



2023 Q1-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.

6.3

Revenue
(RMB bn)
(18.6%)

Excluding large orders

↑ +24.0%

2,210

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

(18.8%)

2,193

Adjusted Net Profit
(RMB mm)

(5.4%)

2,864

Net Cash Flow from
Operating Activities
(RMB mm)

↑ +0.9%

53.8%

Gross Profit Margin

↑ +7.0%

34.8%

Net Profit Margin Attributable to
Shareholders of the Company

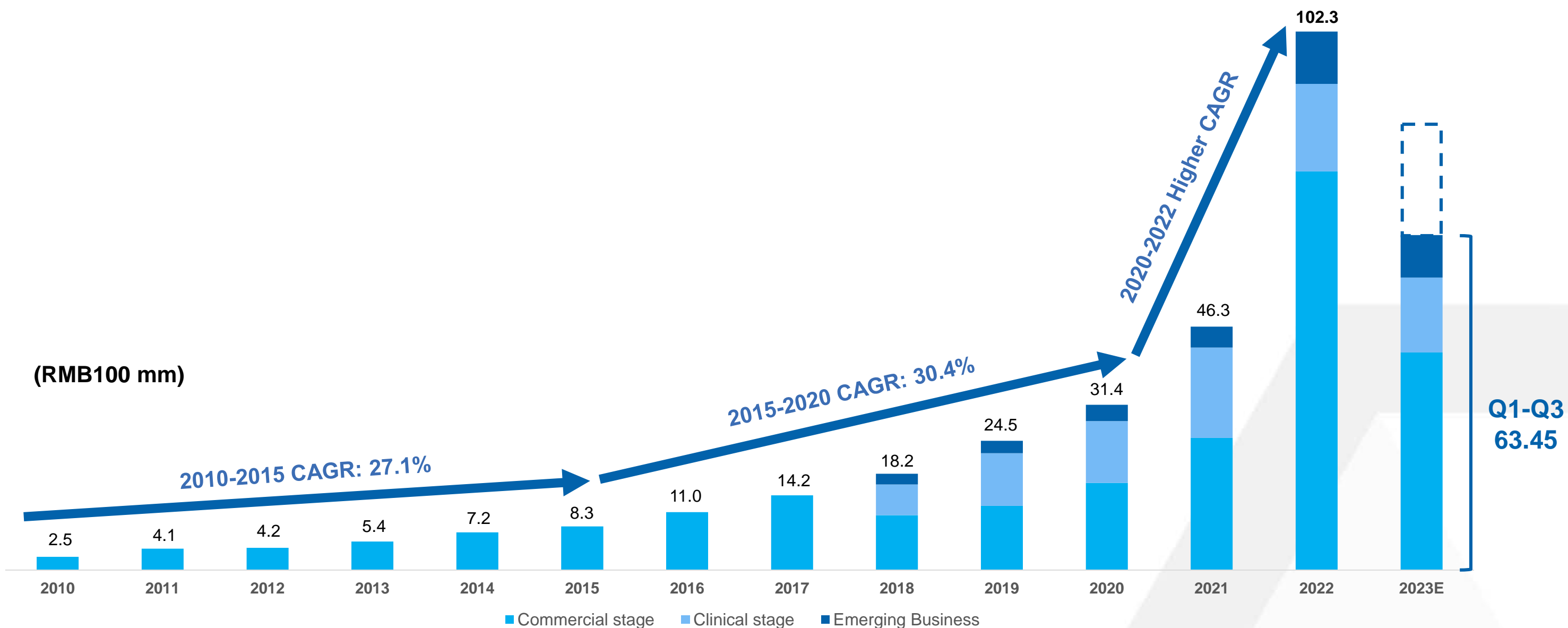
(0.1%)

34.6%

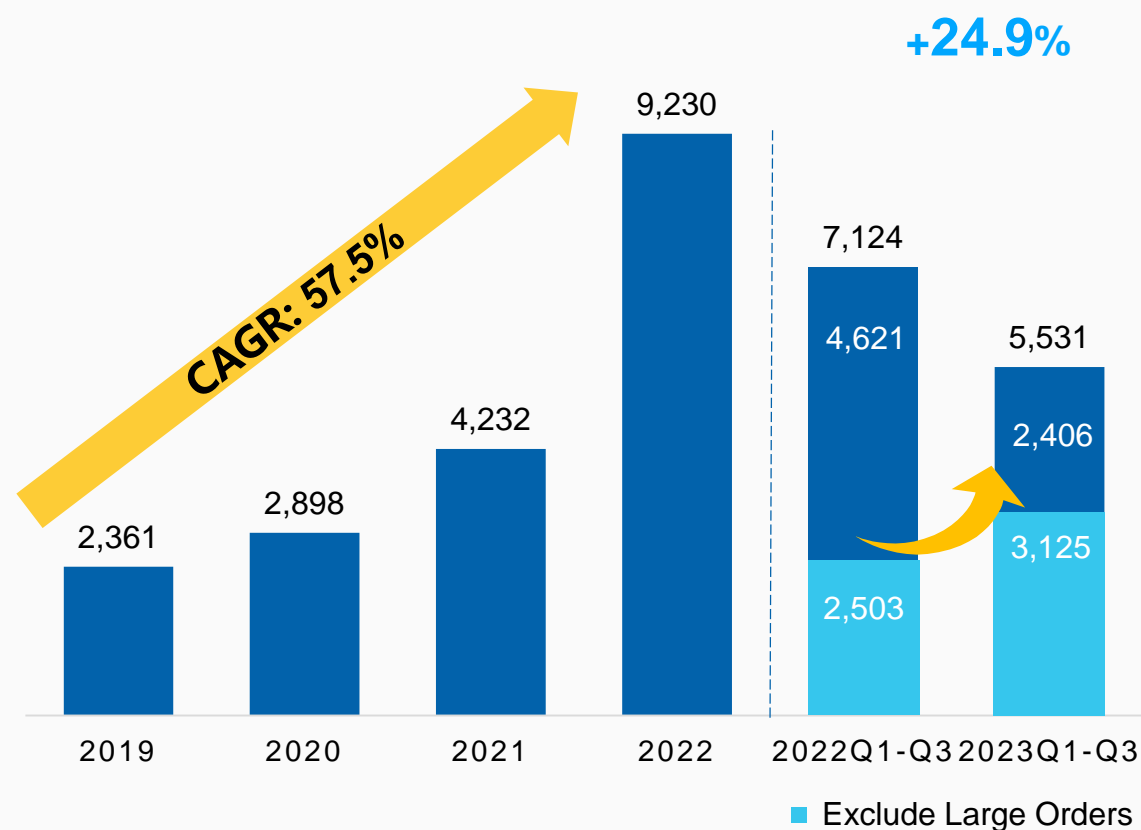
Adjusted Net Profit Margin

↑ +4.9%

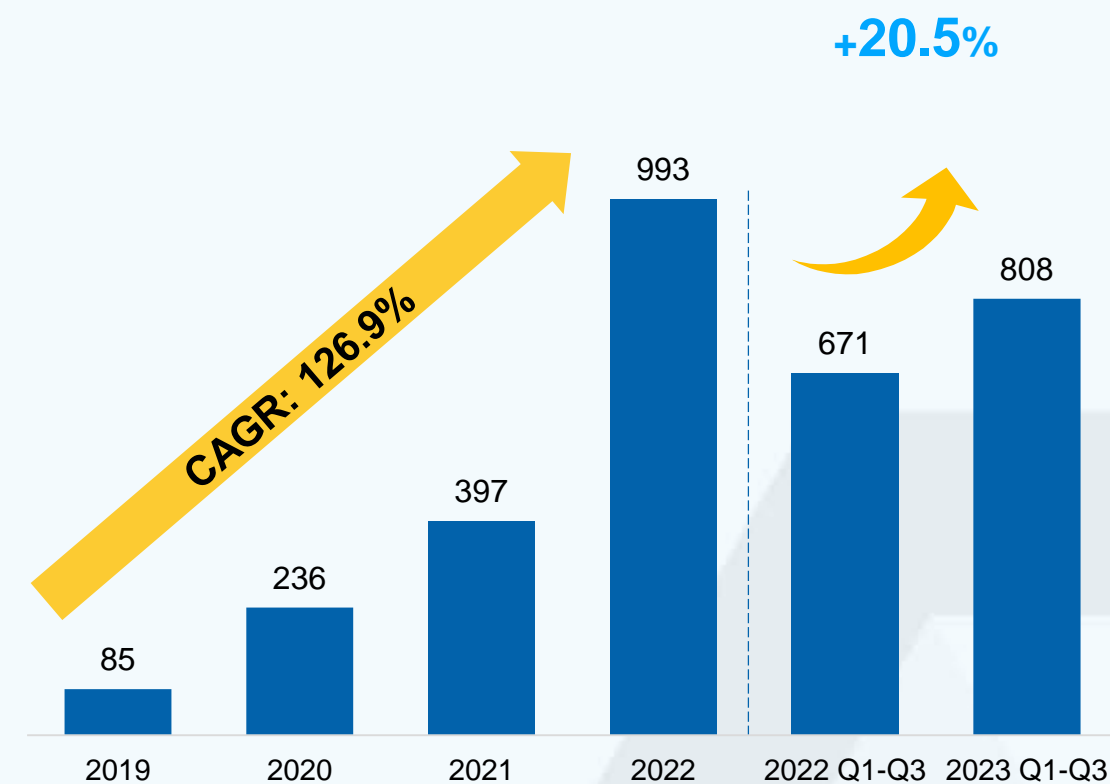
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Revenues from Small Molecule CDMO Services (RMB mm)



Revenues from Emerging Services (RMB mm)



The revenue from multinational pharmaceutical companies in our small molecule CDMO business increased by **65.8%** compared to the same period last year when excluding large orders.

Q1-Q3 Gross Profit and Gross Profit Margin

RMB mm

46.8%

53.8%

3,652

3,416

GP
Margin

2022 Q1-Q3

2023 Q1-Q3

Q1-Q3 Cash Generated from Operations

RMB mm

0.9%

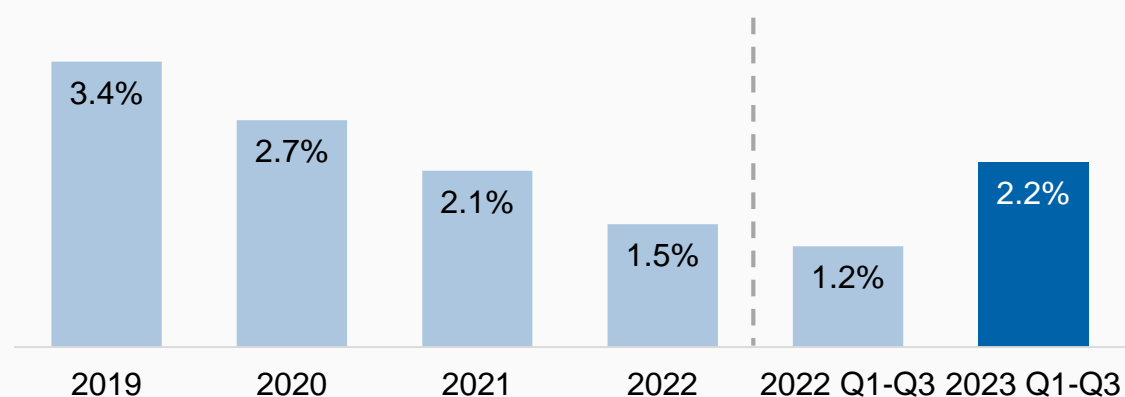
2,839

2,864

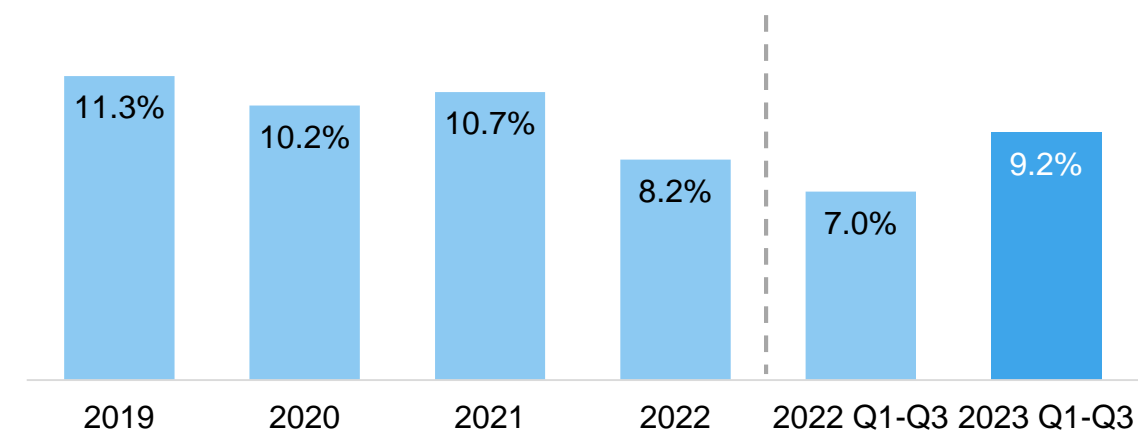
2022 Q1-Q3

2023 Q1-Q3

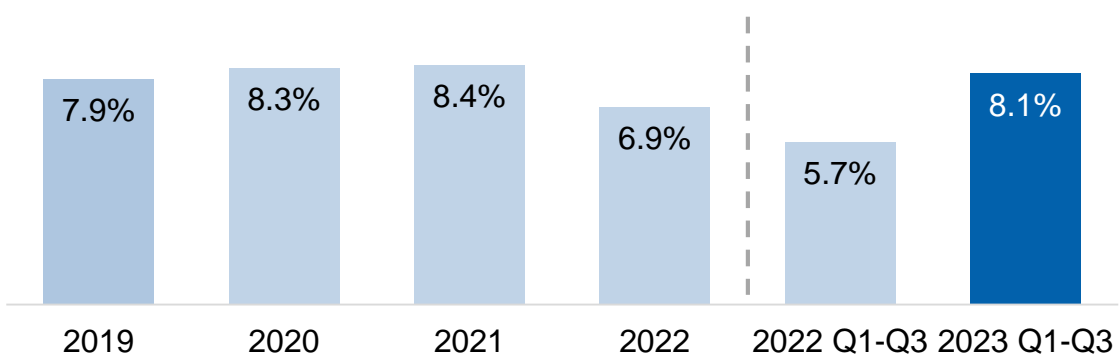
Selling and Distribution Expenses as % of Total Revenue



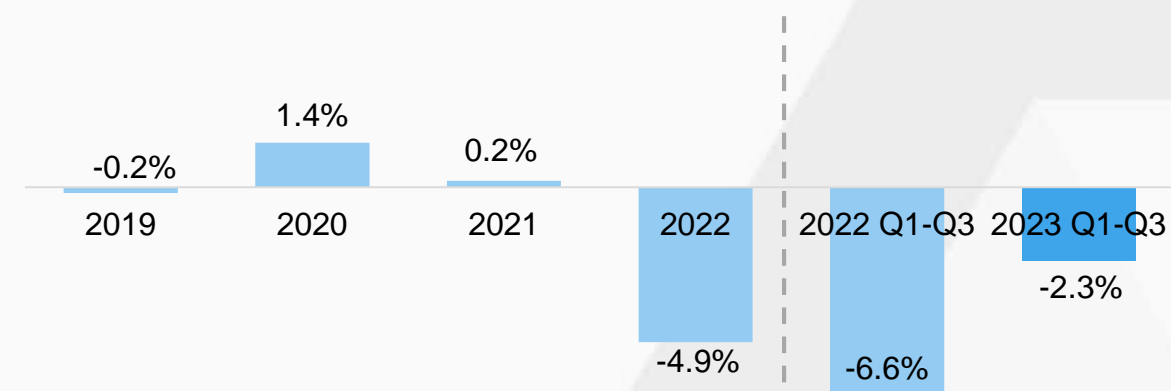
Administrative Expenses* as % of Total Revenue



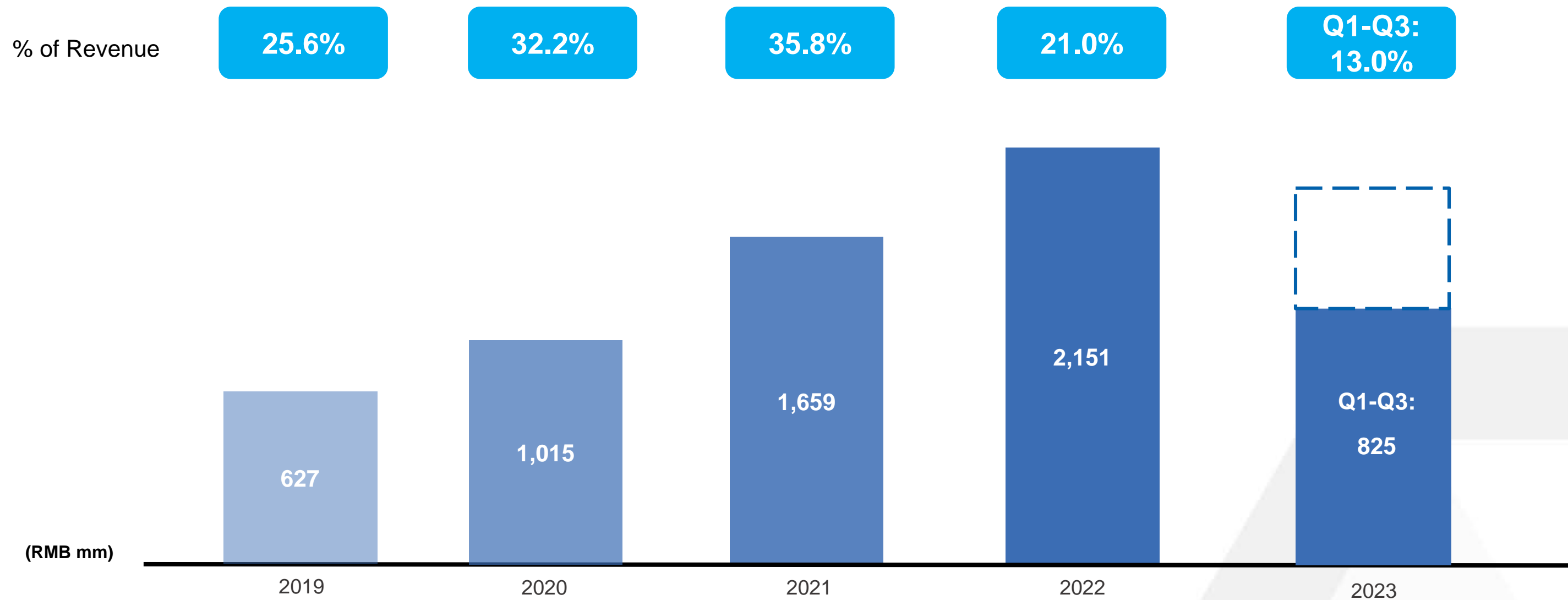
R&D Expenses as % of Total Revenue



Finance Costs* as % of Total Revenue



*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..



RMB mm	2022 Q1-Q3	2022 Q1-Q3
Net Profit Attributable to Shareholders of the listed Company	2,210	2,721
Plus:		
Amortization Expenses of Share-based Compensation	38	41
Gain or Loss on Exchange Rate Fluctuations	(58)	(516)
Income Tax Effect	3	71
Adjusted Net Profit Attributable to Shareholders of the listed Company	2,193	2,317
Adjusted Net Profit Margin	34.6%	29.7%



Appendix



Consolidated Statement of Profit as at the Beginning of the Year to the End of Reporting Period

RMB mm

	Q1-Q3 2023	Q1-Q3 2022
Revenue	6,345	7,798
Cost of sales	(2,929)	(4,146)
Gross profit	3,416	3,652
Other income and gains	305	623
Selling and distribution expenses	(139)	(96)
Administrative expenses	(583)	(547)
Research and development expenses	(513)	(442)
Net impairment losses on financial and contract assets	(16)	(3)
Other expenses	(4)	(8)
Finance costs	(1)	(62)
Share of (loss)/profit of associate	23	5
Profit before tax	2,488	3,122
Income tax expense	(287)	(401)
Profit for the period	2,201	2,721
Attributable to:		
Owners of the parent company	2,210	2,721
Plus:		
Amortization expenses of share-based compensation	38	41
Gain or loss on exchange rate fluctuations	(58)	(516)
Income tax effect	3	71
Adjusted net profit attributable to shareholders of the listed company	2,193	2,317

RMB mm

	Q3 2023	2022
Non-current assets		
Property, plant and equipment	5,046	4,830
Right-of-use assets	428	540
Goodwill	146	146
Other intangible assets	149	58
Deferred tax assets	253	178
Investments in associates	272	277
Prepayments, deposits and other receivables	278	237
Financial assets at fair value through profit or loss	133	113
Total non-current assets	6,705	6,379
Current assets		
Inventories	880	1,510
Trade receivables	2,476	2,451
Contract assets	83	64
Prepayments, deposits and other receivables	414	376
Tax recoverable	1	18
Financial assets at fair value through profit or loss	2,105	2,151
Cash and cash equivalents	7,100	5,290
Total current assets	13,059	11,860
Total assets	19,764	18,239

Consolidated Statement of Financial Position (continued)

RMB mm

	Q3 2023	2022
Current liabilities:		
Trade payables	395	570
Other payables and accruals	964	1,234
Contract liabilities	356	277
Lease liabilities	19	28
Taxes payables	61	67
Total current liabilities	1,795	2,177
Non-current liabilities:		
Other payables and accruals	228	168
Lease liabilities	108	110
Deferred tax liabilities	161	89
Total non-current liabilities	497	367
Total liabilities	2,292	2,544
Owners' equity:		
Share capital	370	370
Restricted shares under share-based payment	(507)	(1,247)
Capital reserve	17,571	16,524
Non-controlling interests	38	48
Total equity	17,472	15,695