



2024 Annual Results

Asymchem Laboratories (Tianjin) Co., Ltd.

002821.SZ/6821.HK

This document is not for public dissemination and the information contained herein is for the exclusive use of the persons to whom it is addressed and their advisers in connection with Asymchem Laboratories (Tianjin) Co., Ltd. (the “**Company**”, together with its subsidiaries, hereinafter referred to as the “**Group**”). It is being made available by the Company to a limited number of recipients. The contents of this document have not been reviewed by any regulatory authority in any jurisdiction. The distribution of this document in certain jurisdictions may be restricted by law, and whoever comes into possession of this document should inform themselves about, and observe such restrictions. Any failure to comply with this restriction may constitute a violation of the United States, Canadian, PRC or Japanese securities laws or the laws of any such other jurisdictions. By accepting this document, you agree to be bound by the foregoing limitations.

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.

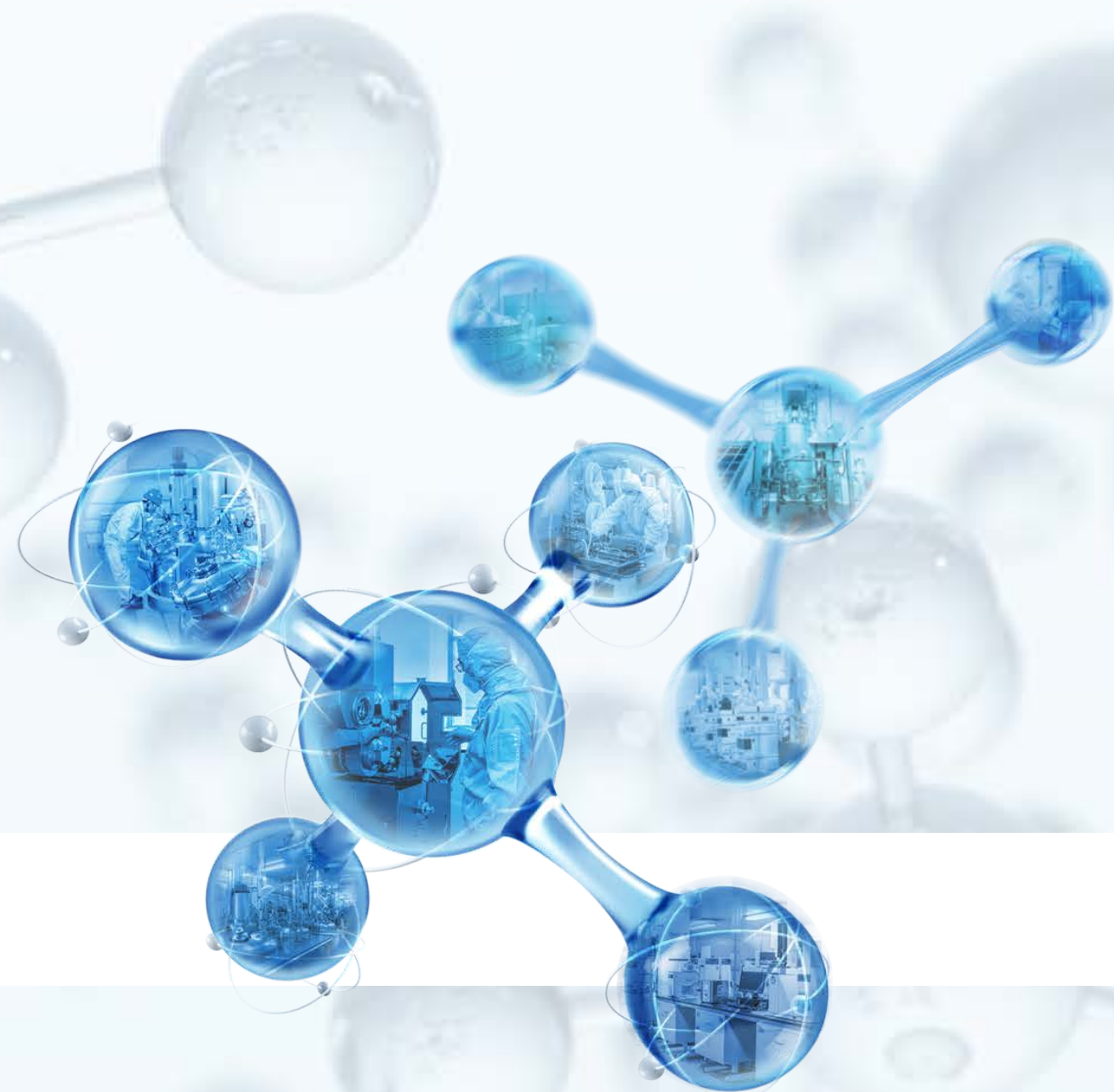
All financials disclosed in this document are presented in accordance with International Financial Reporting Standards (“**IFRS**”s) except for those specifically noted otherwise.

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.

Contents

- 1 Performance Overview
- 2 Business Highlights
- 3 Financial Performance
- 4 Outlook



1

Performance Overview



5,805

Revenue
(RMB mm)

(25.4%)

Excluding
large orders  +8.3%

1,052

Backlog
(\$ mm)

 +20%

949

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

15.8%

Q4 Revenue yoy¹ increase

qoq  +19.4%

41.0%

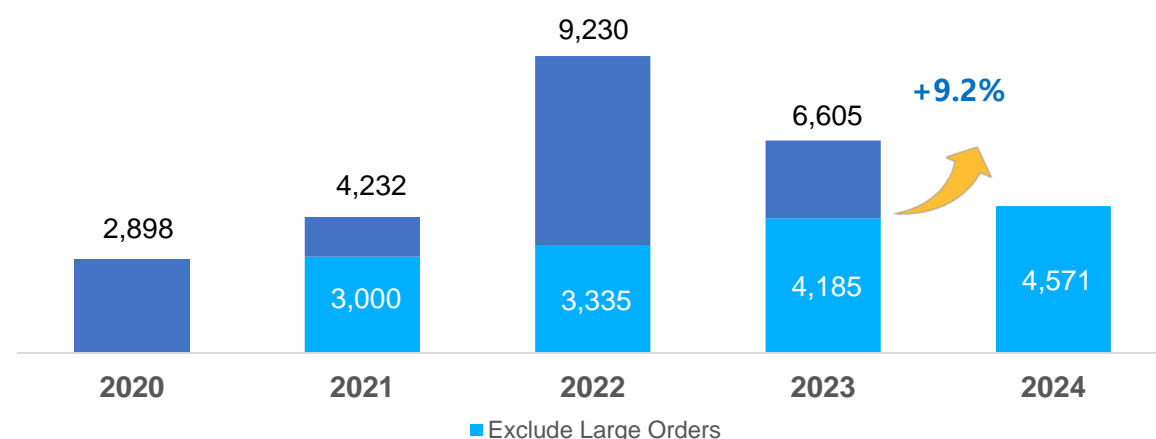
Gross Profit Margin

(9.9pts)

16.4%

Net Profit Margin Attributable to
Shareholders of the Company

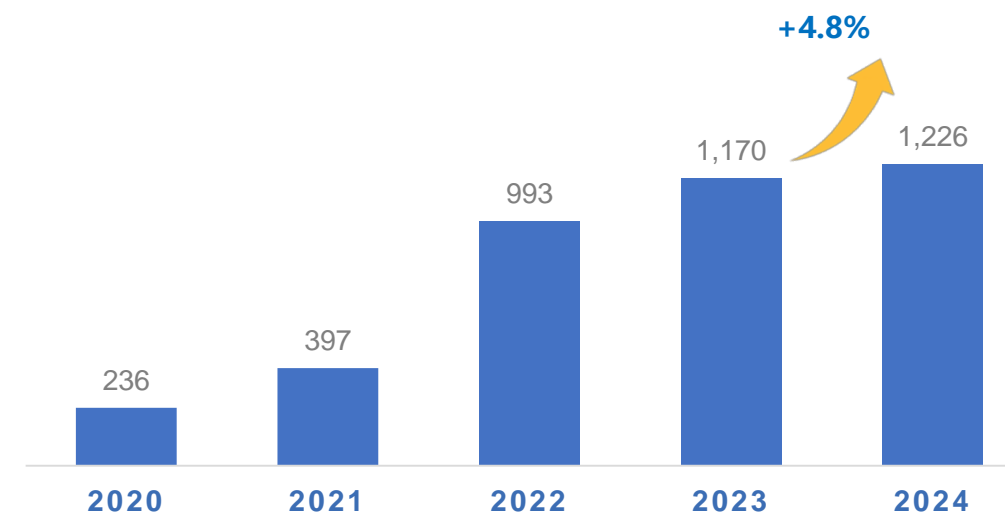
Revenues from Small Molecule CDMO Services (RMB mm)



Small Molecule CDMO Service

- Revenue reached **RMB4,571 mm** marking a yoy¹ increase of **9.2%** excluding large orders
- Achieved the gross profit margin of **46.4%** through continuous improvement in operational efficiency and cost control

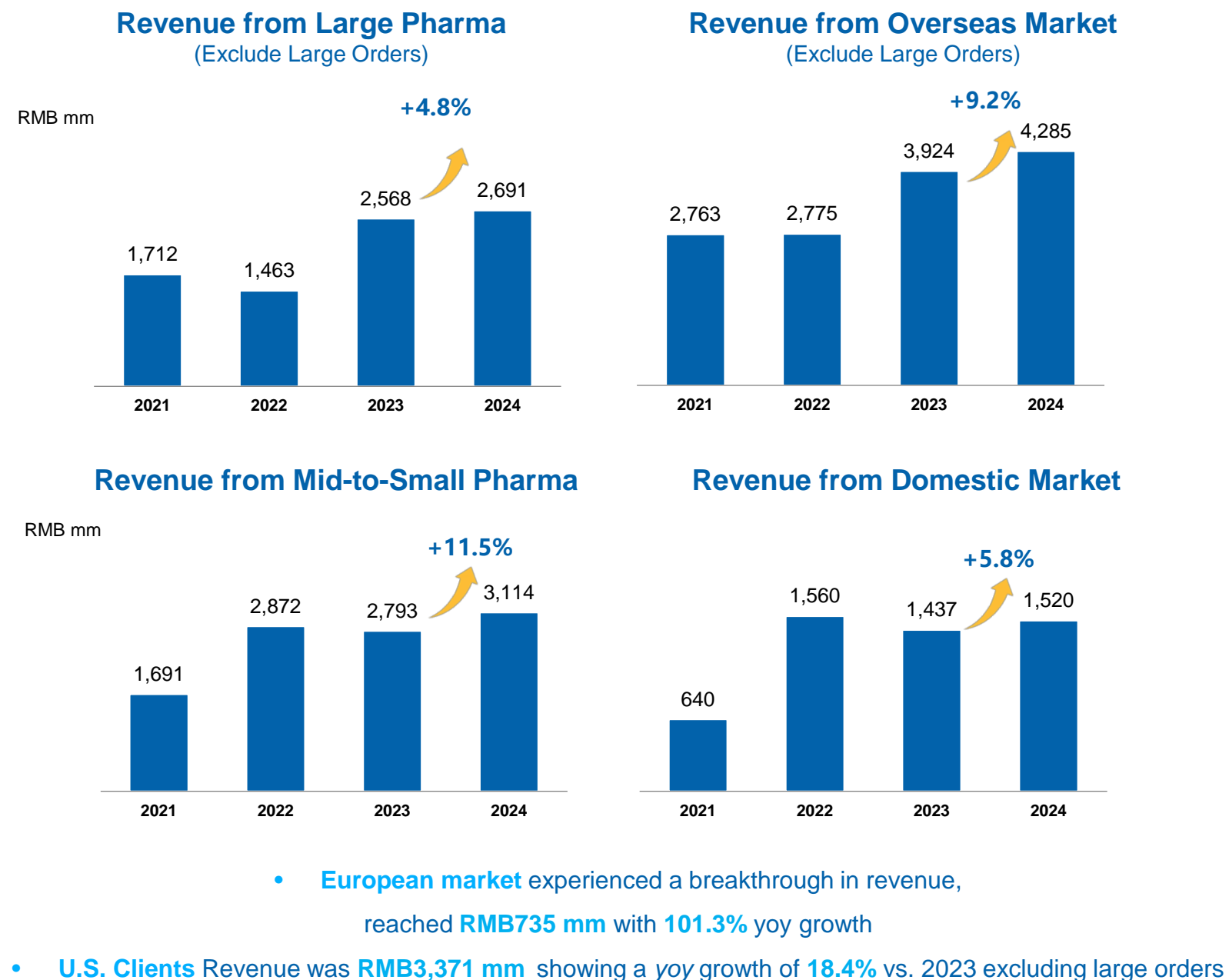
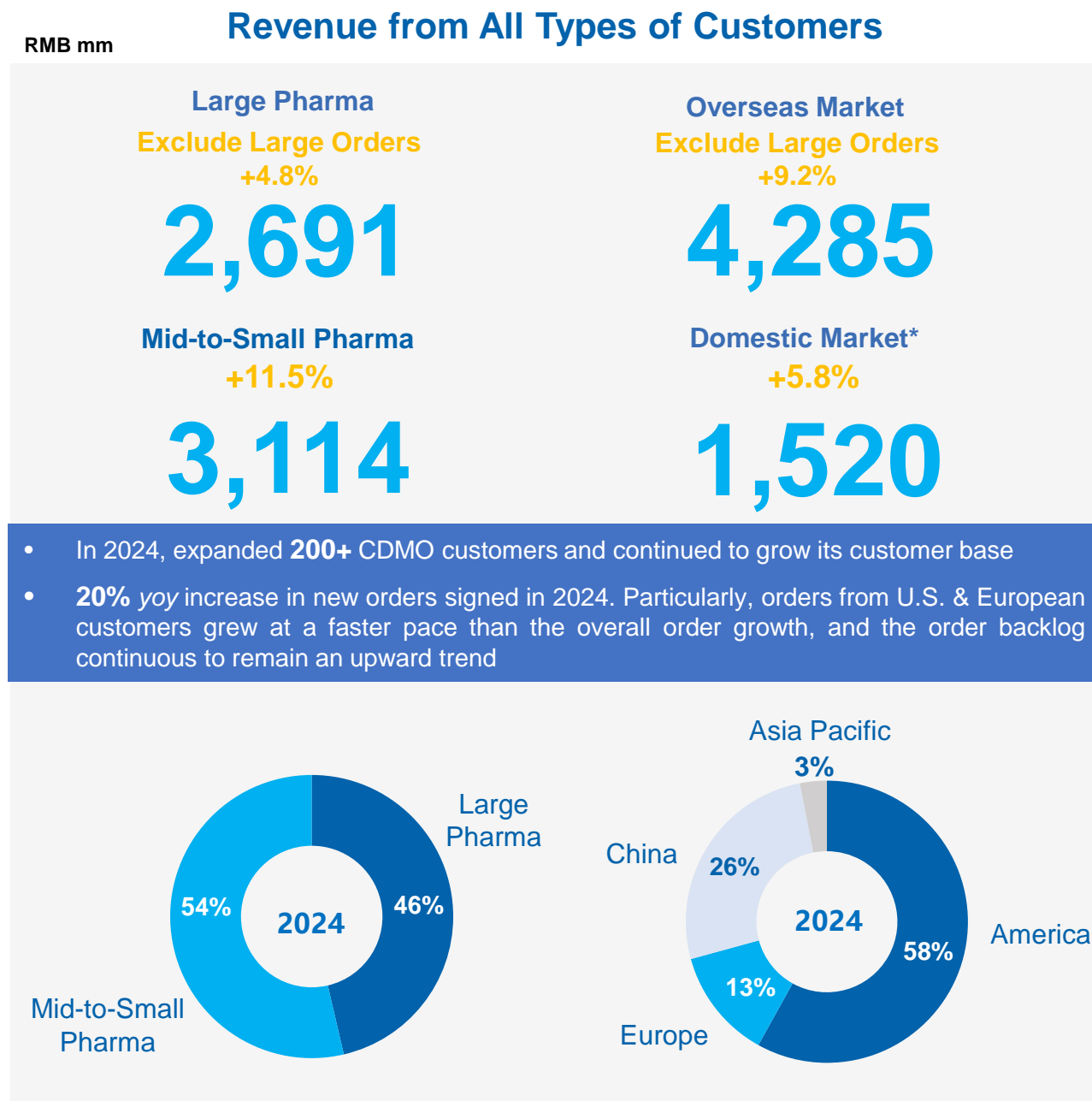
Revenues from Emerging Services (RMB mm)



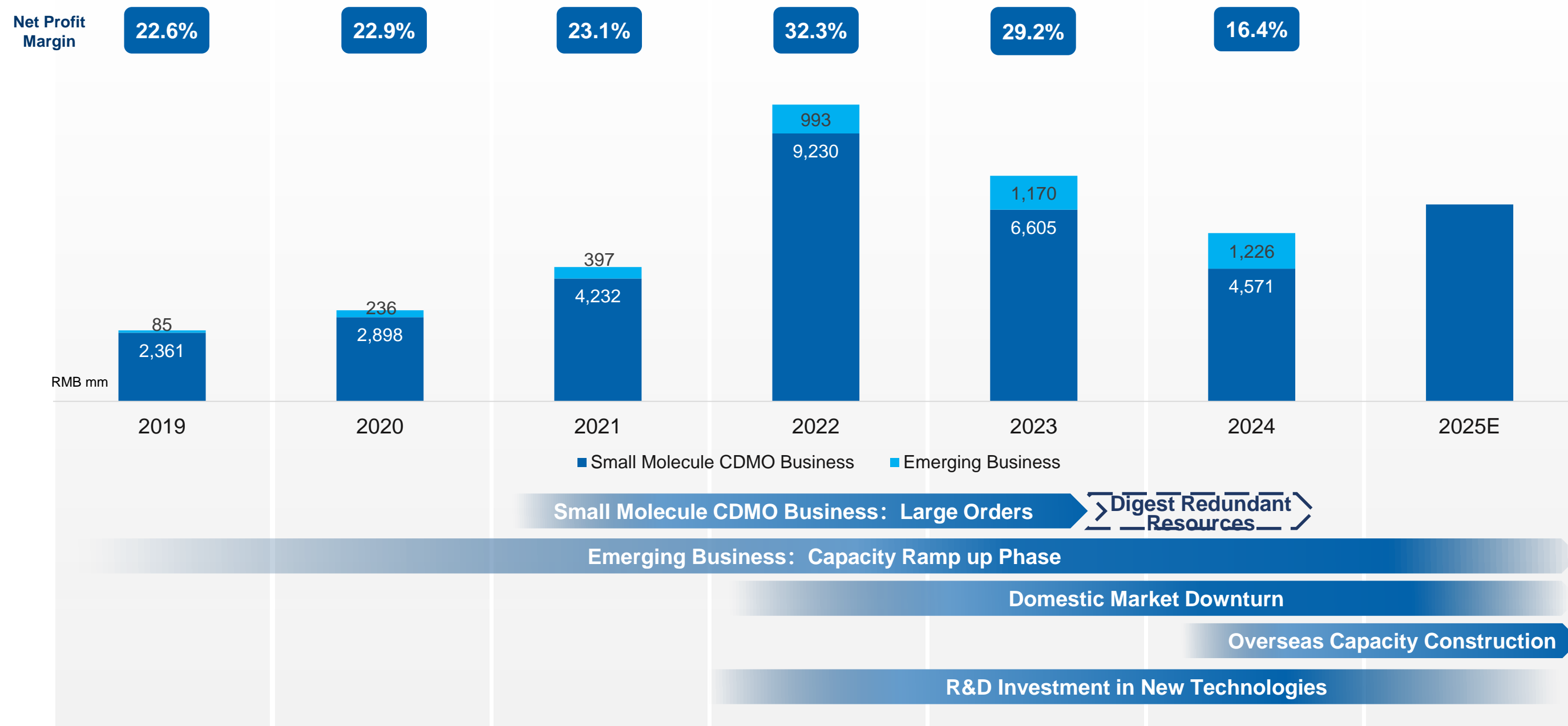
Emerging Business

- Emerging business contributed **RMB1,226 mm** in revenue, experiencing a **4.8%** increase vs. 2023. Revenue from overseas customers was **RMB246 mm**, rising by **15.4%** yoy, and the revenue from domestic customers was **RMB980 mm**, with a slight increase of **2.4%** yoy. The slow growth in domestic revenue was mainly attributed to the slower-than-expected recovery in the domestic biotech financing
- The GP margin² was **21.2%** due to the continued downturn with domestic market and some businesses in capacity ramp up phase. As capacity utilization continues to improve, GP margin in 2024H2 has exhibited a positive trend
- As of the annual results date, based on the backlog, the **PPQ¹** will reach **13**, forming a sufficient **reserve of commercial orders**

All Types of Customers Maintain Revenue Growth



Several Factors Impacted the Decline of Net Profit



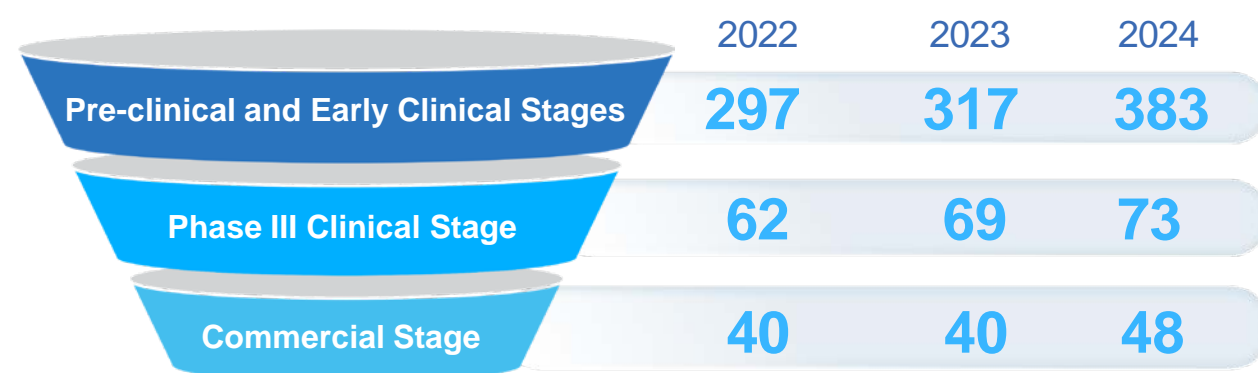


2

Business Highlights



Small Molecule Business Ensures Consistent Growth



Despite facing many industry challenges, small molecule CDMO business:

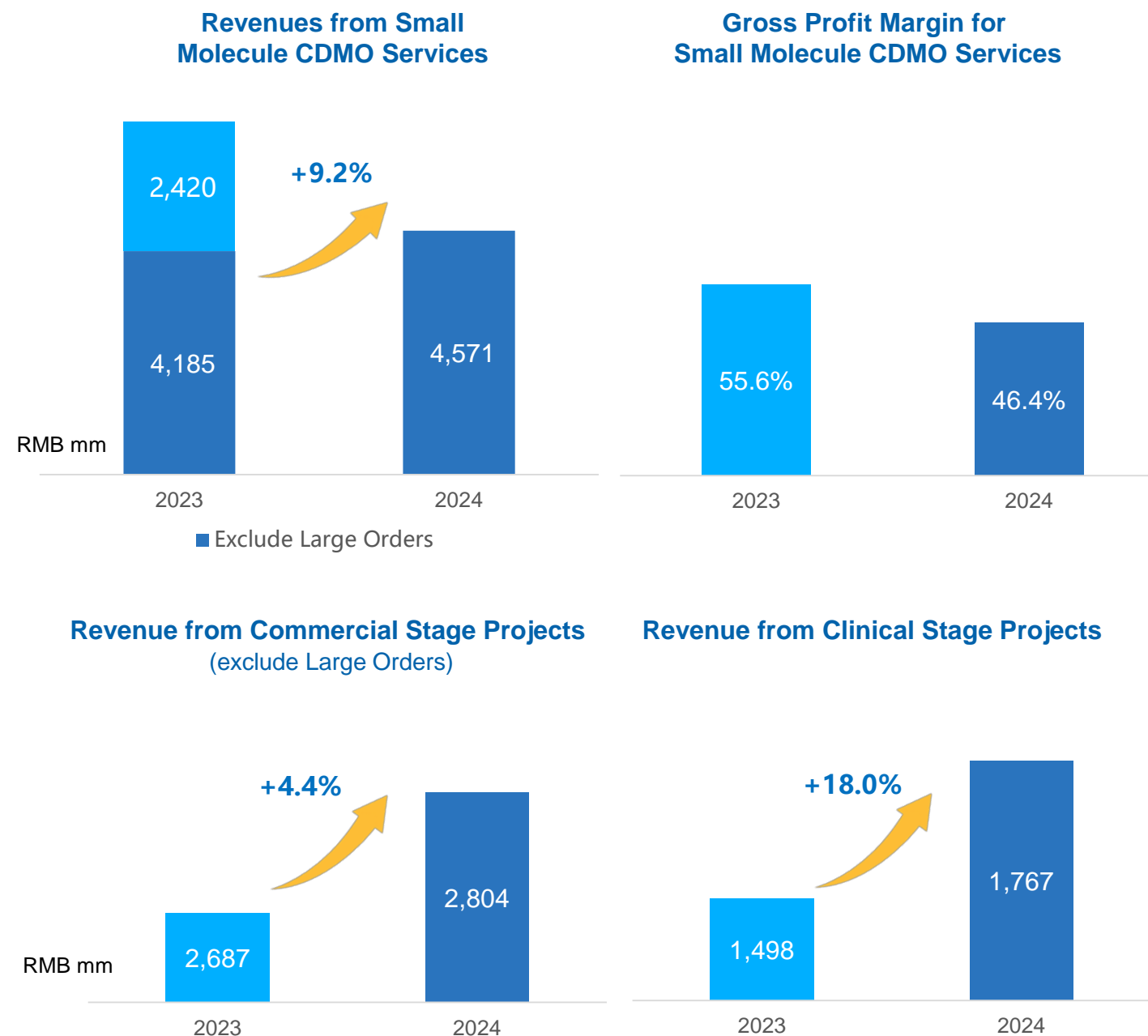
- Generated revenue of **RMB4,571 mm**, marking a yoy increase of **9.2%** excluding large orders
- GP Margin achieved **46.4%** through improvement of operational efficiency and cost control

Commercialization Projects as the Backbone to Continues Revenue Growth

- Successfully progressed **48** commercialization projects with **8** projects more than 2023, resulting in revenue of **RMB2,804 mm**, and if excluding the effect of large orders, the revenue increased by **4.4%**

Reserves of Clinical Projects Ensured for Long-term Growth

- Delivered a total of **456** clinical stage projects, including **73** clinical phase III. The recognized revenue from clinical projects reached **RMB1,767 mm** with an increase of **18.0%**
- It is expected that **12** projects will reach the **PPQ stage** by 2025, which has established a sufficient reserve of commercial orders, providing strong support for long-term and steady performance growth



↑ **+15.7%**

Revenue

61

New Clients

+130%

Order Backlog

Business Progress

- During the Reporting Period, revenue from chemical macromolecule CDMO business grew by **15.7%** yoy, with a notable *qoq*¹ increase of **200%+**
- As of the date of this announcement, the order backlog has risen by **130%+**, with overseas orders accounting for **260%+**, and revenue from this segment is **expected to double** by 2025
- Participated in **multiple global polypeptide projects in obesity** from the early stage to the late stage, assisted several small nucleic acid and ADC customers in licensing-out deals, and **continued to serve overseas customers**
- Continuously expanded projects in the **middle and later stages of various sectors** and expected over **10 PPQ projects** in 2025. We supported a major domestic client in smoothly **passing the first GLP-1 peptide project's dynamic verification**, laying the foundation for delivery of the **1st** commercial peptide project in 2025

Capacity Expansion

- Developed and reserved **multiple peptide and small nucleic acid synthesis technology platforms**, including enzyme-linked platforms, to address issues in different types of synthesis technologies and have made technological reserves in various types of purification and separation techniques
- The total solid-phase peptide synthesis capacity expanded to approximately **21,000L** by the end of 2024 and is projected to reach **30,000L** in 2025H2
- We expedited the construction of high potency capacity. An additional **OEB5**² plant and **R&D building** will be added in 2025 to meet the escalating demand for toxin-linker projects in later stage

1、*qoq* : Quarter-on-quarter

2、OEB5: Occupational Exposure Band 5

~200

Projects Delivered

+~30%

Order Backlog

+100%

No. of Oligonucleotide
Projects

Business Progress

- Revenue slightly declined due to the domestic investment and financing environment and intensified market competition
- **More projects are expected in the later stage**, and the Company completed **5** PAI¹ and added **6** new NDA projects, currently serving **27** NDA stage projects, along with **1** new commercialized project.
- As of the date of this announcement, the order backlog has increased by approximately **30%** yoy. In addition to the traditional small molecule drug products, the No. of oligonucleotide projects was **doubled**, with multiple oral peptides, topical peptides, and topical nucleic acid projects achieving clinical stage

Capability Development

- The construction of **pre-filled syringes** and **pen syringes production** and **β-lactam solid drug product** was initiated and will be put into production successively in 2025
- The Company had continued to advance the accumulation of **new formulation technologies**, including complex formulations, new molecular type drug products, and delivery technologies

197

New Projects Undertook

269

No. of Clinical Research Projects Conducting

94

Phase II and Later Stage Projects

Business Progress

- During the Reporting Period, affected by industry factors, revenue from CRO business decreased slightly yoy
- We successfully secured **5** implied China **IND approvals**
- Overseas business continued to grow with **12** new overseas application and clinical services orders. In addition, we initiated **2** U.S. IND registration and application projects for cell therapy, with 1 project successfully approved, and also contributed to **4** implied **FDA IND approvals** for our customers
- We facilitated **17** projects in obtaining implied China IND approvals, and assisted **1** Phase III oncology project, IDMC¹ in passing EMA² review

Capability Development

- The Company strengthened its established expertise in **oncology, immunology, infectious diseases, orthopedics, respiratory system, hematology and gynecology**. At the same time, new breakthroughs have been achieved in **metabolism, digestion, dermatology, ophthalmology, urology and genesiology**
- In terms of data intelligence, we applied a **full-process intelligent pharmacovigilance platform** to over **10** innovative drug projects, along with the establishment of **clinical trial project management and laboratory management platforms**

↑ **+17.4%**

Revenue

~60

Orders Hold

60%+

**Proportion of
ADC Projects**

Business Progress

- Regarding project delivery and orders, the Company added **15 ADC IND** projects and **3 BLA** projects
- Assisted various customers' clinical projects in **license-out**, showcasing its international service capabilities
- Established a comprehensive international biological quality control system. In February 2024, we **passed the EU QP audit and received the GMP compliance statement**
- Throughout the year, we also underwent dozens of customers' and third-party audits, with no significant findings, further strengthening its excellent reputation for quality control

Capability Development

- **Advanced the construction of conjugate drugs commercialization capacity.** As of the date of this announcement, the **biological pharmaceutical CDMO R&D and commercial production site in Fengxian, Shanghai has been put into use**, providing global partners with **CDMO development and manufacture services for biological drugs, including antibodies and nanobody drug conjugates ("NDCs")**

Export of New Technologies

150

No. of Customers

20+

No. of New Projects

80%

Proportion of New Customers

- The **newly operational CFCT equipment test workshop** features **nearly 1,000m²** testing areas
- Comprehensive supporting facilities, enabling multiple sets of **continuous equipment for design verification and performance testing**, further strengthening capabilities in process development, project undertaking, technological innovation and delivery

Synthetic Biology Technology

+33.5%

Revenue

>80%

Revenue from Overseas customers

~100

New Customers

- Multiple **enzyme technologies** have been utilized in the pharmaceutical synthesis processes internationally renowned MNCs¹
- **Immobilized enzyme continuous reaction technology** has successfully been applied in the production of multiple ton-scale products. This technology elevates production capacity up to **1,500** times, saving the amount of enzyme by over **70%**, and reducing the three wastes
- The construction of **500L GMP fermentation workshop** and **5,000L GMP workshop** has been completed, and the overall production capacity **exceeds 20,000L**, meeting the production requirements for biological products simultaneously, including enzymes, recombinant proteins, peptides and biobased small molecules

As at the end of the Reporting Period, our Group has obtained a total of **487** authorized patents, **159** are in the field of synthetic biology and **183** in the continuous flow technology. For 2024, R&D expenses amounted to was **RMB614 mm**, representing **10.6%** of the revenue, the proportion of senior researchers with a master's degree and Ph.D. diploma within the R&D team increased by approximately **2%** yoy



Current Ability

- HTS and DoE experimental design
- Drug synthesis route rapid design
- Mature process and analytical development capabilities

Progress at Present

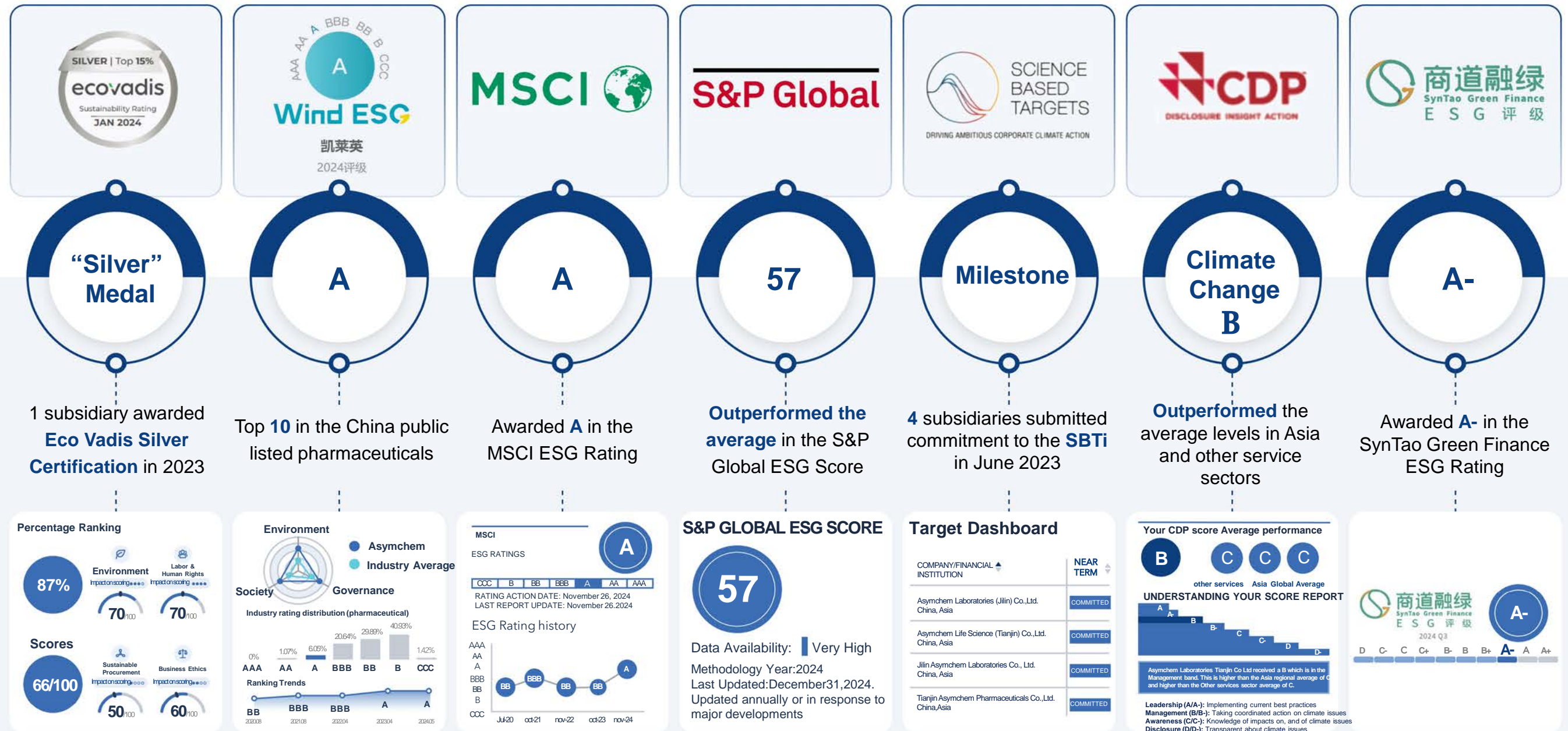
- Achieved multiple orders for **analysis, process development and kilo production**
- Pilot plant began **receiving production orders** in the 2024 Q4
- **Several production orders** have been successfully progressing
- **Several major clients from Europe and the U.S.** have visited the site and placed inquiries and orders, covering small molecule CDMO business and multiple fields such as **peptides, biocatalysis**, etc.

Future Plans

- **Continuous flow reaction equipment** and **technology platform development capabilities** have been injected into the lab development process
- Green advanced manufacturing technologies, including **synthetic biology** and **enzyme catalysis technologies**, are in preparation
- Will further expand into **peptides, nucleic acids** and etc.

Driving the expansion of commercialized overseas production capacity based on Sandwich Site





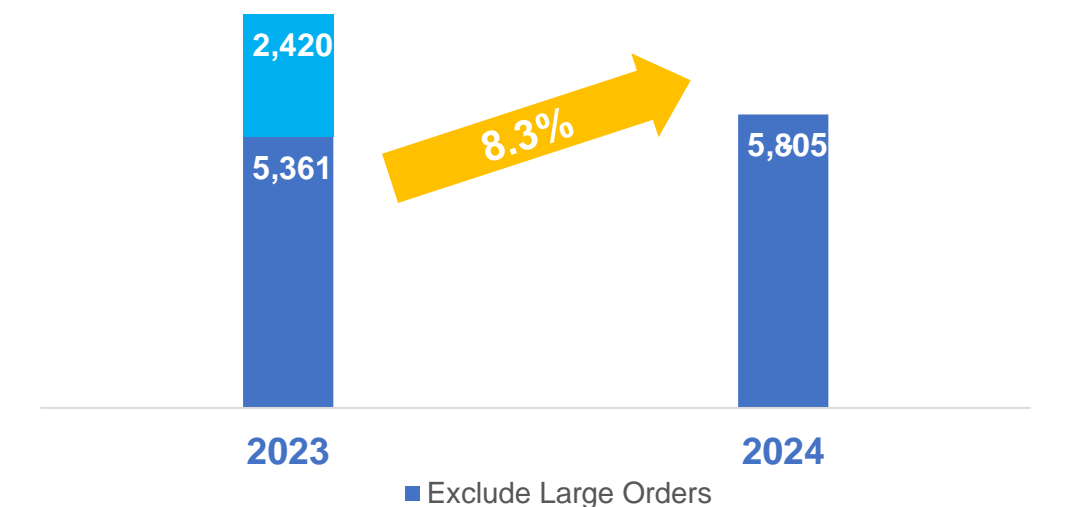
3

Financial Performance



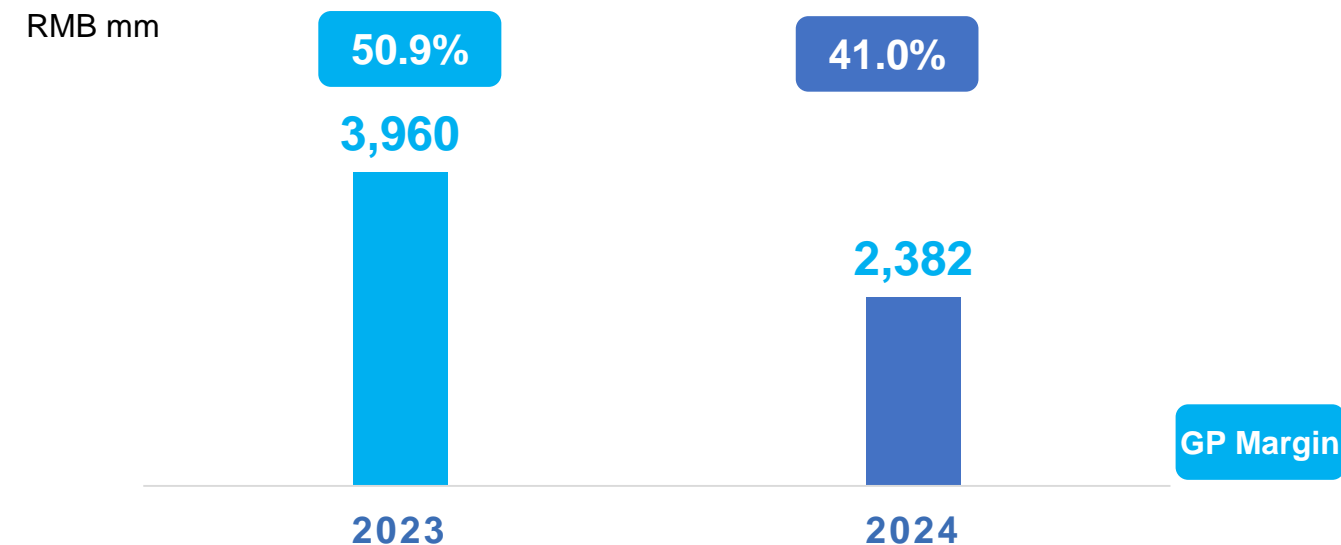
Revenue

RMB mm



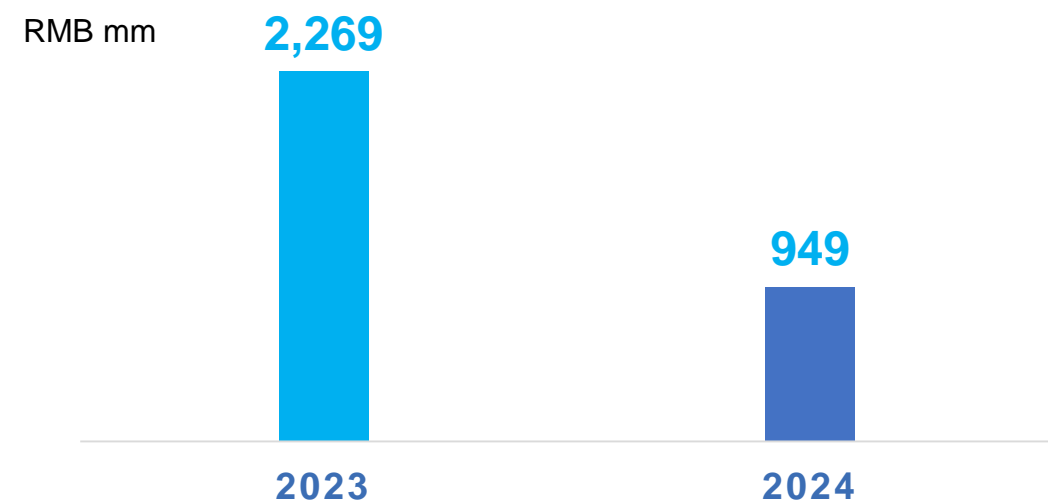
Gross Profit & Gross Profit Margin

RMB mm



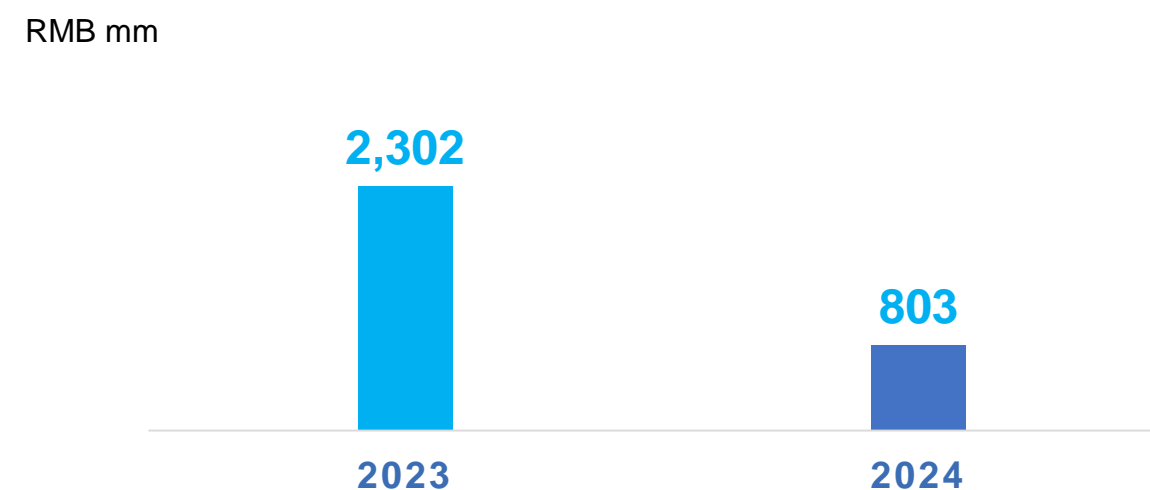
Net Profit Attributable to Shareholders of the Company

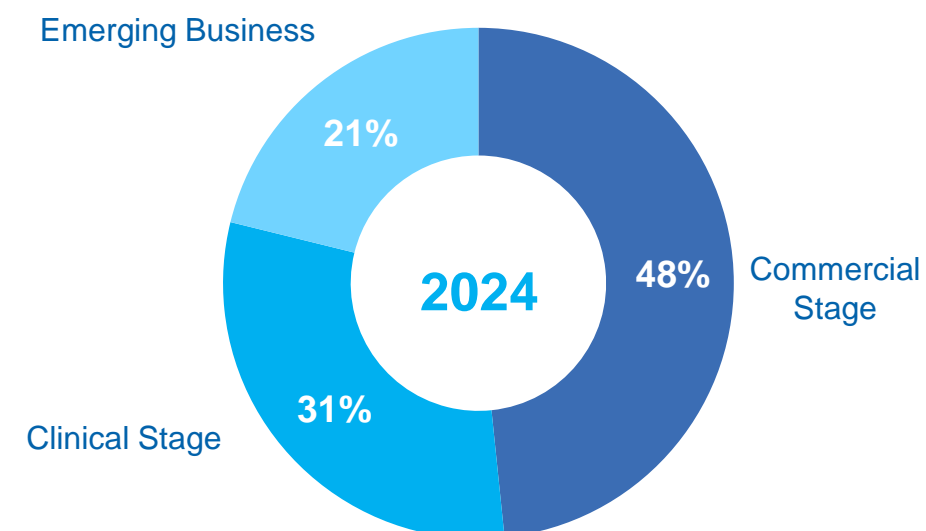
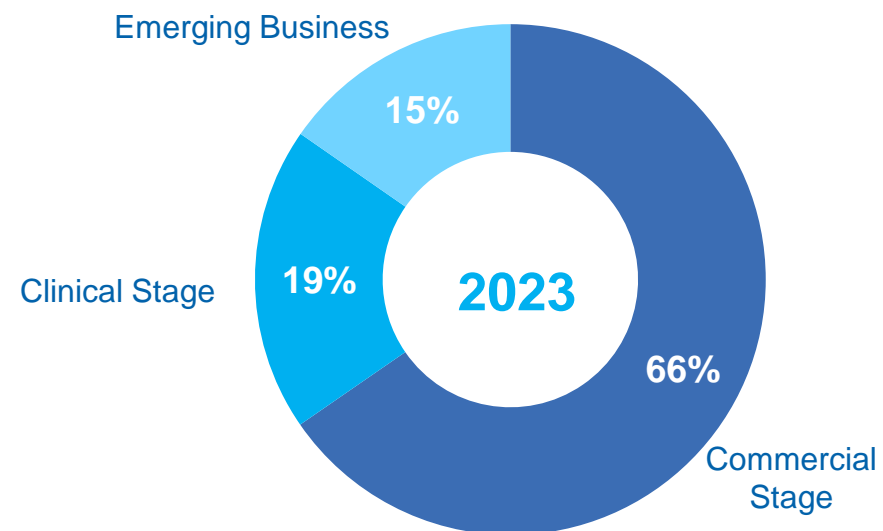
RMB mm



Adjusted Net Profit Attributable to Shareholders of the Company¹

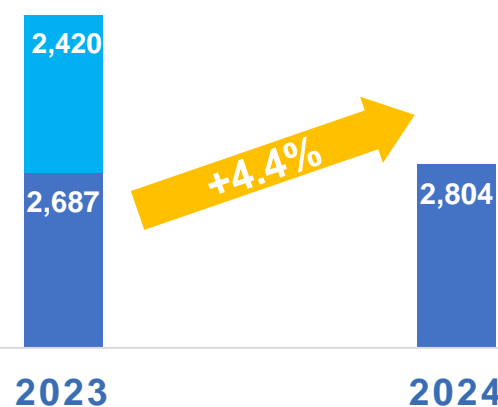
RMB mm





Commercial Stage CDMO Services

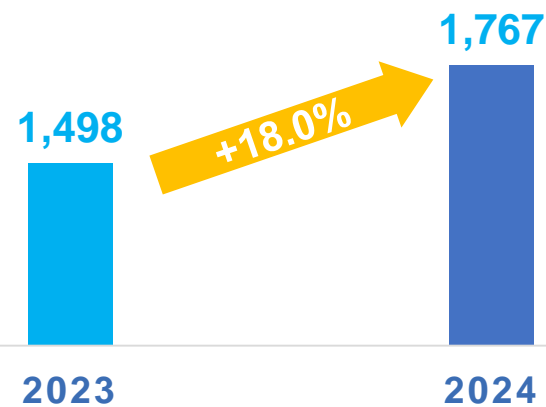
RMB mm



■ Exclude Large Orders

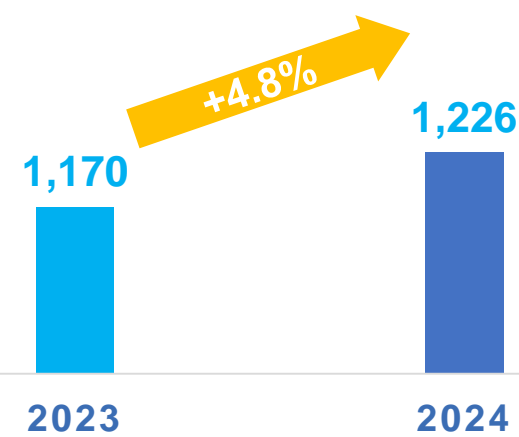
Clinical Stage CDMO Services

RMB mm



Emerging business

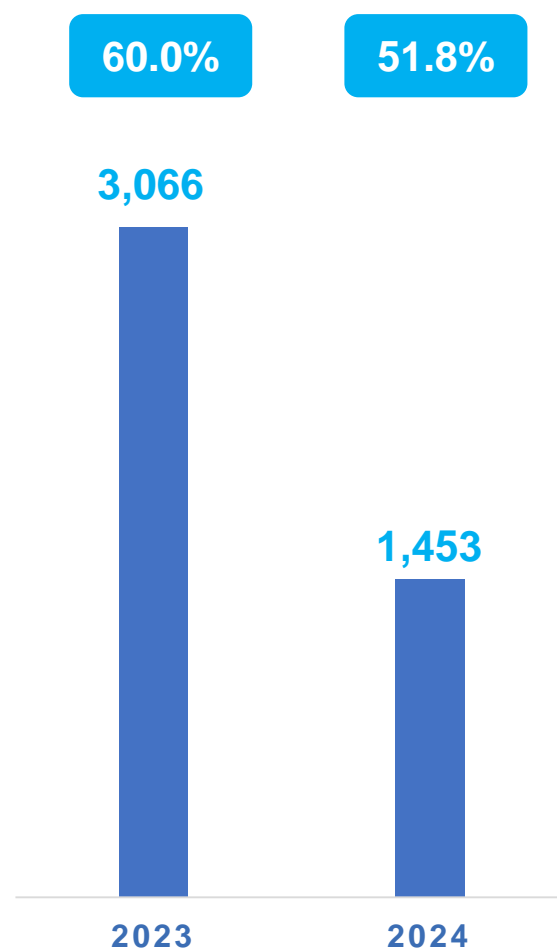
RMB mm



Segment Gross Profit and Gross Profit Margin

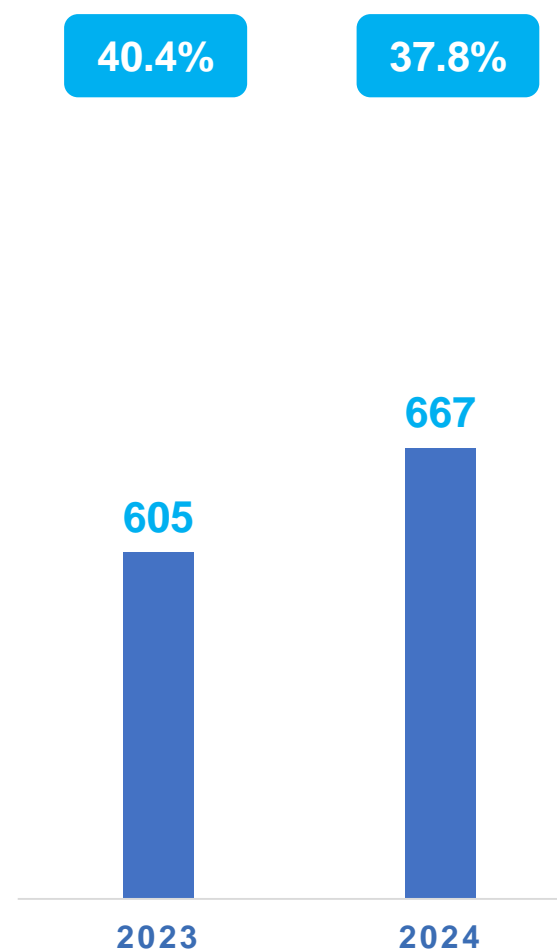
Commercial Stage CDMO Services

RMB mm



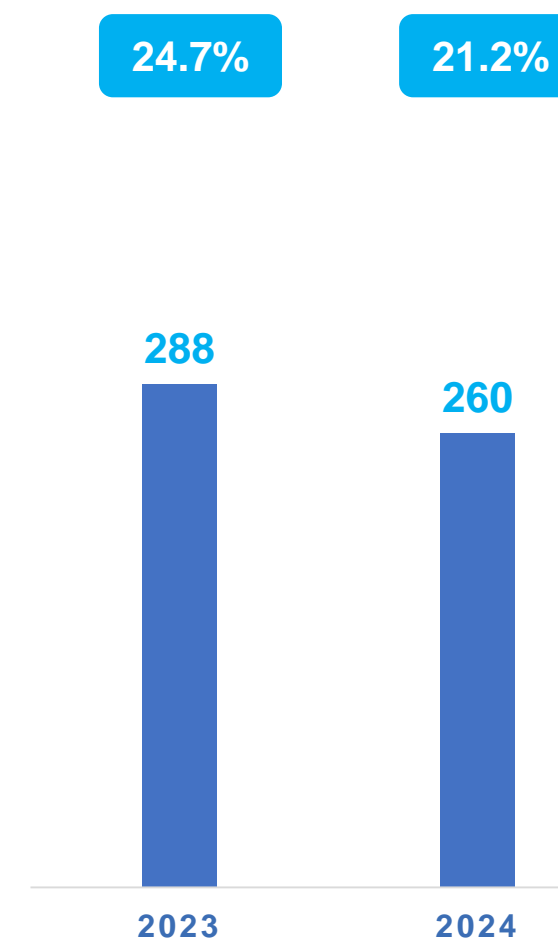
Clinical Stage CDMO Services

RMB mm

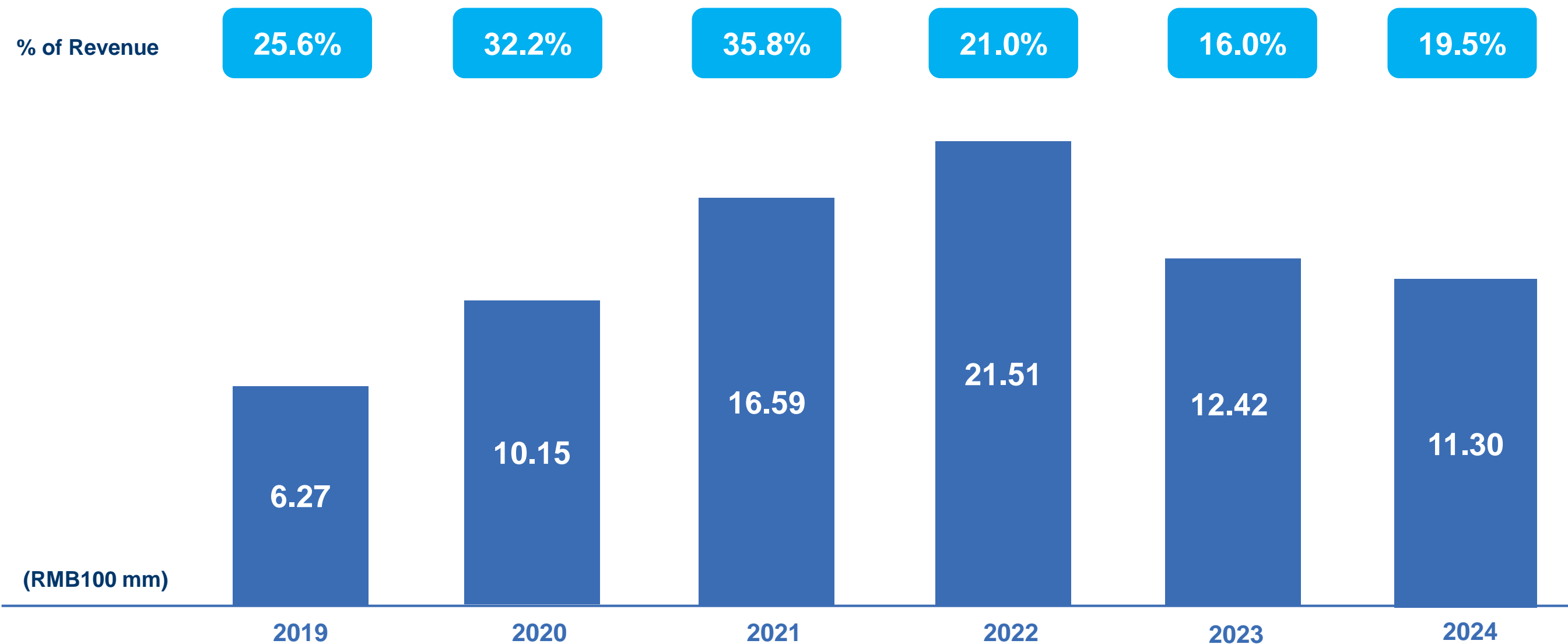


Emerging Business

RMB mm



GP Margin



4

Outlook





We expect revenue in 2025 to achieve double-digit growth, driven by the industry's recovery and positive signals observed in the Company's ongoing business progress

Continuously implement management measures focused on cost control and efficiency, enhancing business profitability, and aiming for profit growth that outpaces revenue growth

Drive market development and enhance business competitiveness, especially in peptide, oligonucleotide, ADC, and other emerging business, to lay a solid foundation for the sustainable growth of the business

Based on the Sandwich site, further promote the commercial production capacity expansion overseas, balancing the strategy execution and operational cost control

Appendix



CONSOLIDATED STATEMENT OF PROFIT OR LOSS

RMB mm

	2024	2023
Revenue	5,805	7,781
Cost of sales	(3,423)	(3,821)
Gross profit	2,382	3,960
Other income and gains	480	410
Selling and distribution expenses	(243)	(196)
Administrative expenses	(861)	(820)
Research and development expenses	(614)	(708)
Impairment losses on financial and contract assets, net	(12)	(9)
Other expenses	(74)	(71)
Finance costs	(10)	(6)
Share of profits/(losses) of associates	24	(2)
Profit before tax	1,072	2,557
Income tax expense	(136)	(306)
Profit for the year	936	2,251
Attributable to:		
Owners of the parent	949	2,269
Non-controlling interests	(13)	(18)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

RMB mm

	2024	2023
Non-current assets		
Property, plant and equipment	5,940	5,366
Right-of-use assets	700	526
Goodwill	146	146
Other intangible assets	27	54
Deferred tax assets	248	213
Investments in associates	537	260
Prepayments, deposits and other receivables	483	689
Financial assets at fair value through profit or loss	158	131
Equity investments at fair value through other comprehensive income	-	30
Total non-current assets	8,239	7,415
current assets		
Inventories	1,193	945
Trade receivables	1,837	2,011
Contract assets	102	81
Prepayments, deposits and other receivables	587	297
Tax recoverable	2	3
Financial assets at fair value through profit or loss	1,540	1,906
Cash and bank balances	5,789	7,110
Total current assets	11,050	12,352
Total assets	19,289	19,767

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

RMB mm

	2024	2023
Current liabilities		
Trade payables	451	452
Other payables and accruals	1,166	1,276
Interest-bearing bank borrowings	-	12
Lease liabilities	42	29
Tax payable	50	31
Total current liabilities	1,709	1,801
Non-current liabilities		
Deferred income	299	233
Lease liabilities	283	106
Deferred tax liabilities	135	117
Total non-current liabilities	717	456
Equity		
Equity attributable to owners of the parent Share capital	368	369
Treasury shares	(1,232)	(494)
Reserves	17,710	17,605
Non-controlling interests	17	30
Total equity	16,863	17,510



THANK YOU !

