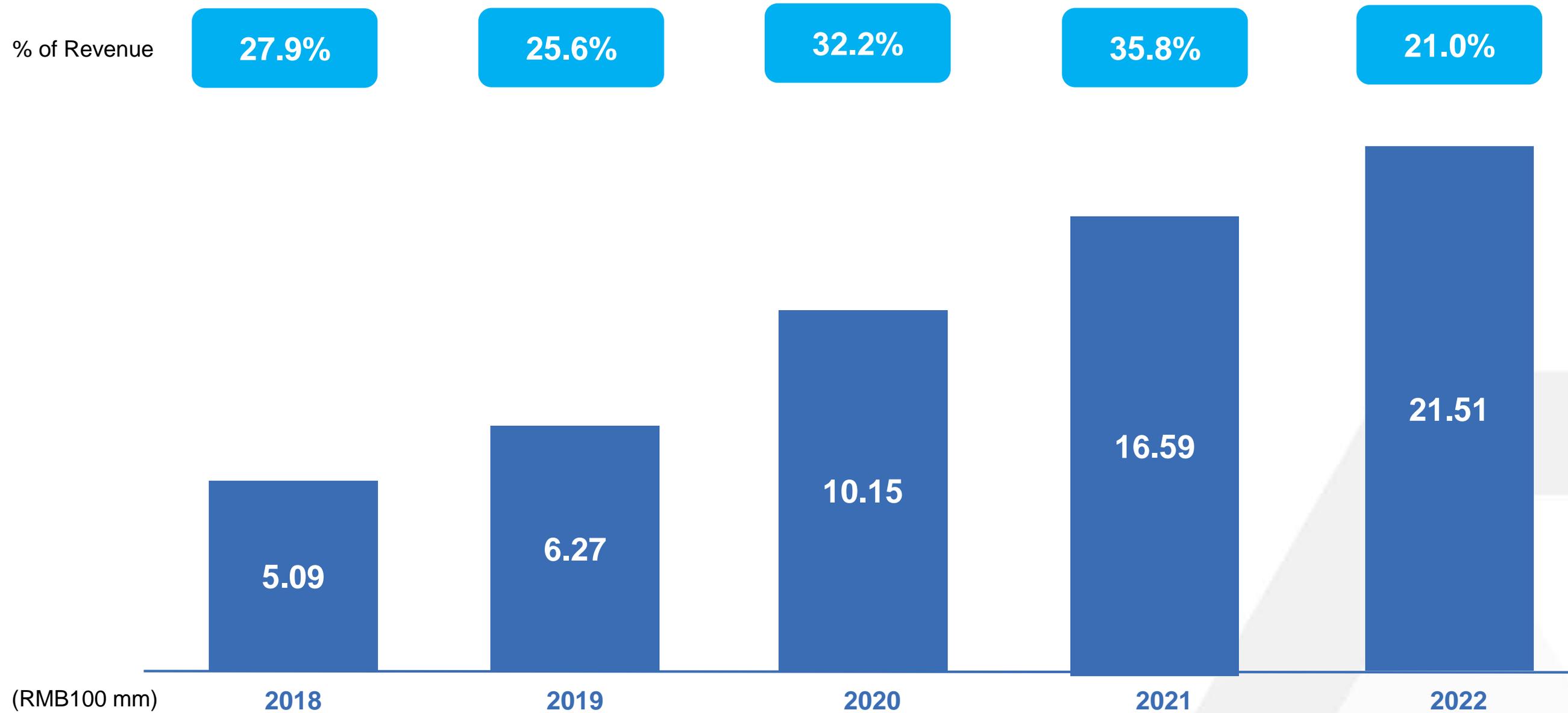
GP Margin

Biological CDMO business is still in the business expansion period and its gross profit margin is relatively low, and the average gross profit margin of the other businesses is roughly the same compared to 2021

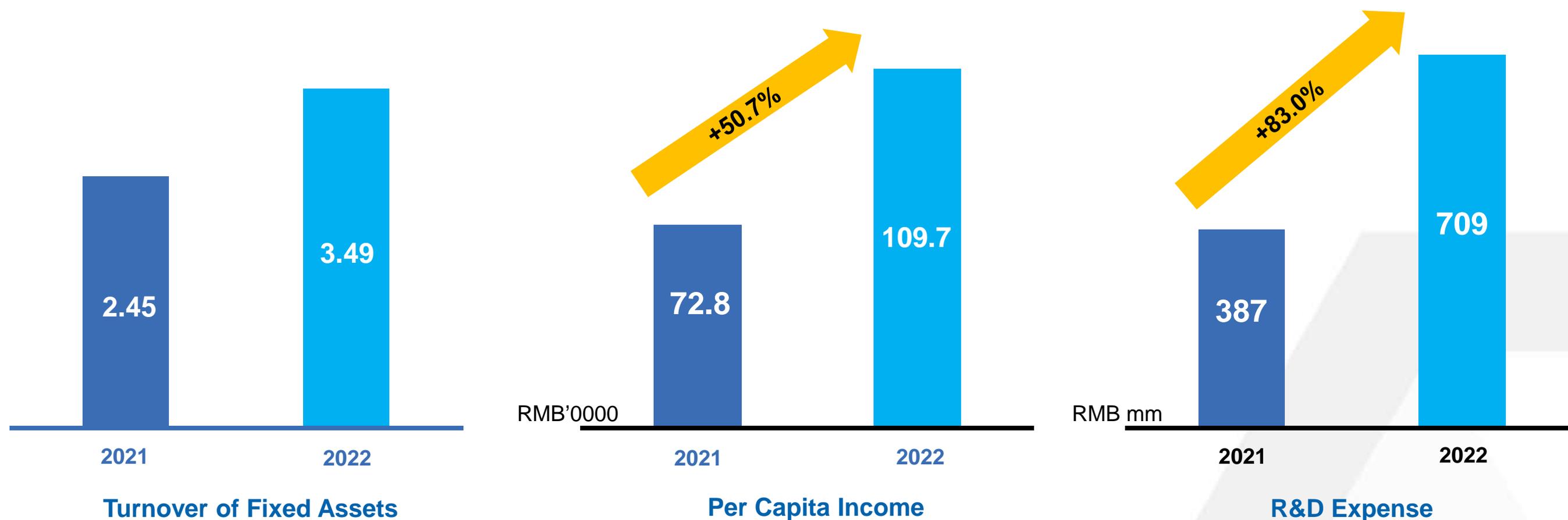
(RMB100 mm)	2022	2021	Growth Rate	2022@CER	Growth Rate*
Revenue	102.30	46.32	120.9%	99.00	113.7%
Gross Profit	48.33	20.50	135.8%	45.09	120.0%
Gross Profit Margin	47.2%	44.3%	2.9%	45.5%	1.2%

*2022@CER vs.2021

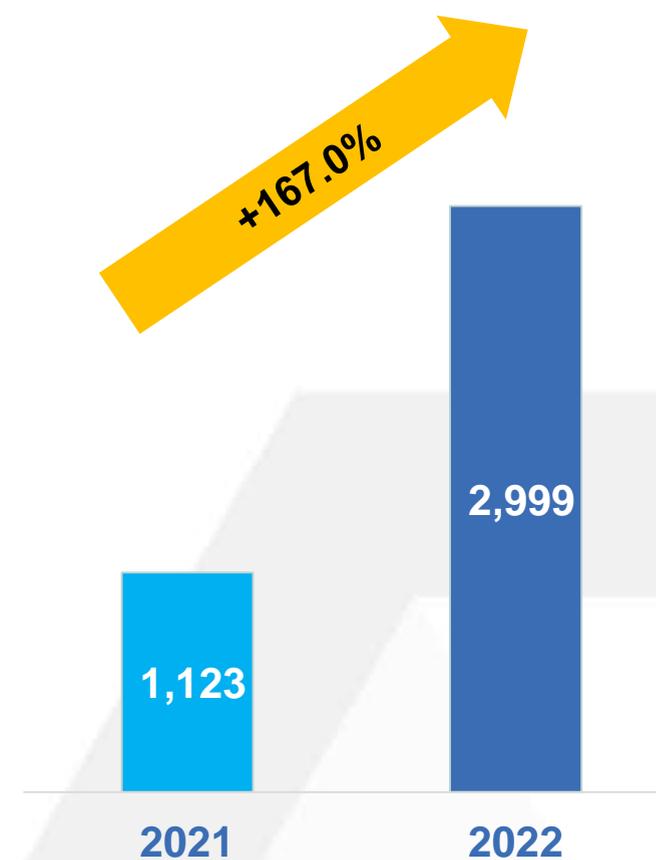
@CER (Constant Exchange Rate). In 2022, approximately 84.7% of our revenue was paid in currencies other than RMB. Our financial statements are recorded in RMB, so the exchange rates will significantly affect our financial performance. Therefore, we believe that excluding the influence of exchange rate fluctuations on operating revenue and gross profit margin in the reported results is helpful in analyzing and comparing indicators at different periods. This constant monetary information assumes that the same effective exchange rates as in the year-ago period are adopted to convert the current period results.



Efficient application of fixed assets, high per capita income levels, and continuous increase in R&D investment



(RMB mm)	2022	2021
Net Profit Attributable to Shareholders of the company	3,302	1,069
Plus:		
Equity incentive amortization expense	53	51
Gain or loss on exchange rate fluctuations	(409)	12
Income tax effect	53	(9)
Adjusted Net Profit Attributable to Shareholders of the company	2,999	1,123



4

Outlook





Fully committed to business development to win new customers and new projects, in preparation for the next phase of growth in the coming two years



Continue to enhance our competitiveness and expand market share of our small molecule business. Striving to achieve rapid growth in non-COVID related small molecule CDMO business



Accelerate the development of our Emerging Business and continue to deliver strong growth rate



Reinforce the development of our R&D platform, especially the CSBT platform, to reserve technical capabilities for building new growth engines



Improve our fixed asset turnover rate and remain disciplined on capital expenditure; the full-year CAPEX is expected to be 15%-20% of the revenue

Appendix



RMB mm

	2022	2021
Revenue	10,230	4,632
Cost of sales	(5,397)	(2,582)
Gross profit	4,833	2,050
Other income and gains	654	173
Selling and distribution expenses	(150)	(100)
Administrative expenses	(837)	(495)
Research and development expenses	(709)	(387)
Impairment losses on financial and contract assets, net	(26)	(22)
Other expenses	(62)	(15)
Finance costs	(11)	(7)
Share of profits/(losses) of associates	33	(4)
Profit before tax	3,725	1,193
Income tax expense	(430)	(124)
Profit for the year	3,295	1,069
Attributable to:		
Owners of the parent	3,302	1,069
Equity incentive amortization expense	53	51
Gain or loss on exchange rate fluctuations	(409)	12
Income tax effect	53	(9)
Adjusted Net Profit Attributable to Owners of the company	2,999	1,123

RMB mm

	2022	2021
Non-current assets		
Property, plant and equipment	4,830	3,336
Right-of-use assets	540	363
Goodwill	146	146
Other intangible assets	58	63
Deferred tax assets	178	187
Investments in associates	277	292
Prepayments, deposits and other receivables	237	355
Financial assets at fair value through profit or loss	113	104
Total non-current assets	6,379	4,846
current assets		
Inventories	1,510	1,396
Trade receivables	2,451	1,816
Contract assets	64	1
Prepayments, deposits and other receivables	376	458
Tax recoverable	18	4
Financial assets at fair value through profit or loss	2,151	401
Cash and bank balances	5,290	6,234
Total current assets	11,860	10,310
Total assets	18,239	15,156



CONSOLIDATED STATEMENT OF FINANCIAL POSITION_(continued)

RMB mm

	2022	2021
Current liabilities		
Trade payables	569	552
Other payables and accruals	1,511	1,202
Interest-bearing bank borrowings	-	375
Lease liabilities	28	13
Amounts due to related party	1	-
Tax payable	68	63
Total current liabilities	2,177	2,205
Non-current liabilities		
Deferred income	168	179
Lease liabilities	110	45
Deferred tax liabilities	89	117
Total non-current liabilities	367	341
Equity		
Share capital	370	263
Restricted Shares under share-based payment	(1,247)	(482)
Other reserves	16,524	12,829
Non-controlling interests	48	-
Total equity	15,695	12,610



THANK YOU !

 **ASYM-CHEM**