



# 2023 Interim 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.

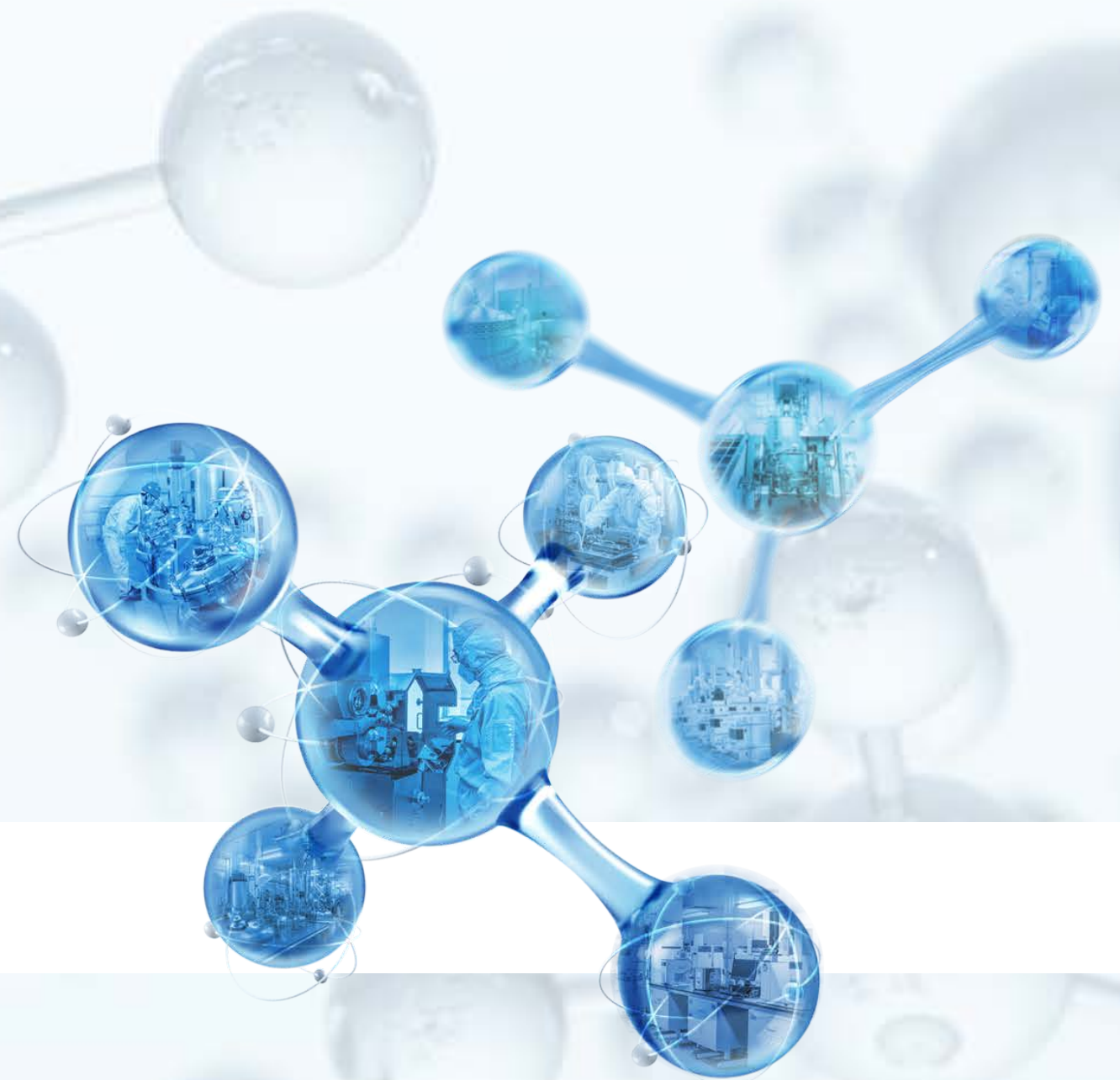
### *Use of Adjusted Financial Measures*

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 Second Half Outlook

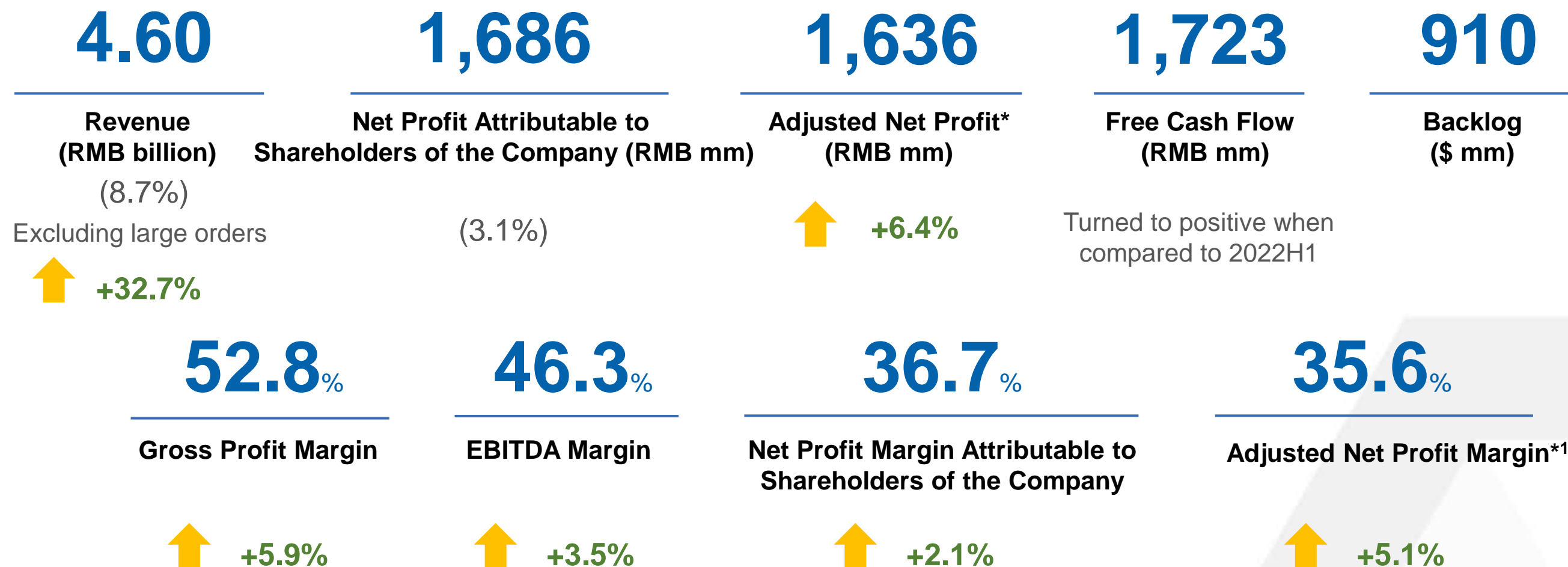


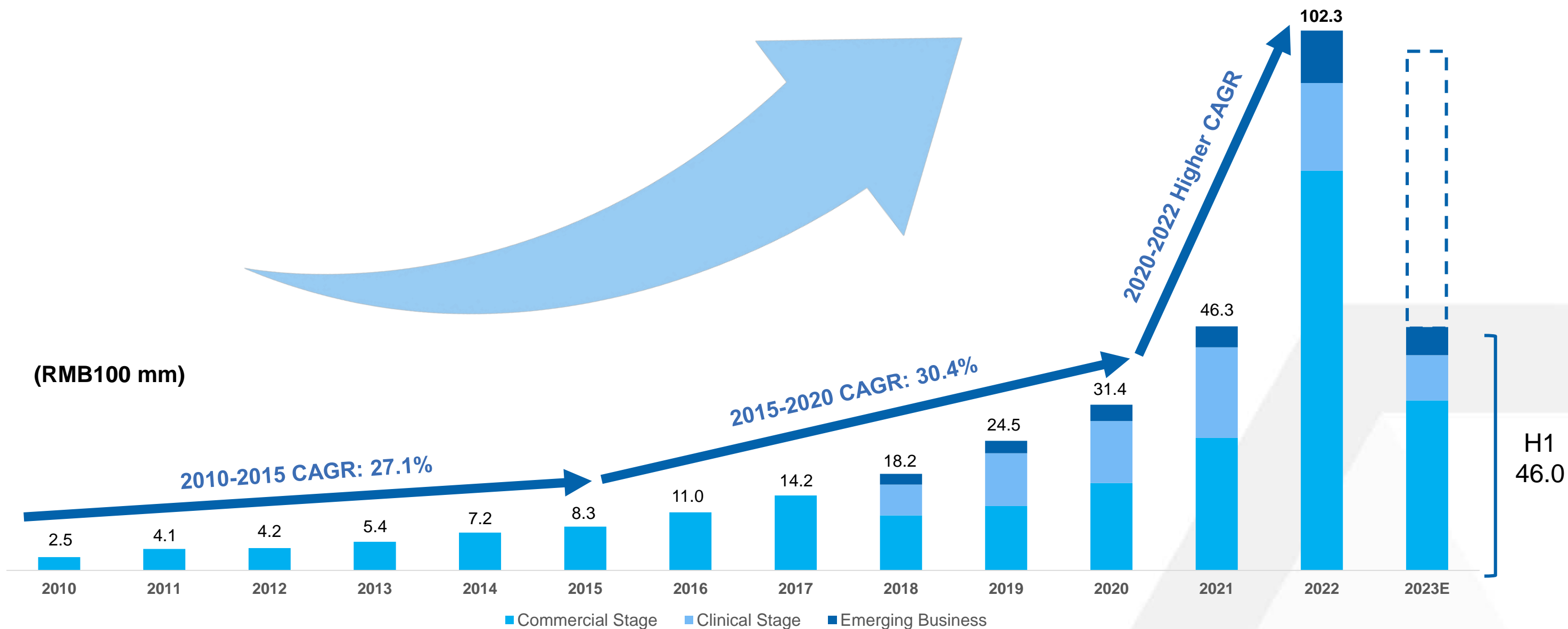


# 1

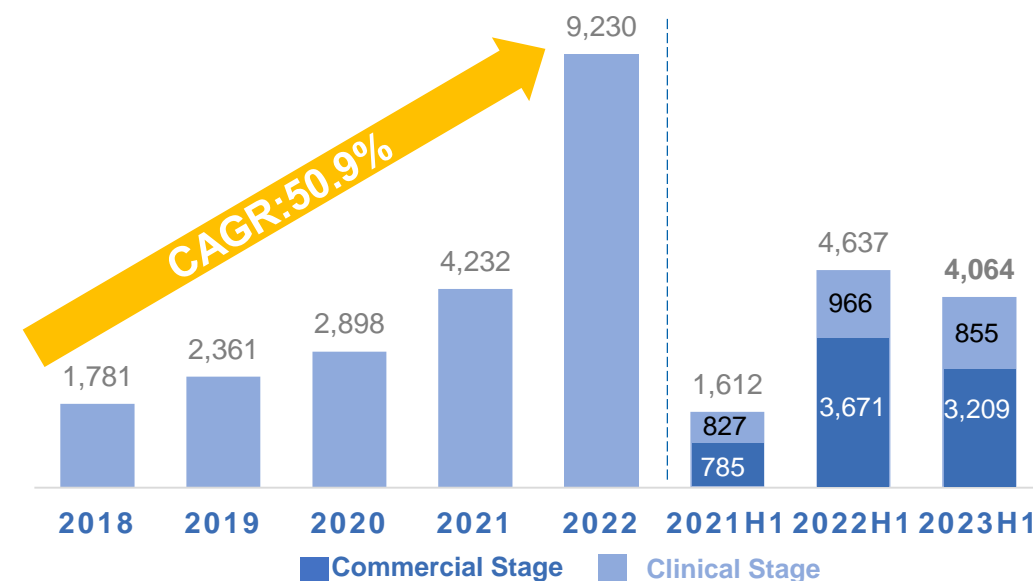
## Performance Overview







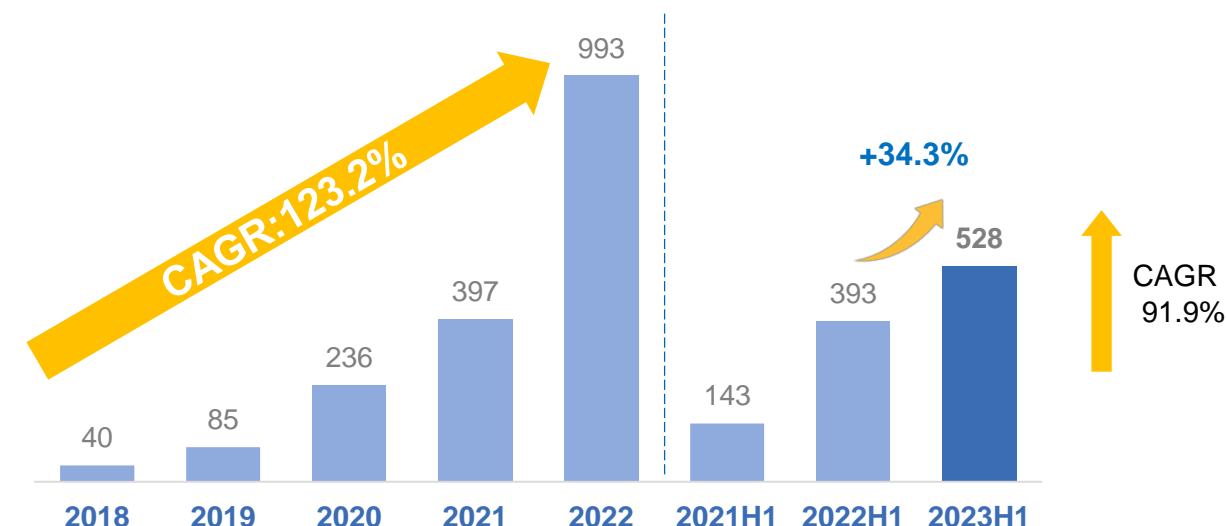
## Revenues from Small Molecule CDMO Services (RMB mm)



### Small Molecule CDMO Service

- **RMB4,064 mm** revenue in 2023H1, and if excluded large orders, the other revenue of **RMB2,130 mm** represented a period-on-period increase of **32.4%**
- Continuously exploring new projects and completed **310** projects with an increase of **22.0%** from 2022H1, including
  - **52** clinical phase III
  - **34** commercialization
- Commercialization projects achieved revenue of **RMB3,209 mm**, or **RMB1,276 mm** excluding large orders, with a period-on-period growth of **60.5%**

## Revenues from Emerging Services (RMB mm)



### Emerging Business

- **RMB528 mm** revenue in 2023H1 marking a significant increase of **34.3%** compared to 2022H1
- Revenue of multi-segment in emerging business hit **RMB100 mm**, and revenue from biological macromolecules CDMO business was **more than doubled** compared to 2022H1



# Steady Growth in Revenue from All Types of Customers

## Steady Growth in Revenue from All Types of Customers

RMB mm

Large Pharma  
Exclude Large Orders  
+73.4%

3,096

Mid-to-Small Pharma

+12.3%

1,499

Overseas Market  
Exclude Large Orders  
+44.9%

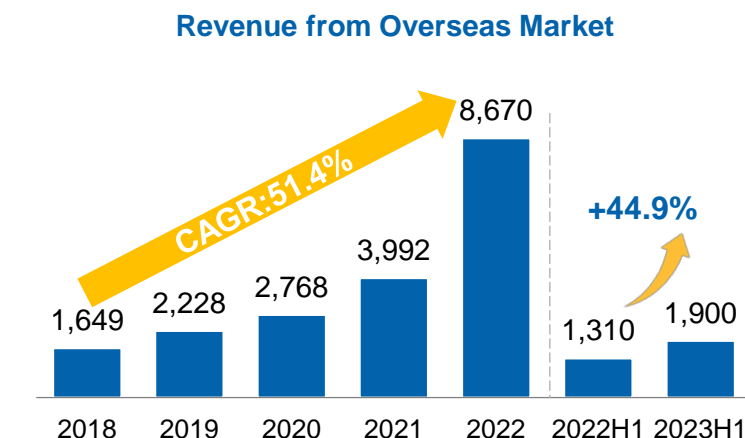
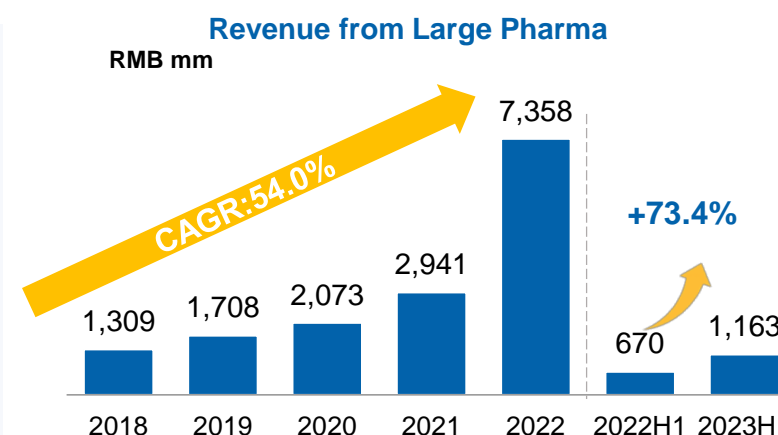
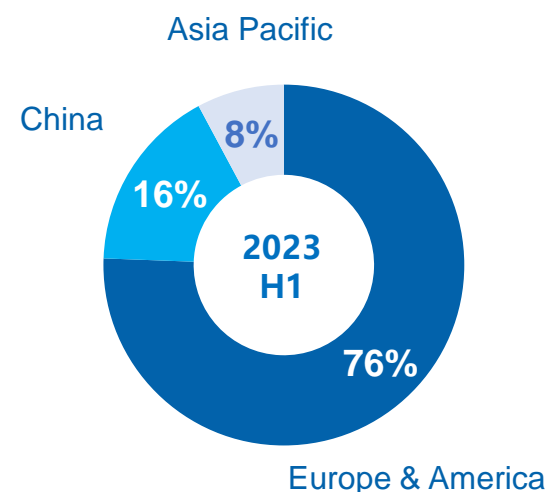
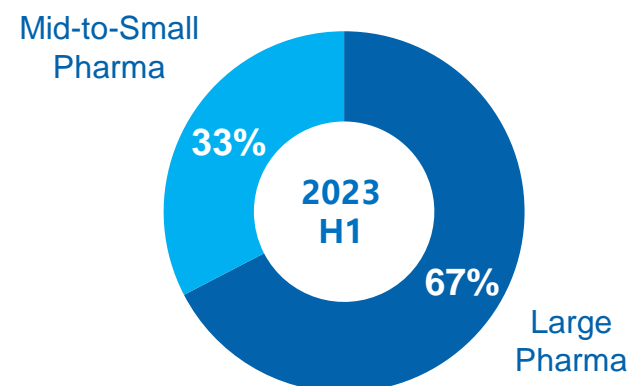
3,834

Domestic Market\*

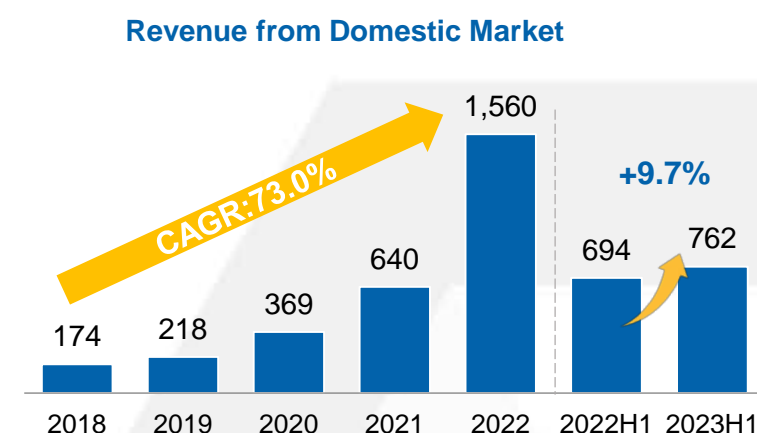
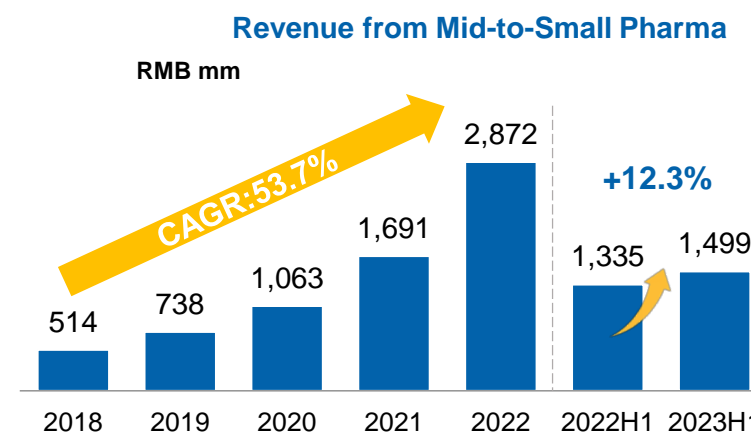
+9.7%

762

- Number of customers with orders increased by 21.1%
- Active customers exceeding 1,100



Revenues of 2022H1 and 2023H1 excluded from large orders



U.S. Clients Revenue **RMB3,329mm**, and if large orders are excluded, the other revenue had a *period-on-period* growth of 44.2%

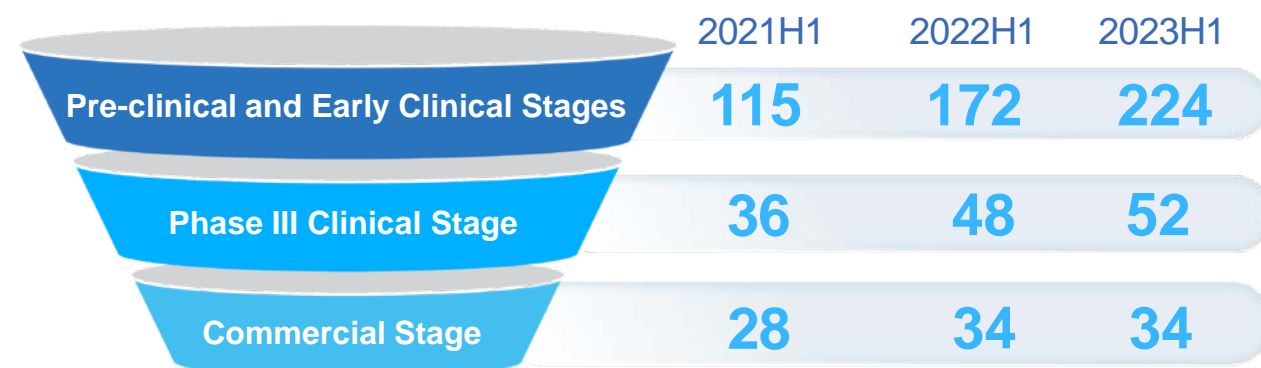
APAC<sup>2</sup> Clients' Revenue *period-on-period* growth 47.9%



# 2

## Business Highlights





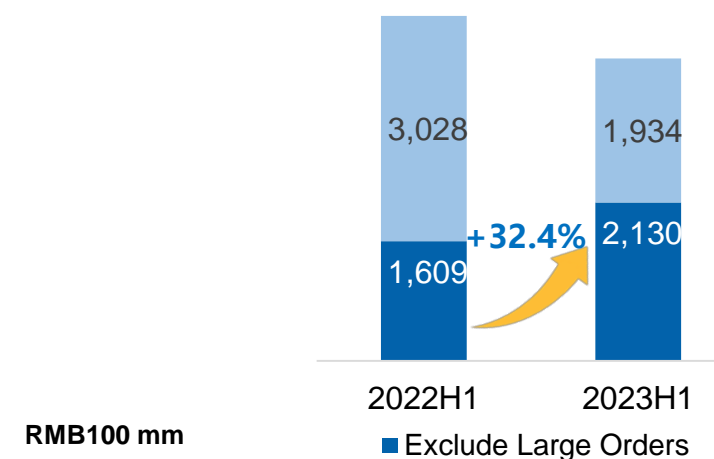
## Continuous Revenue Growth Stemming from Commercialization Projects

- 34 revenue-generating commercialization projects with achieved revenue of **RMB3,209 mm**
- **RMB1,276 mm** recorded revenue when excluding large orders for a *period-on-period* increase of **60.5%**
- Continuous implementation of **industry-leading commercialization projects**, along with our strong track record in delivery, will foster deeper collaboration with domestic and international clients on commercial projects

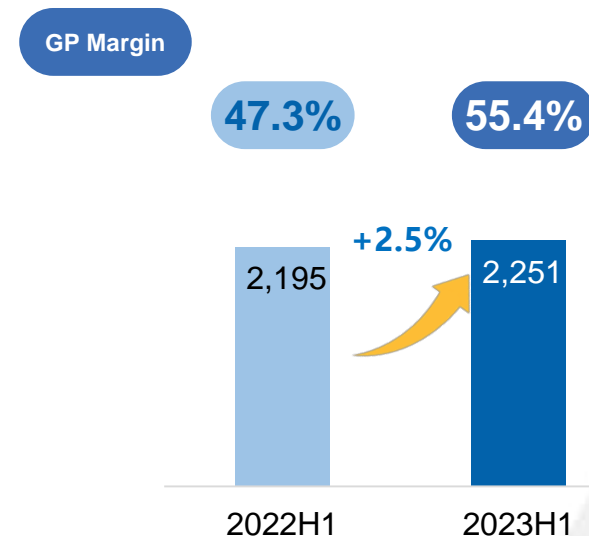
## Reserves of Clinical Projects Ensured for Long-term Growth

- Recognized revenue from **276 clinical stage** projects, including **52 Phase III** projects. The total revenue amounted to **RMB855 mm**, showing a period-on-period increase of **6.8%** excluding specific anti-virus-related clinical projects
- Strategically **reserves potential bulk projects**, and clinical Phase III projects served by us involved several popular targets or major novel drug targets, such as **GLP-1, KRAS, JAK** and **TYK2**, securing project reserves for the continued acquisition of commercial orders of bulk drugs

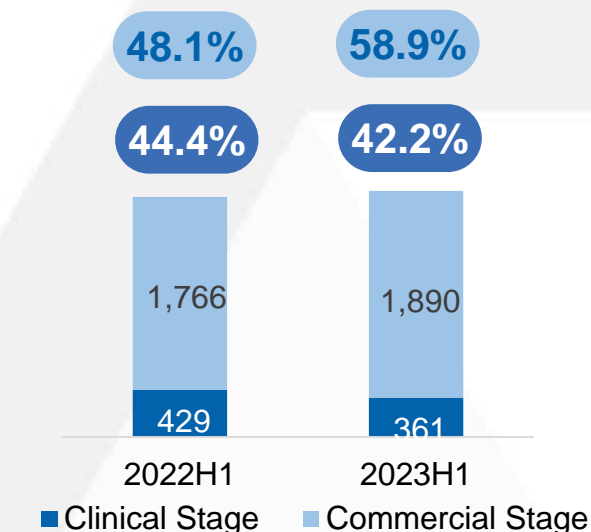
Revenues from Small Molecule CDMO Services



Gross Profit Margin for Small Molecule CDMO Services



Gross Profit Margin for Each Segment of Small Molecule CDMO Services



# Rapid Development of Multiple Business Lines in Chemical Macromolecules

↑ **+29.0%**

Revenue

**40**

New Customers

**45**

New Projects

## Business Progress

- **24** projects in total were advanced beyond Phase II clinical stage in 2023H1
- Prioritized the development of **oligonucleotide CDMO business**, resulting a period-on-period increase of over **76%** in revenue, and progressing **17** new projects with **2** validation production projects and completed the GMP production for **3** vaccine CpG adjuvant projects
- Promoted the development of **peptide business**, undertook **9** new projects, and made steady progress to the commencement of existing verification projects at the meantime
- Continuously promoted toxin-linker, pharmaceutical polymer, polymer-drug coupling and cationic lipid businesses, and undertook **19** new projects and **10** validation production projects and **expanded several commercial lipid GMP stocks**

## Capacity Expansion

- The **exclusive production workshop I** for chemical macromolecules is now functioning with **10** pilot-to-commercialization production lines for oligonucleotide, **exceeding 500kg annual capacity**
- Accelerated construction of **peptide commercial production** aiming for a solid-phase synthesis capacity **exceeding 10,000L by 2024H1**, meeting the demand for commercial production of **hundred-kilogram-level** solid-phase peptides
- Liquid-phase synthesis can be accommodated by existing small molecule reactor production capacity, satisfying the **commercial production needs of liquid-phase polypeptides**
- Actively developed **R&D platforms** for each business line of chemical macromolecules, **incorporating new technologies platforms** and enhancing our foundation, including oligonucleotide liquid phase, enzyme ligation technology, peptide synthesis, and novel linkers, adjuvants, and cofactors

↑ **+34.1%**  
Revenue

**120**  
Projects Ongoing

**21**  
NDA Projects

## Business Progress

- **43** projects have been successfully accomplished, facilitating the early launch of drugs
- Successfully passed **on-site inspection** for **PAI** and **dynamic GMP compliance** by NMPA<sup>1</sup>, showcasing our end-to-end service capabilities
- Launched our **clinical supply chain**, providing warehousing and distribution services for **global clinical drugs** with **multiple domestic and international orders**
- Completed batch production for formula development and process confirmation of the **first oral liquid project**, and progressing **orderly commercialization of oral suspension projects**.

## Technology Platform

- **Proven commercialization capabilities** in spray drying for solid dispersion and hot melt extrusion
- **Completed additions to the production license of topical drug products**, further enhancing R&D and production capabilities in this area, and multiple projects are moving forward smoothly
- Further **expanded nasal spray and nebulized inhalation solution technology platform** with multiple projects proceeding simultaneously
- Diverse ongoing drug product projects, progressing gradually **from early to late stages**, providing a solid foundation for drug product business growth



↑ **+26.1%**

Revenue

**151**

New Projects  
Contracts

**24**

CGT and Other  
Advantageous Projects

## Business Progress

- **375** clinical trial projects in progress, of which **127** had entered Phase II stage or beyond
- Played a vital role in expediting the **IND application submission** for **4** first-class innovative drugs. Seamless coordination was achieved among CMC, non-clinical, and clinical medical technical aspects, enhancing R&D efficiency for customers while reducing R&D costs
- **Overseas business expansion** efforts successfully assisted clients in obtaining **3** FDA IND implied licenses
- Assisted clients in obtaining **7** IND implied licenses for cell-based treatment of systemic sclerosis, knee osteoarthritis, liver failure, and acute respiratory distress syndrome, etc., and facilitated the smooth entry of China's **first** dental pulp stem cell product and the **world's first** clinically approved lung basal stem cell product into the Phase II clinical stage
- Passed the audit of a number of key clients, with multiple projects successfully **passing the inspection of NMPA**

## Capability Development

- **Expanded clinical trial institution resources**, deepened cooperation in drug clinical trials, and enhanced research capabilities for domestic innovative drug companies
- In the filed of CGT, which we have advantages in, we involved in drugs for **IPSC, MSC, CAR-NK, MAK**, and **gene therapy**, etc., to treat major diseases such as cardiovascular diseases, endocrine and metabolic diseases, respiratory diseases, blood, neurology and digestive tumours

↑ **+159.8%**

Revenue

**43**

Orders in Hand

**14**

IND Projects

## Business Progress

- Based on the types of projects on hand, **the proportion of revenue from various conjugated drugs projects, including antibody-drug conjugates, will further increase in the future**
- Breakthroughs in key overseas markets and mid- to late-stage project areas in 2023H1
  - undertook **3 overseas IND project orders**
  - obtained **the first BLA project order for the integration service ADC program**
  - and continued to deepen the integration business
- Recognized by customers and the industry by empowering project execution through technological innovation, and has been awarded the honorable titles of the CDMO for the **Future Healthcare Value Sector Award, the Best CDMO for the CGT Industry Star of the Year, the Most Promising CGT CDMO on the HY Research Ranking, and the Most Promising CGT CDMO on the CGCS**, etc.

## Infrastructure Development

- Jinshan: Initiated commercial production capacity renovation and expansion
- Fengxian: construction of the commercial production base in steady progress
- Zhangjiang: In May 2023, **CBTI officially launched to enhance** internal R&D, strengthen forward-looking capabilities, and streamline process development. We have **optimized the development cycle, improving delivery quality and efficiency**, while also applying for several patents and trademarks

Global Leading Development and Manufacturing Platform

Advanced and Continuously Evolving R&D Platforms



## Internal Application of New Technologies

- CFCT and CSBT jointly completed the **tonnage production** and validation of several continuous immobilized-enzyme catalyzed reactions
- Our technology has promoted the continuous technology development and pilot application of **non-natural amino acid projects**
- **More than 40%** of the middle and late-stage clinical projects and commercial stage projects of the Company applied key technologies for green pharmaceuticals, generating favorable economic benefits and efficiency

## Export Flow and Continuous Technology



8 new projects



Over RMB**100** mm contract value

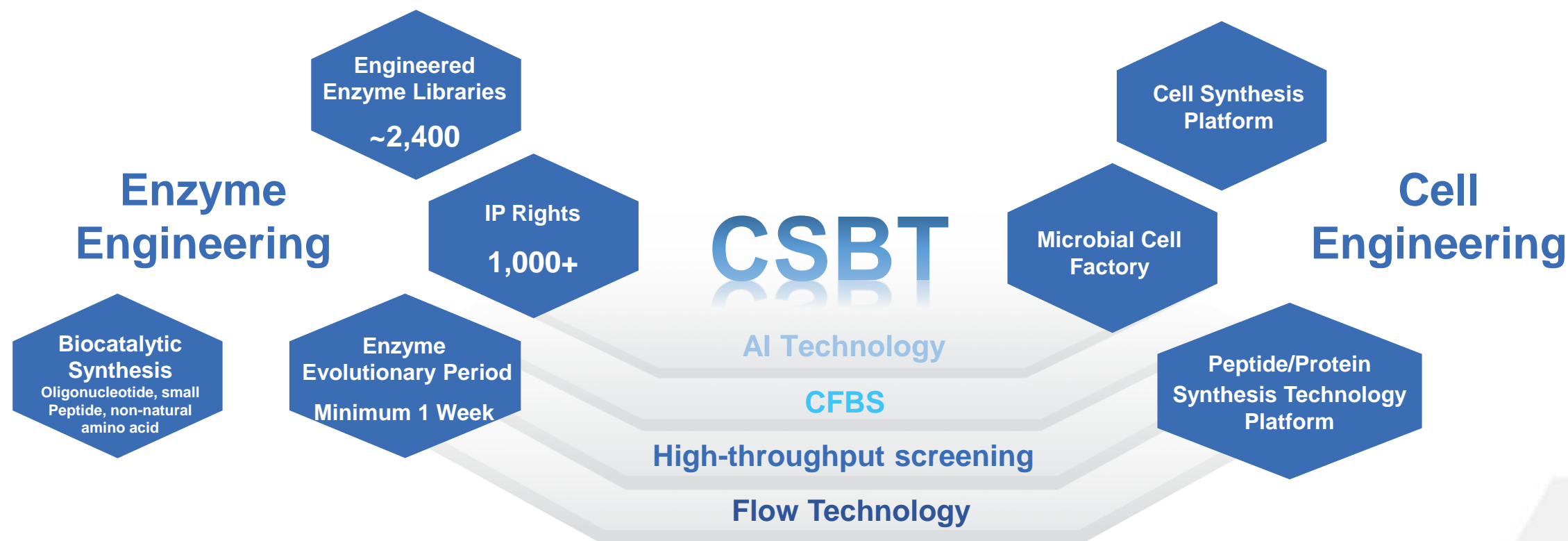
Completed fully continuous process packages for **several thousand** or even **ten thousand-ton** projects

Enhance  
Efficiency & Safety



Cost  
Saving





Established mature capability of one-stop synthetic biology service starting from molecular biology (recombinant expression), changing the traditional chemical synthesis process



- Completed the construction of **non-natural amino acid full continuous synthesis platform**
- Achieved a number of **tonnage continuous enzyme catalysis commercial production projects**
- Finished construction of the polypeptide biosynthesis technology platform



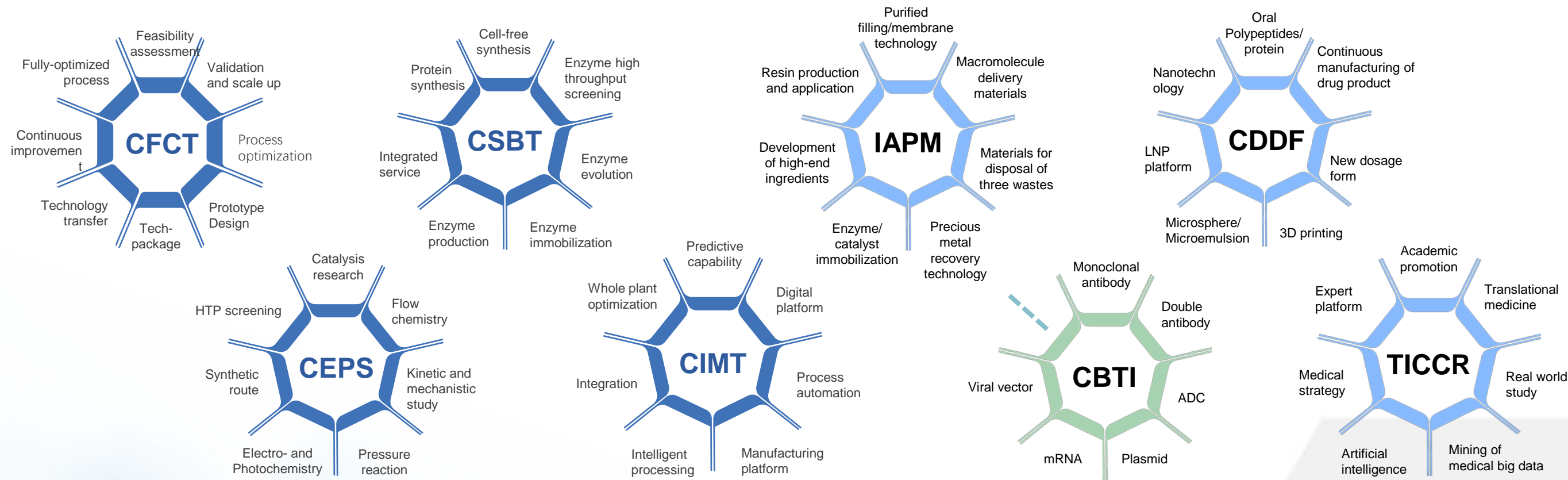
- Finished construction and filing of **BSL-2 laboratory**
- Launched **50L GMP Lab** into production
- Undertook the **1<sup>st</sup> IND filing project**



- Won **70+** orders for synthetic biology technology
- Contacted nearly **50** new customers
- Completed the **1<sup>st</sup> order** for enzyme evolution



# Eight R&D Platforms and Talents Striving to Create Innovative Breakthroughs



2023H1, Our **research expense** reached RMB323 mm, increased by **22.8%** compared to the same period last year

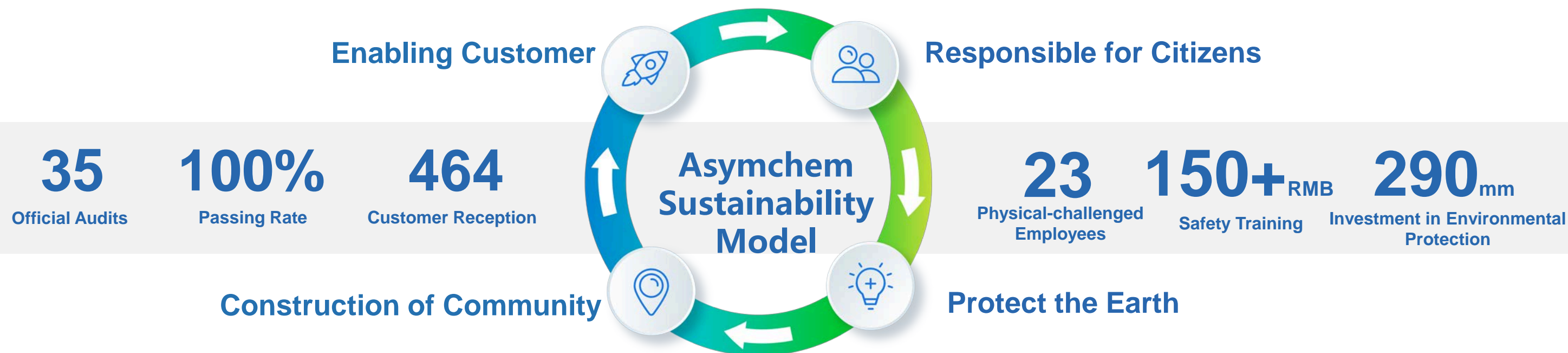
Further enhance our technical capabilities based on new technologies such as **flow and continuous reaction** and **biological enzyme technologies**, and promote application in the production of small molecule clinical and commercialization projects

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

Continuously strengthen talent recruitment and cultivation, and constantly improve the employment mechanisms, **accelerating the introduction of talents including business leaders and key technical positions in emerging business segments.**

In 2023H1, we introduced a total of **73** senior talents, including **32** individuals with Ph.D degrees, **10** senior executives and above, and **31** returnees and professionals with working experience in overseas pharmaceutical companies.



## ESG Related Awards



The Most Beautiful Low-carbon Plant in Tianjin Economic Technological Development Area



Demonstration Unit of Safety Culture Construction in Tianjin Development Zone of the Year 2022



**E药经理人**  
TOP10 Listed Chinese Pharmaceutical Companies with Most ESG Investment Value in 2022

## Protect the Environment by Green Technology



Research paper of Asymchem "Engineering a Transaminase for the Efficient Synthesis of a Key Intermediate of Rimegepant"

### Performance of Enzymatic Process

| Yield Improved by | Use of Noble Metal Catalyst | API Production Cost Reduced by |
|-------------------|-----------------------------|--------------------------------|
| <b>30%</b>        | <b>0</b>                    | <b>30%</b>                     |

### Performance of Flow & Continuous Technology

| Yield Improved by | Reduce Energy Consumption | Reduced Wastes |
|-------------------|---------------------------|----------------|
| <b>30%</b>        | <b>50%</b>                | <b>60%</b>     |

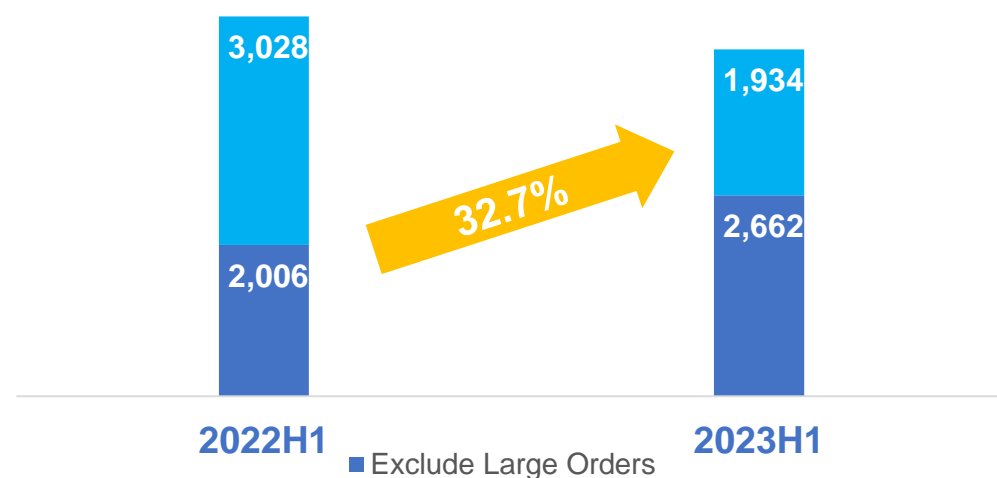
# 3

## Financial Performance



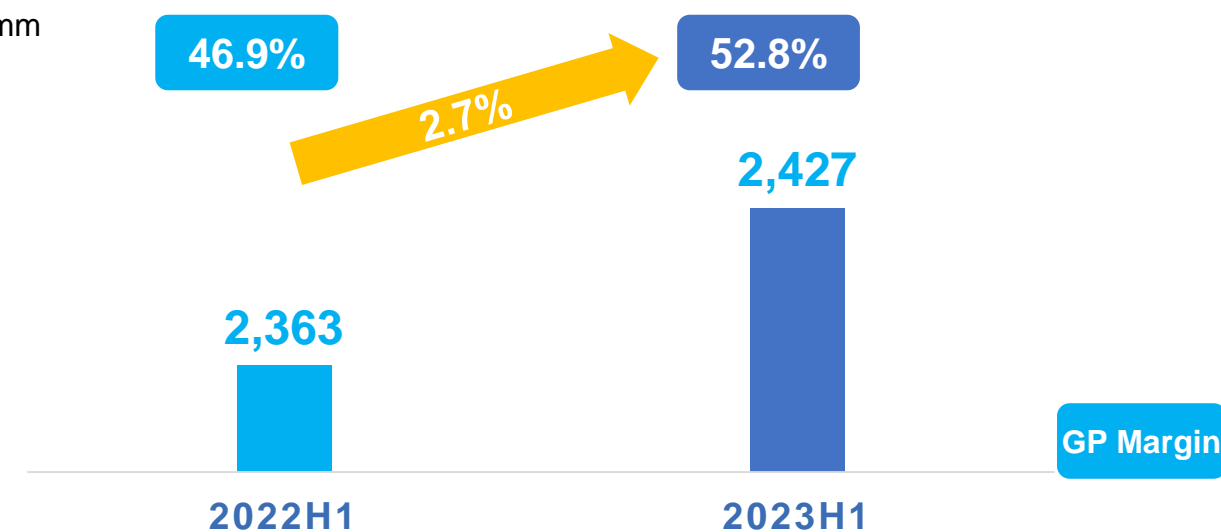
## Revenue

RMB mm



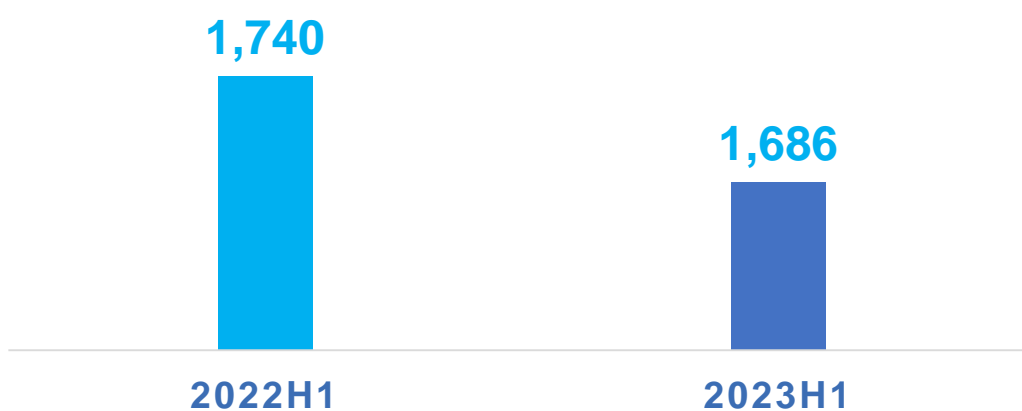
## Gross Profit & Gross Profit Margin

RMB mm



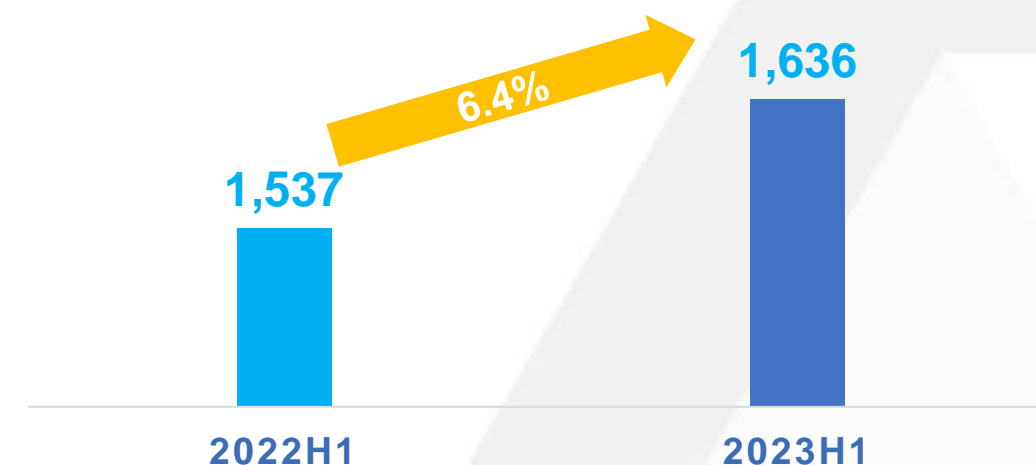
## Net Profit Attributable to Shareholders of the Company

RMB mm

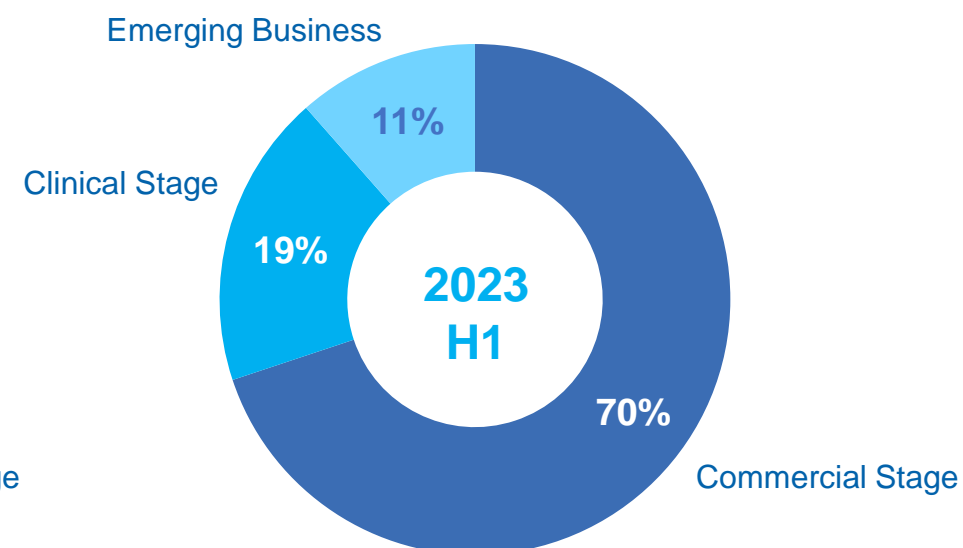
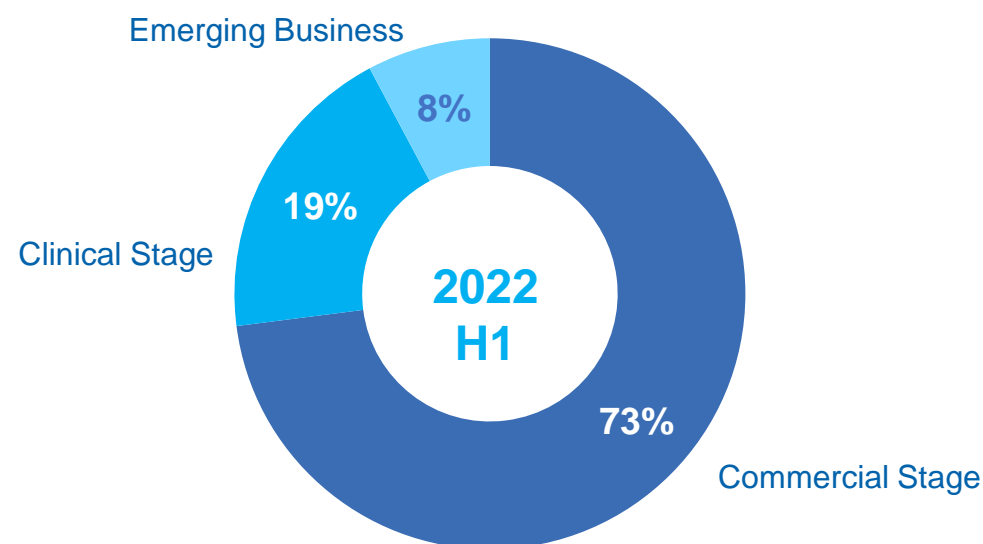


## Adjusted Net Profit Attributable to Shareholders of the Company<sup>1</sup>

RMB mm

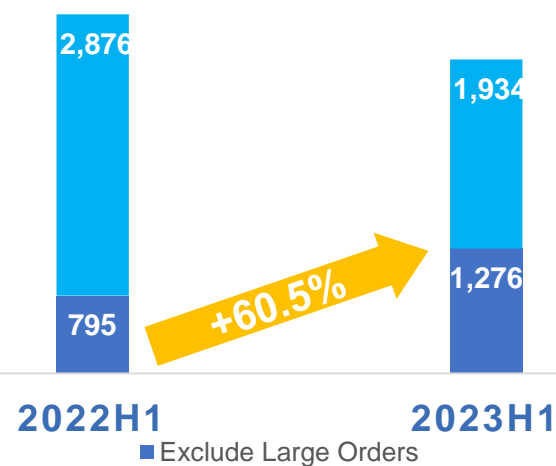






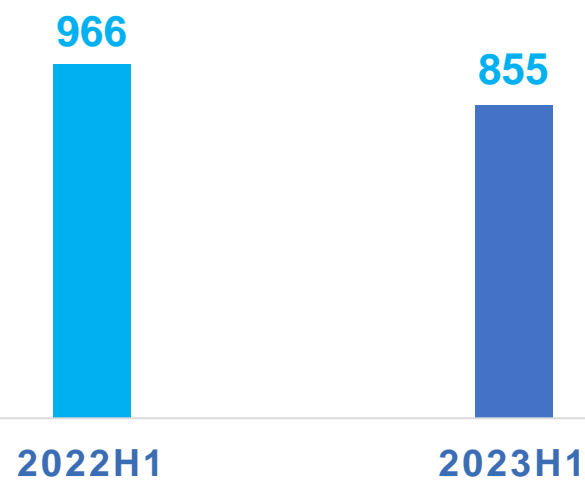
## Commercial Stage CDMO Services

RMB mm



## Clinical Stage CDMO Services

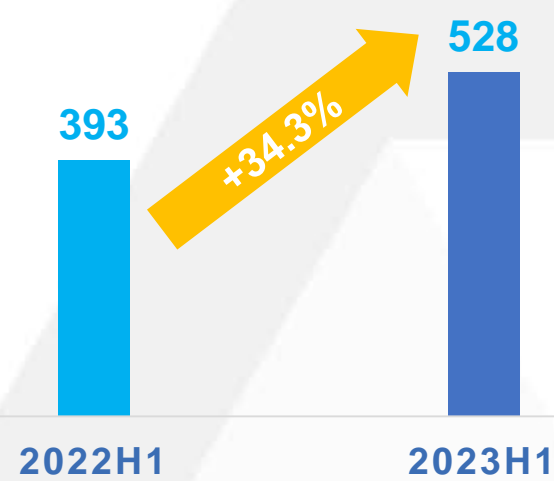
RMB mm



Revenue would have increased by 6.8% if exclude large-scale projects related to antiviral

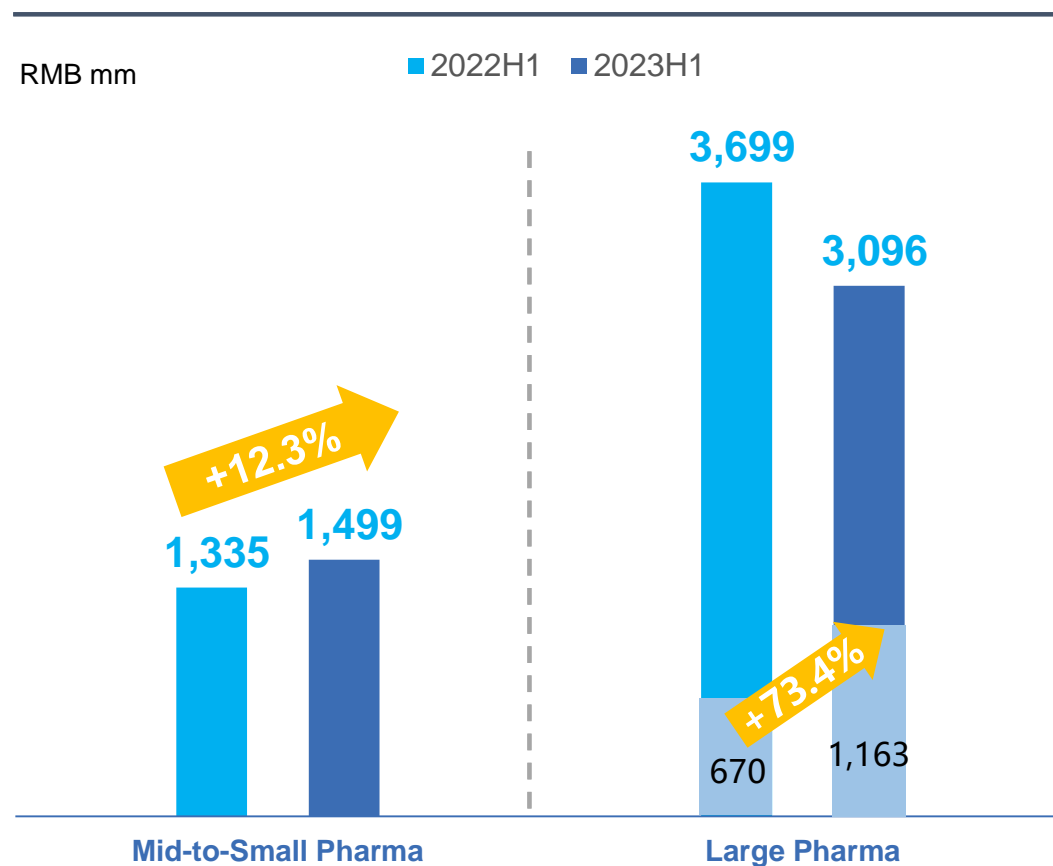
## Emerging business

RMB mm

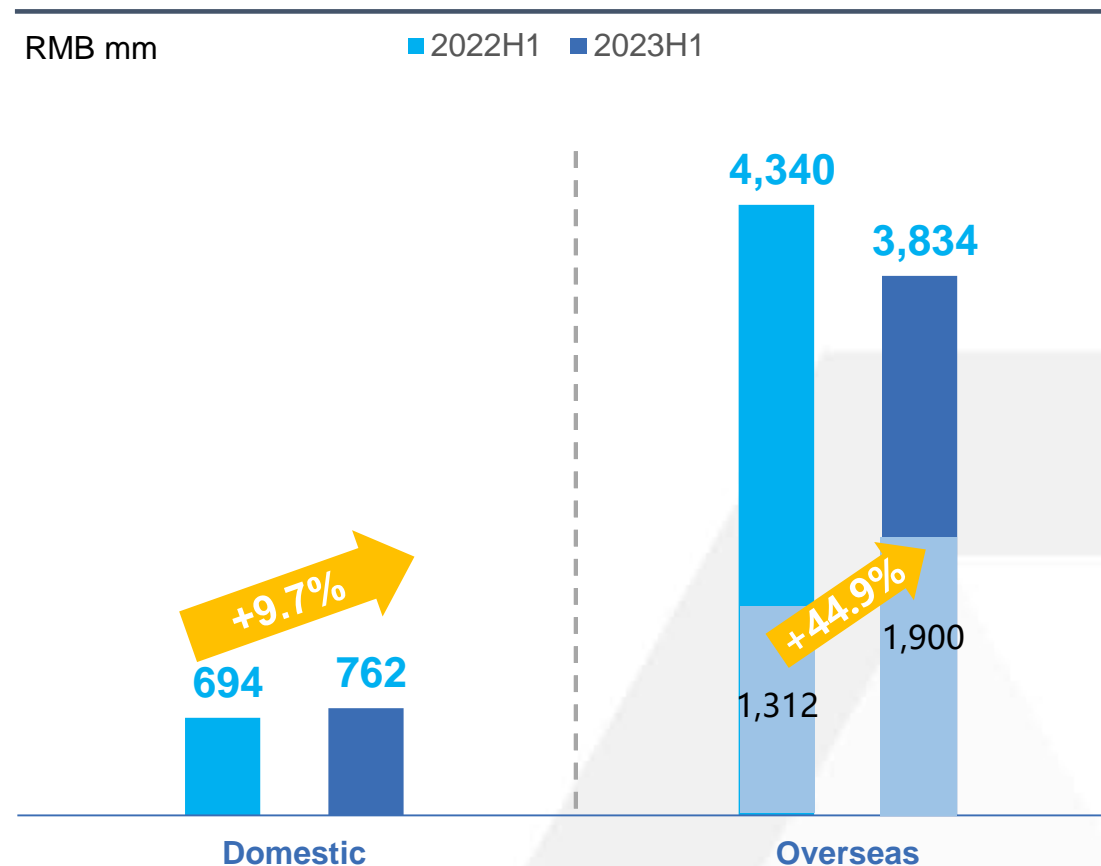


By consistently delivering high-quality services to key clients, the Company has expanded its customer base both domestically and internationally, resulting in increased market share

## Revenue by Customer Type



## Revenue by Customer Region



■ Exclude Large Orders

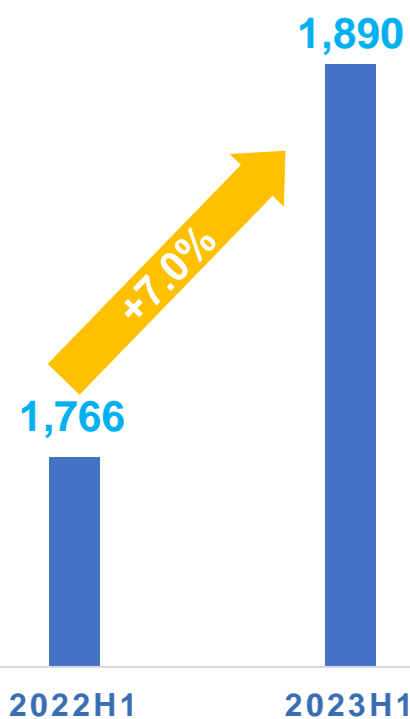
# Segment Gross Profit and Gross Profit Margin

## Commercial Stage CDMO Services

RMB mm

48.1%

58.9%



## Clinical Stage CDMO Services

RMB mm

44.4%

42.2%

429

361

2022H1

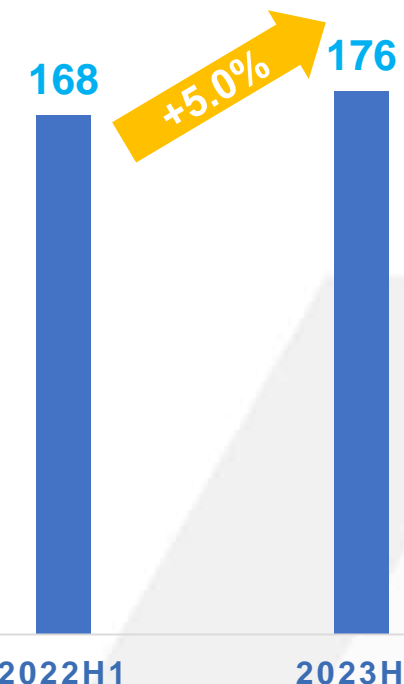
2023H1

## Emerging Business

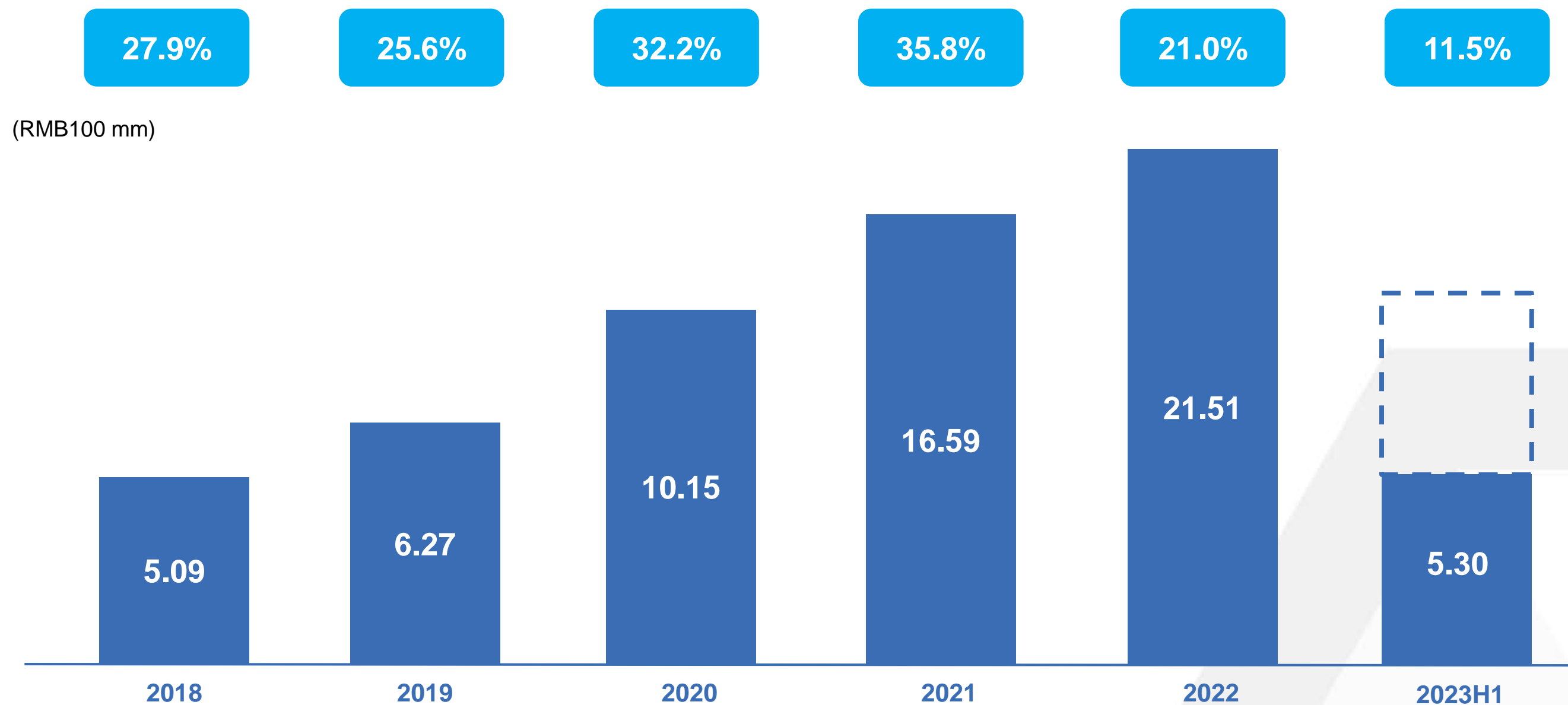
RMB mm

42.7%

33.4%

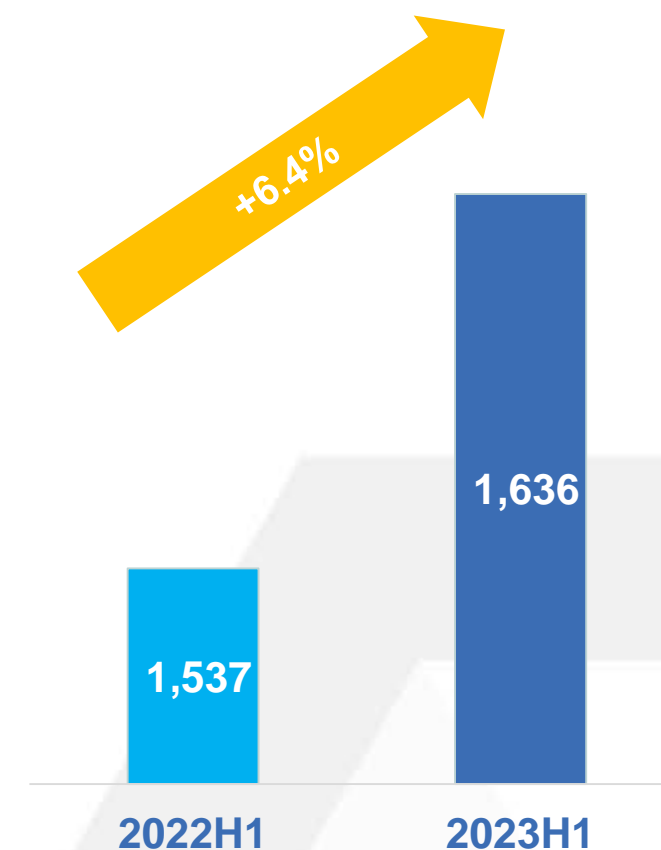


GP Margin





| (RMB mm)   | 2023H1 | 2022H1 |
|--|--------|--------|
| Net Profit Attributable to the Shareholders of the Listed Companies    | 1,686  | 1,740  |
| Plus:  |        |        |
| Equity Incentive Amortization Expense                                  | 23     | 35     |
| Gain or Loss on Exchange Rate Fluctuations                             | (82)   | (274)  |
| Income Tax Effect  | 9      | 36     |
| Adjusted Net Profit Attributable to Shareholders of the Listed Company | 1,636  | 1,537  |



# 4

## Outlook





Fully committed to business development to proactively acquiring new customers and projects to prepare for future growth in the next two years



Continue to enhance our competitiveness and expand market share of our small molecule business, aiming for achieving rapid growth in non-COVID related small molecule CDMO business



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



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



Improve our fixed asset turnover rate and remain disciplined on capital expenditure

# Appendix





# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

RMB mm

|  | 2023 H1        | 2022 H1        |
|--|----------------|----------------|
| <b>Revenue</b>   | <b>4,596</b>   | <b>5,034</b>   |
| <b>Cost of sales</b>   | <b>(2,169)</b> | <b>(2,671)</b> |
| <b>Gross profit</b>  | <b>2,427</b>   | <b>2,363</b>   |
| Other income and gains   | 289            | 347            |
| Selling and distribution expenses                                | (82)           | (51)           |
| Administrative expenses  | (351)          | (350)          |
| Research and development expenses                                | (323)          | (263)          |
| Impairment losses on financial and contract assets, net          | (16)           | (53)           |
| Other expenses   | (9)            | (6)            |
| Finance costs  | (3)            | (8)            |
| Share of profits/(losses) of associates                          | (3)            | 9              |
| <b>Profit before tax</b>   | <b>1,928</b>   | <b>1,988</b>   |
| Income tax expense   | (246)          | (248)          |
| <b>Profit for the year</b>                                       | <b>1,682</b>   | <b>1,740</b>   |
| Attributable to:   |                |                |
| <b>Owners of the parent</b>                                      | <b>1,686</b>   | <b>1,740</b>   |
| Equity incentive amortization expense                            | 23             | 35             |
| Gain or loss on exchange rate fluctuations                       | (82)           | (274)          |
| Income tax effect  | 9              | 36             |
| <b>Adjusted Net Profit Attributable to Owners of the company</b> | <b>1,636</b>   | <b>1,537</b>   |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

RMB mm

|   | 2023 H1       | 2022          |
|---|---------------|---------------|
| <b>Non-current assets</b>                             |               |               |
| Property, plant and equipment                         | 5,039         | 4,830         |
| Right-of-use assets                                   | 525           | 540           |
| Goodwill  | 146           | 146           |
| Other intangible assets                               | 57            | 58            |
| Deferred tax assets                                   | 191           | 178           |
| Investments in associates                             | 274           | 277           |
| Prepayments, deposits and other receivables           | 208           | 237           |
| Financial assets at fair value through profit or loss | 138           | 113           |
| <b>Total non-current assets</b>                       | <b>6,578</b>  | <b>6,379</b>  |
| <b>current assets</b>                                 |               |               |
| Inventories   | 788           | 1,510         |
| Trade receivables                                     | 2,525         | 2,451         |
| Contract assets                                       | 78            | 64            |
| Prepayments, deposits and other receivables           | 326           | 376           |
| Tax recoverable                                       | 1             | 18            |
| Financial assets at fair value through profit or loss | 1,860         | 2,151         |
| Cash and bank balances                                | 7,041         | 5,290         |
| <b>Total current assets</b>                           | <b>12,619</b> | <b>11,860</b> |
| <b>Total assets</b>                                   | <b>19,197</b> | <b>18,239</b> |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

|   | 2023 H1       | 2022          |
|---|---------------|---------------|
| <b>Current liabilities</b>                  |               |               |
| Trade payables                              | 414           | 569           |
| Other payables and accruals                 | 1,388         | 1,511         |
| Lease liabilities                           | 31            | 28            |
| Amounts due to related party                | 1             | 1             |
| Tax payable                                 | 143           | 68            |
| <b>Total current liabilities</b>            | <b>1,977</b>  | <b>2,177</b>  |
| <b>Non-current liabilities</b>              |               |               |
| Deferred income                             | 225           | 168           |
| Lease liabilities                           | 103           | 110           |
| Deferred tax liabilities                    | 100           | 89            |
| <b>Total non-current liabilities</b>        | <b>428</b>    | <b>367</b>    |
| <b>Equity</b>                               |               |               |
| Share capital                               | 370           | 370           |
| Restricted Shares under share-based payment | (640)         | (1,247)       |
| Other reserves                              | 17,019        | 16,524        |
| Non-controlling interests                   | 43            | 48            |
| <b>Total equity</b>                         | <b>16,792</b> | <b>15,695</b> |



# THANK YOU !

