



2024 Interim Results

Asymchem Laboratories (Tianjin) Co., Ltd.

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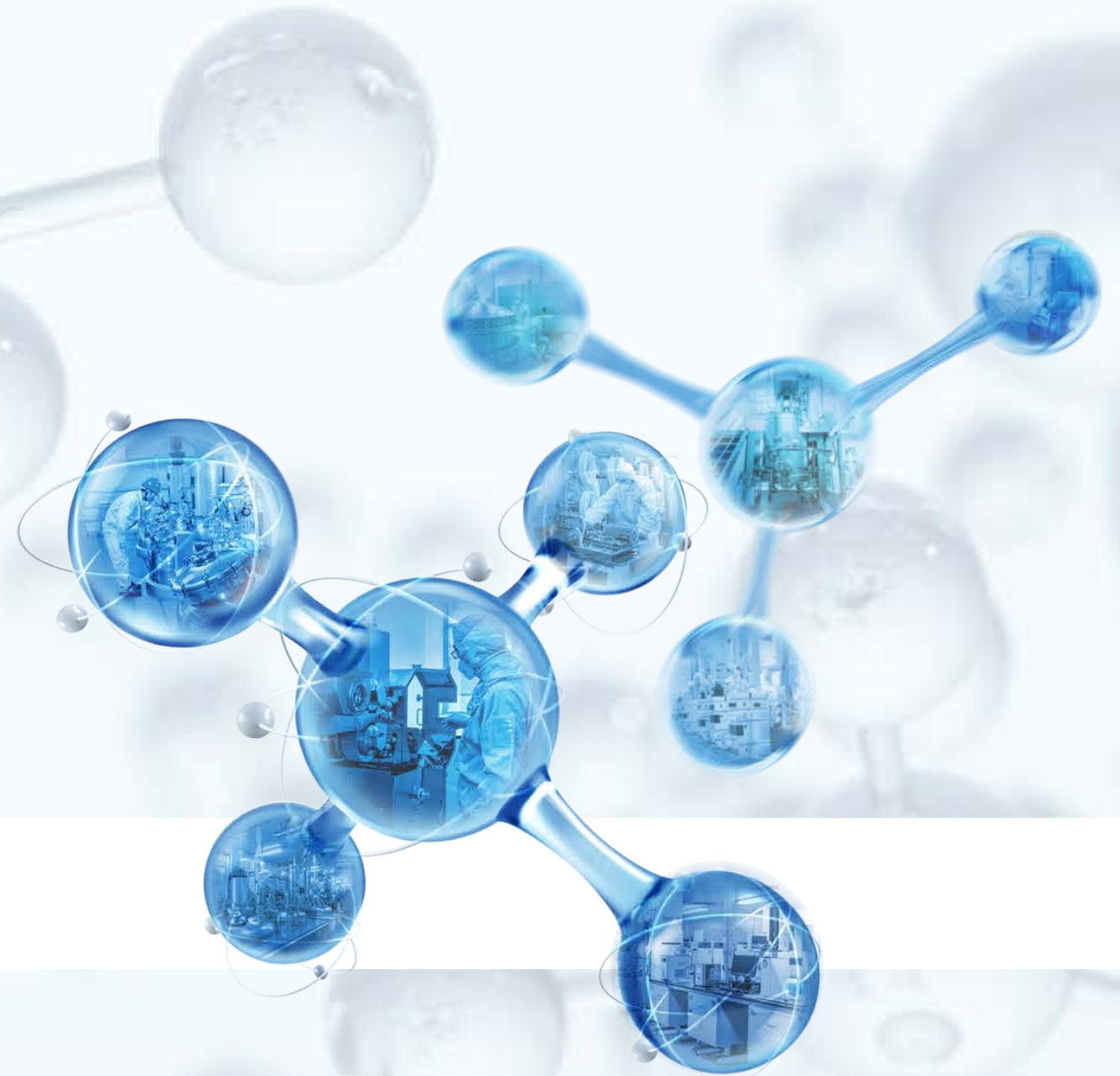
All financials disclosed in this document are presented in accordance with International Financial Reporting Standards (“**IFRS**”s) except for those specifically noted otherwise.

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.

Contents

- 1 Performance Overview
- 2 Business Highlights
- 3 Financial Performance
- 4 2024H2 Outlook





1

Performance Overview



2,655**Revenue
(RMB mm)**

(42.2%)

Excluding large orders

(0.3%)

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

970**Backlog
(\$ mm)**

41.2%**Gross Profit Margin**

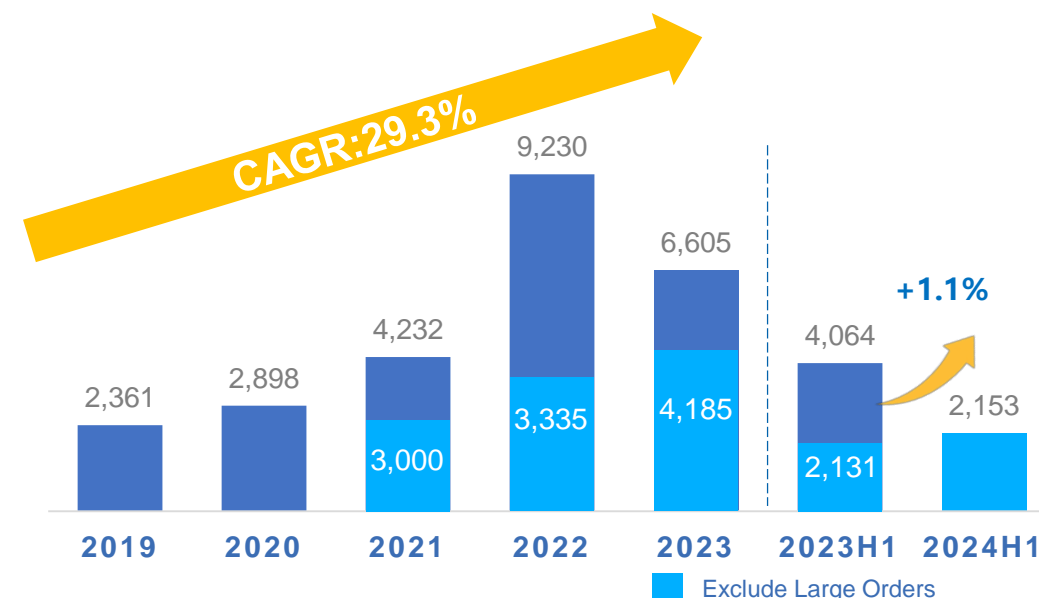
(11.6pts)

@CER (12.4pts)

18.8%**Net Profit Margin Attributable to
Shareholders of the Company**

30.0%**EBITDA Margin**

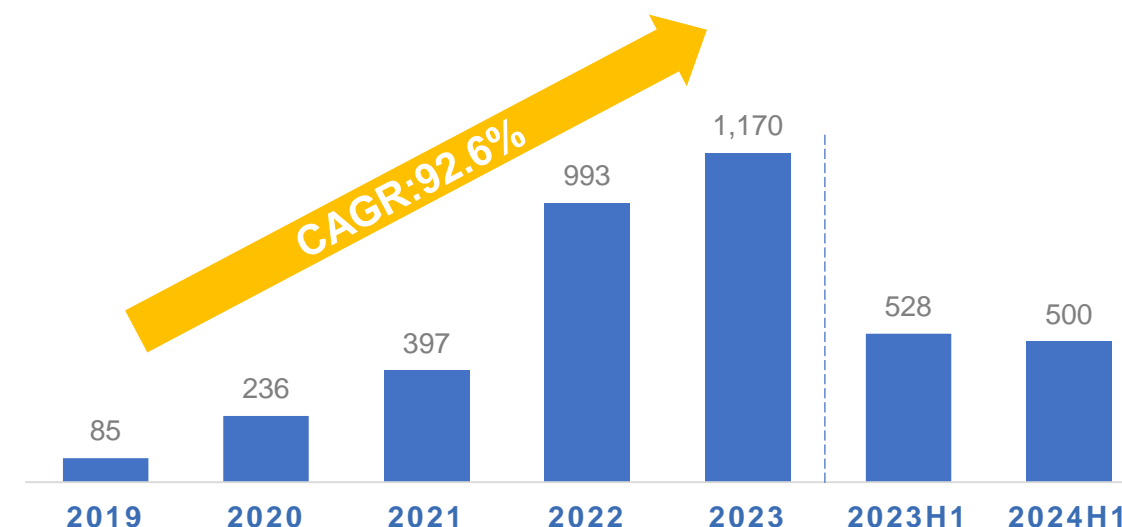
Revenues from Small Molecule CDMO Services (RMB mm)



Small Molecule CDMO Service

- Revenue reached **RMB2,153 mm** marking a *pop*¹ increase of **1.1%** excluding large orders
- Delivered **353** projects with an increase of **13.9%** vs. 2023H1, including:
 - 61** clinical phase III projects
 - 43** commercialization projects
- Commercialization projects achieved revenue of **RMB1,366 mm** with a *pop* growth of **7.1%** if excluding the effect of large orders in 2023H1

Revenues from Emerging Services (RMB mm)



Emerging Business

- Emerging business contributed **RMB500 mm** in revenue, experiencing a **5.3%** decrease vs. 2023H1, the gross profit margin was **20.2%** due to the continued downturn with domestic market and some businesses still being in a capacity ramp up phase
- Continues to focus on **enhancing competitiveness** and actively **advancing market expansion**. As of this announcement date, the estimated emerging business **PPQ**² reached **9**, forming a sufficient **reserve of commercial orders**

Large Pharma and Overseas Customers Maintain Revenue Growth

RMB mm

Revenue from All Types of Customers

Large Pharma
Exclude Large Orders
+10.3%

1,282

Mid-to-Small Pharma
(8.4%)

1,373

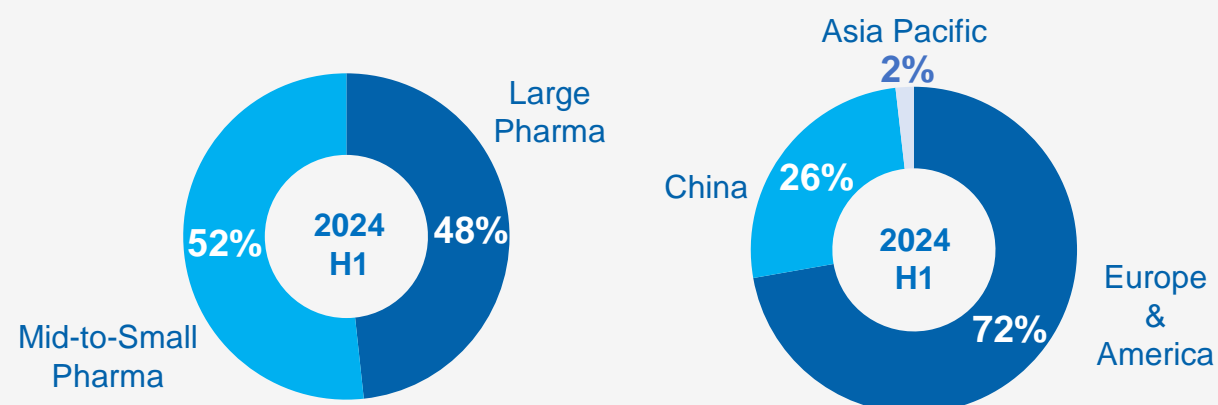
Overseas Market
Exclude Large Orders
+3.5%

1,966

Domestic Market*
(9.5%)

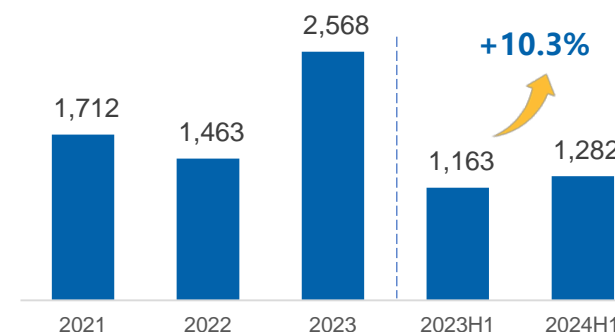
689

- Expanded 114 new customers during 2024H1, and achieved a *pop* growth of over 20% in new orders
- A significant quarter-on-quarter growth in the 2nd quarter, with order growth from customers in **European and American** outpacing the overall order growth rate of the Company

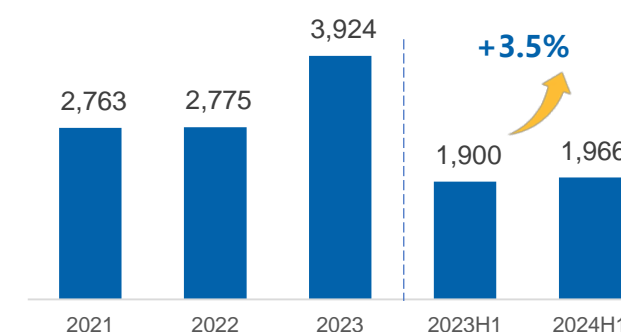


Revenue from Large Pharma (Exclude Large Orders)

RMB mm

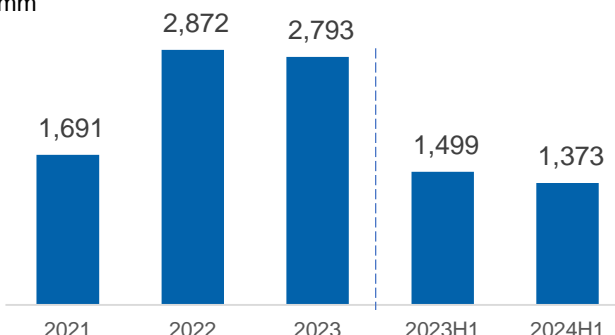


Revenue from Overseas Market (Exclude Large Orders)

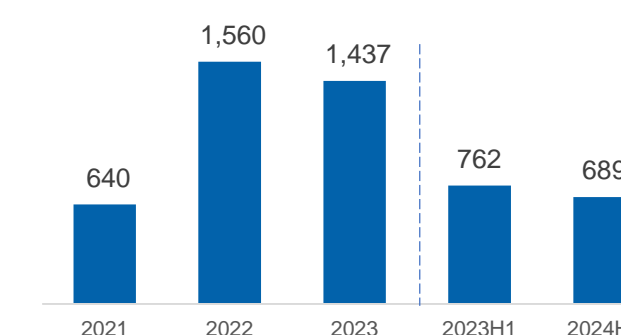


Revenue from Mid-to-Small Pharma

RMB mm



Revenue of Domestic Market



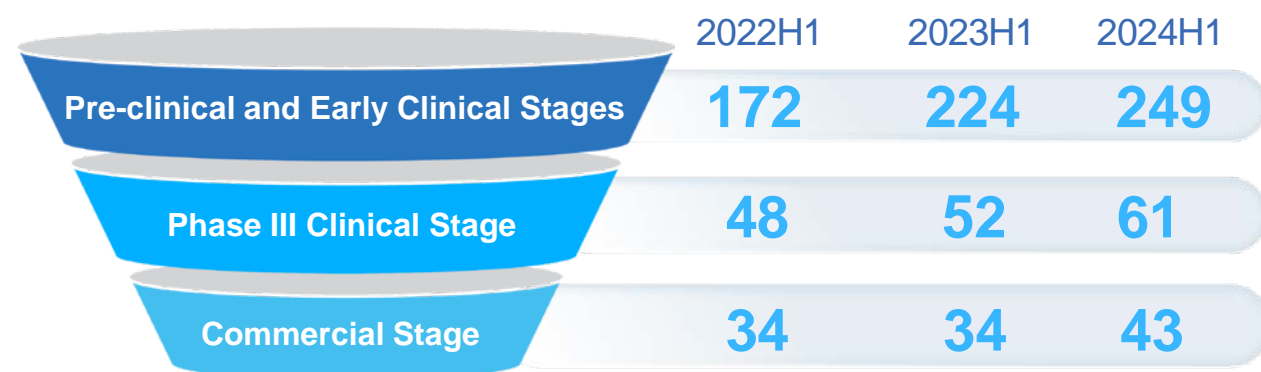
- European market** experienced a breakthrough in revenue, with a growth of **22.1%**
- U.S. Clients** Revenue was **RMB1,742 mm**, showing a substantial *pop* growth of **24.8%** vs. 2023H1 excluding large orders

2

Business Highlights



Small Molecule Business Maintains Steady Growth



Despite ongoing challenges in global biopharmaceutical industry, small molecule CDMO business:

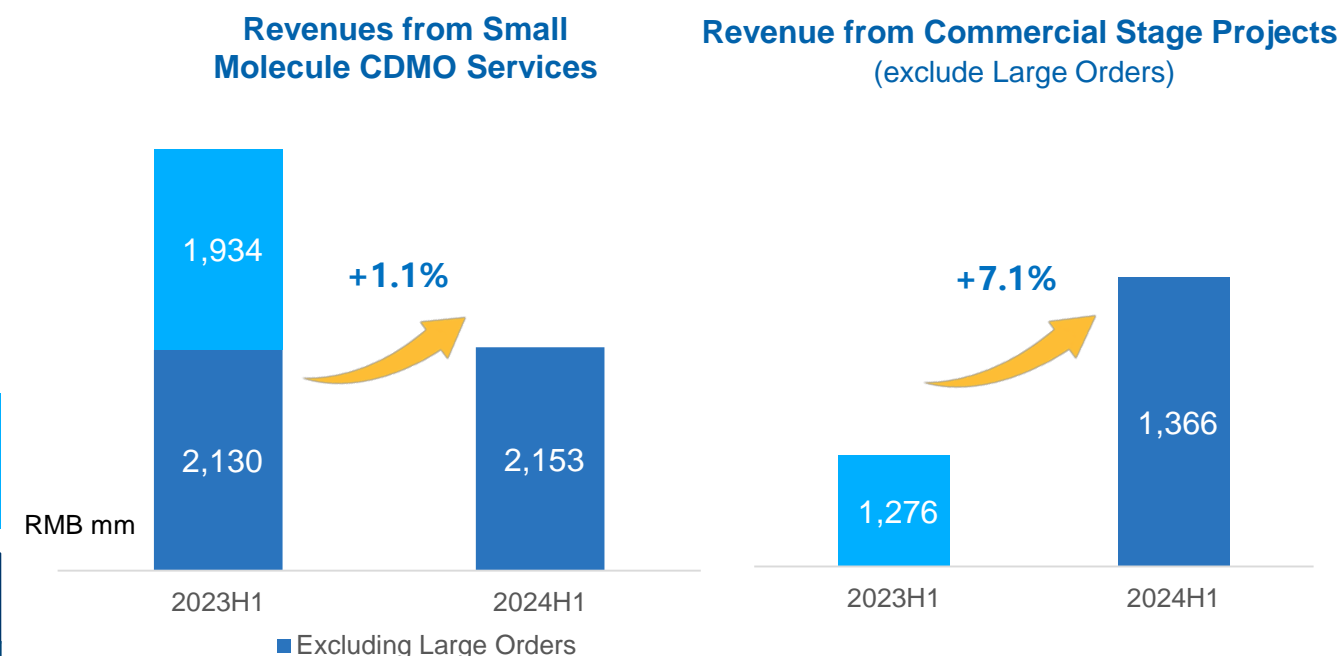
- Generated revenue of **RMB2,153 mm**, marking a *pop* increase of **1.1%** excluding large orders
- Gross margin achieved **46.2%** through improvement of operational efficiency and cost control

Commercialization Projects as the Backbone to Continues Revenue Growth

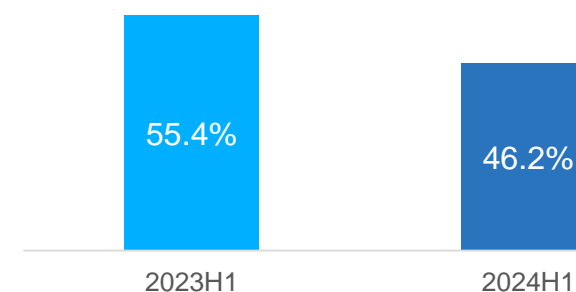
- Successfully progressed **43** commercialization projects with **9** projects more than 2023H1, resulting in revenue of **RMB1,366 mm**, and if excluding the effect of large orders, the revenue increased by **7.1%**
- With a strong track record in project delivery, the Company is well positioned to foster deeper collaboration with numerous international and domestic clients in commercialization projects

Reserves of Clinical Projects Ensured for Long-term Growth

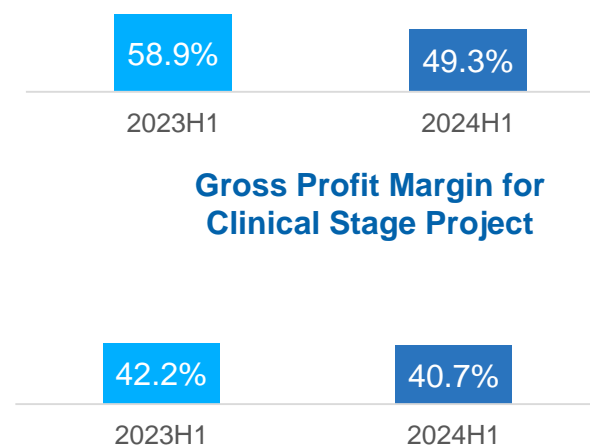
- Company had **310** clinical stage projects, including **61** clinical phase III. The recognized revenue from clinical projects reached **RMB788 mm** with a decrease of **7.8%**
- It is expected that the number of projects reaching **PPQ stage in the 2024H2** will reach **28**, which established a sufficient reserve of commercial orders, providing strong support for long-term and steady performance growth



Gross Profit Margin for Small Molecule CDMO Services



Gross Profit Margin for Commercial Stage Projects



Gross Profit Margin for Clinical Stage Project



(19.3%)

Revenue

72

New Projects

+119%

Backlog

Business Progress

- 2024H1, we secured **several late stage peptide projects** from **major pharmaceutical companies** in Europe and the U.S., successfully passed **domestic GLP-1 peptide project** dynamic verification
- Continued to advance **Oligonucleotide business**, undertaking over **29** new projects, representing a *pop* **70.6%** growth, and made strides in the **commercial deployment of CpG adjuvants**
- The **toxin-conjugate business** is advancing rapidly, with **11** NDA projects from **8** clients steadily progressing, including **3** projects from **2** overseas clients
- **Lipid business** including cationic lipids, phospholipids, and PEG lipids, is developing rapidly. During the reporting period, **12** lipid projects were advanced in parallel, securing **4** IND stage projects from **2** MNCs¹ clients and establishing partnerships with several domestic clients

Capacity Expansion

- Company accelerated the construction of **peptide commercialization production capacity** to **14,250 liters** of total **solid-phase peptide synthesis capacity** by the mid 2024 to meet the commercial production needs of domestic and international clients
- For **R&D platform**, we continue to advance new technology and process development. **Enzyme conjugation technology** has been developed and applied in the solid-phase and liquid-phase synthesis of oligonucleotides and peptides. We completed the development of **substrate-related synthesis processes for RNA synthesis from scratch using enzymes** and for **enzyme-mediated peptide fragment conjugation**. In addition, we have accumulated process development and optimization for various novel toxin conjugates

(17.0%)

Revenue

80

No. of Projects Completed

16

Overseas Projects Completed

Business Progress

- We successfully completed **80** projects, with **150** ongoing projects in progress, encompassing **36** overseas projects. Our commercialized drug products are now ensuring stable market supply
- Underwent and passed **5** on-site inspections by drug regulatory agencies and over **20** audits by domestic and international customers, further demonstrating our robust **quality management system and international standard cGMP production capacity**, laying a solid foundation for providing **services from clinical to commercial production**
- Capability in **aseptic formulation** has continued to strengthen, the variety of **complex formulation project** types has continued to expand; rapidly undertook and delivered multiple types of **LNP¹ projects** through the **self-developed LNP technology platform**
- Capacity in **high-potency aseptic formulation** has been established and enhanced; the number of aseptic formulation projects involving **small nucleic acid** and **polypeptide** has significantly increased

Technology Platform

- The **solid dispersion technology platform** continues to be solidified, successfully completing production batches for multiple **late stage projects for NDA registration** and **PPQ**, helping customers meet demands for improving bioavailability of multiple insoluble API²
- The sustained strengthening of the **oral peptide delivery technology platform** has successfully facilitated clinical product delivery for multiple projects, significantly enhancing the bioavailability of peptides
- **Nanocrystal technology platform** has been continuously refined with multiple projects steadily progressing
- **New production capacity** for drug product business, encompassing pre-filled syringes and pen syringes, has been initiated and is expected to commence operation by 2025, with an annual output of up to **40 mm units per single production line**, providing a robust assurance for undertaking new projects

(23.4%)

Revenue

159

New Projects

103

phase II and
later stage projects

Business Progress

- Continued to implement our “**One-stop Integrated Development Services**” Grand Strategy, seamlessly connecting CMC, non-clinical, and clinical services to support customers in new drug research and development and undertook **19** integrated service orders and successfully obtained **3** implied **China IND approvals**
- Our global business continued to grow with **12** new global regulatory and clinical services orders. We initiated **2** cell therapy U.S. IND preparation for customers, contributing to **3** successful FDA submissions for customers
- Our regulatory affairs services facilitated **10** projects to obtain **China IND approvals**. The Company assisted **1** phase III oncology project IDMC¹ to **pass EMA¹ review**
- 2024H1, Company was conducting **281** clinical research projects, including **103** phase II and later stage projects

Capability Development

- We have reinforced our strengths in **oncology, immunology, infectious diseases, orthopedics, respiratory, hematology disease areas**, while achieving breakthroughs in **metabolism, digestion, dermatology, and urology**
- We advanced further in **rare diseases**, we have been awarded projects ALS², IPAP², brain glioma, IPF², Castleman³, ATTR-CM³, PKU³ and other fields, **accumulating extensive experience and expertise**

 **+1.9%**

Revenue

100+

Orders in Hand

50%+

Proportion of
ADC Projects

Business Progress

- Amassed nearly 100 orders in hand, including **IND, clinical and multiple BLA stage projects**, with ADC projects accounting for over **50%** of the total, and successfully securing orders from several **overseas customers**
- Passed the **EU QP audit** and obtained the **EU QP GMP Compliance Statement** in February 2024. In 2024H1, we underwent over **10** customer audits and third-party joint audits, with no major findings

Capability Development

- Leveraging rich project experience and specialized expertise in the toxin-linker sub-field, we swiftly developed a **one-stop ADC¹ service capability**. We have established a diverse and sophisticated **conjugate process platform**, enabling us to offer a **full range of CMC services, from IND to BLA for ADC**
- Supported by Asymchem's renowned quality management system, we have fully established an **international biopharmaceutical quality management system** upon the characteristics of biopharmaceutical macromolecules

~50mm

Revenue

Marketing Expansion

- Undertook **9** new overseas technology output projects
- Engaged with **over hundreds** customers across **28** provinces and municipalities

Business Progress

- **Several industrialization projects are underway**, including the commissioning trial of an advanced green pesticide enterprise (3,000mt/a) scheduled in 2024H2
- Will further penetrate both domestic and overseas markets, concentrate **on order securing and delivery**, and **consistently uphold our leadership in continuous flow technology R&D and application**

Focus on ensuring order fulfillment and delivery, technological innovation, capacity building, and service capability extension

13

New Patents

21

Newly Authorized
Patents

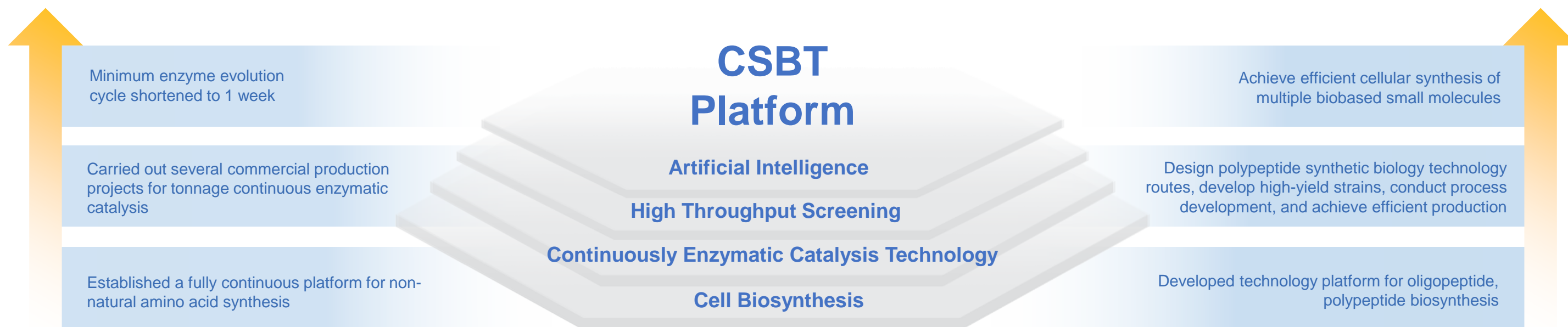
>30,000m²

R&D and Manufacturing
Center

>300

Team Member

Leveraging on strong R&D capabilities and over a decade of technological accumulation, we have **established a mature one-stop synthetic biology service capability starting from molecular biology (recombinant expression)**



Business Progress

+92.8%

Revenue

80%+

Overseas Revenue

Touch **50+** new customers

Expanded **collaboration with multiple MNCs** to pioneer early technical pathways for enzyme engineering

Capability Development

- Built upon **integrated enzyme engineering technology platform** encompassing enzyme screening, featuring enzyme screening, development, evolution, immobilization, fermentation production and process scale-up, we have integrated cell-free protein synthesis and AI-assisted technology, significantly accelerating the speed of the enzyme development and evolution
- Developed immobilized enzyme continuous reaction technology** has successfully been applied in the production of **multiple ton-scale products**. Compared to batch reactions, this technology elevates production capacity ranging from **20 to 1,000 times**, significantly reducing costs, improving efficiency, and reduces three wastes
- Leveraging our established **peptide biosynthesis technology platform**, we have implemented biocatalytic synthesis technology using non-natural amino acid raw materials, microbial fermentation for peptides, and enzyme ligation technology for peptide fragments in projects, offering clear advantages in cost and yield compared to previous technologies, earning recognition from major overseas customers
- Built **microbial cell factory technology platform**, combined with core advantages such as enzyme evolution technology, we have developed a series of **efficient strain modification technologies and HTS technologies**, and possessed the capability to utilize a variety of microorganisms for product development. With these advantages above, we established the layout of diverse product pipelines and continue to advance related R&D efforts

Accelerated Globalization and Commenced the First R&D and Pilot Production in Europe



We successfully secured a **research and API pilot production** located in Sandwich, U.K., and commenced operations in Aug 2024, enhancing our global supply chain and meeting a wider range of global partners' needs



Current Capacity

- Consistently upheld a world-class capability in **drug synthesis rapid route design**, **HTS**, **mature process**, **analysis and development** as well as production and operational management
- Leveraging its advanced **R&D and production facilities**, a team with over 15 years of relevant experience on average, and comprehensive drug R&D technology, Asymchem will implement a comprehensive upgrade

Future Plans

- Plans are underway to expand the site include capabilities for **peptides** and **oligonucleotides** production, utilizing **continuous flow** and **biocatalysis technologies** to enhance sustainability
- Further advance the development of **overseas commercial capacities**, accelerate the adoption and application of new technologies abroad, and offer more partners efficient, flexible, and **high-quality one-stop CDMO solutions**

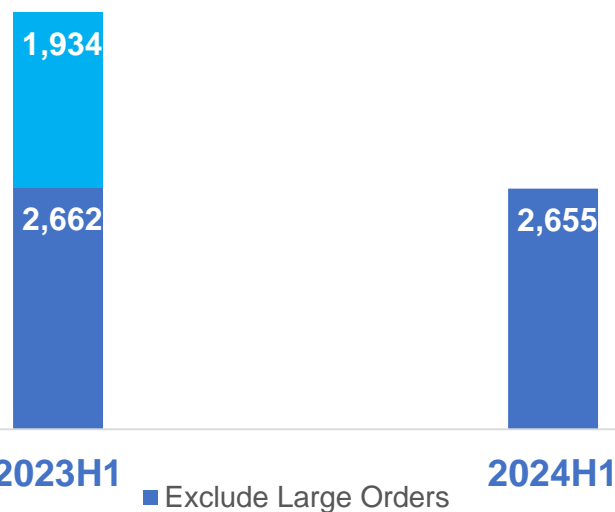
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Financial Performance



Revenue

RMB mm



Gross Profit & Gross Profit Margin

RMB mm

52.8%

41.2%

2,427

1,095

GP Margin

2023H1

2024H1

Net Profit Attributable to Shareholders of the Company

RMB mm

1,686

499

2023H1

2024H1

Adjusted Net Profit Attributable to Shareholders of the Company¹

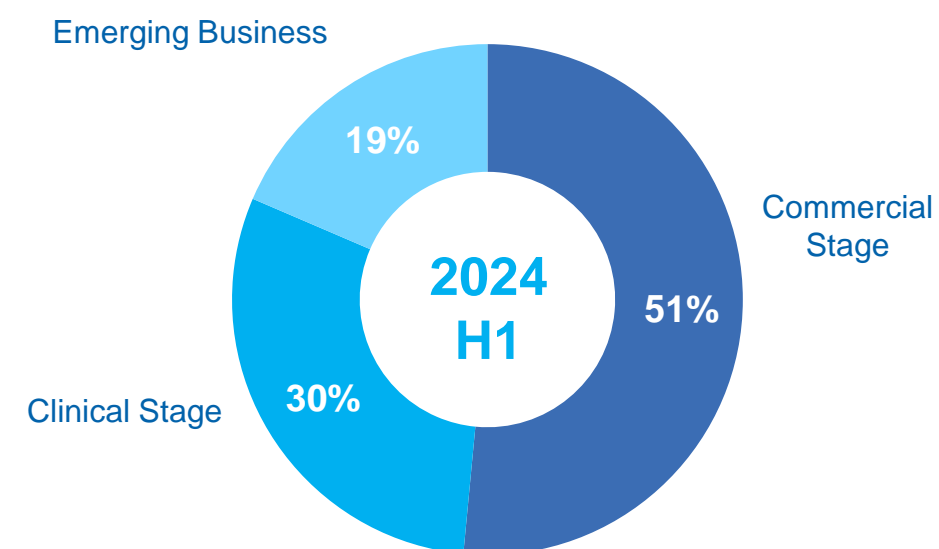
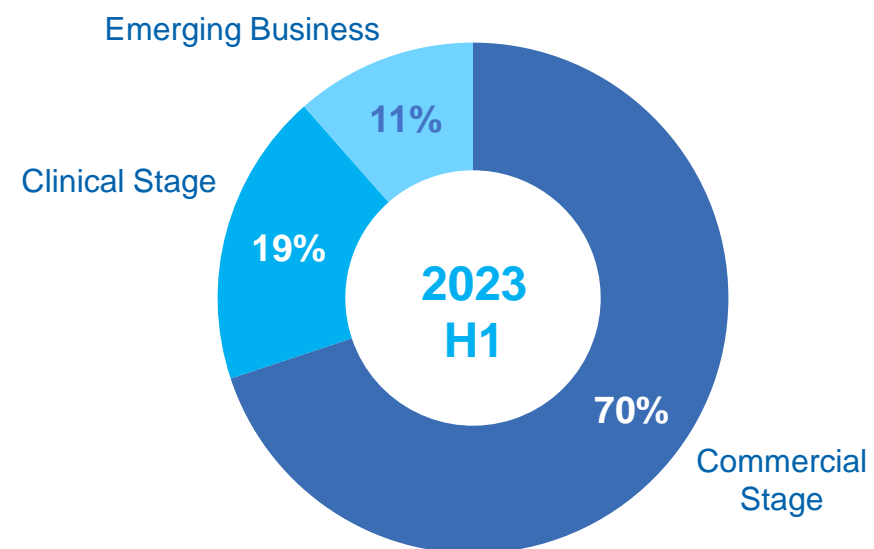
RMB mm

1,636

433

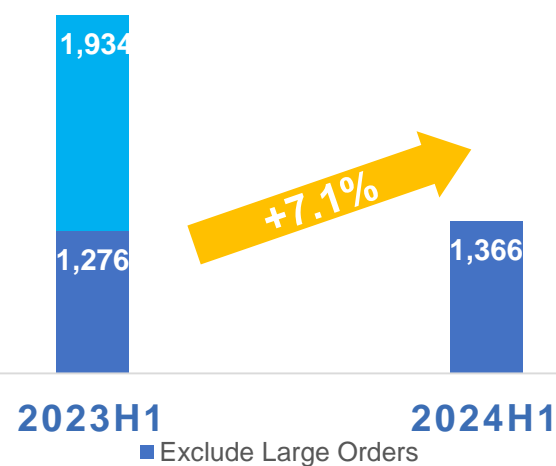
2023H1

2024H1



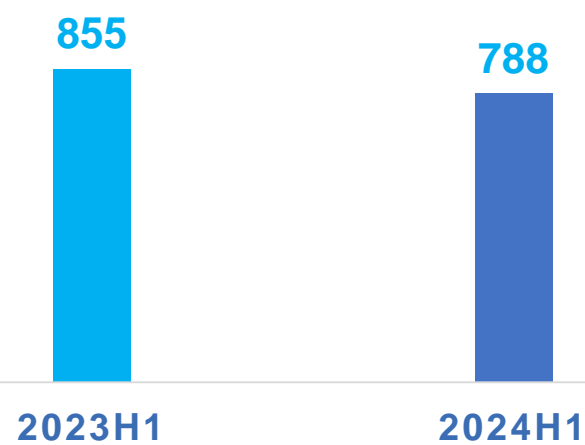
Commercial Stage CDMO Services

RMB mm



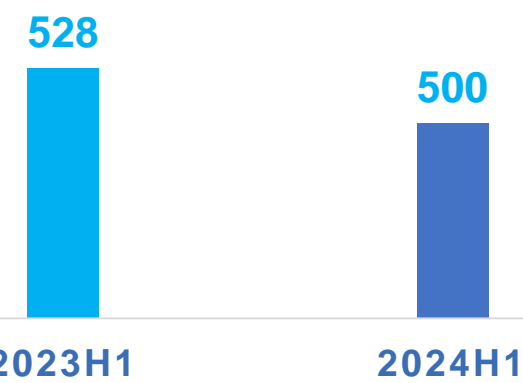
Clinical Stage CDMO Services

RMB mm



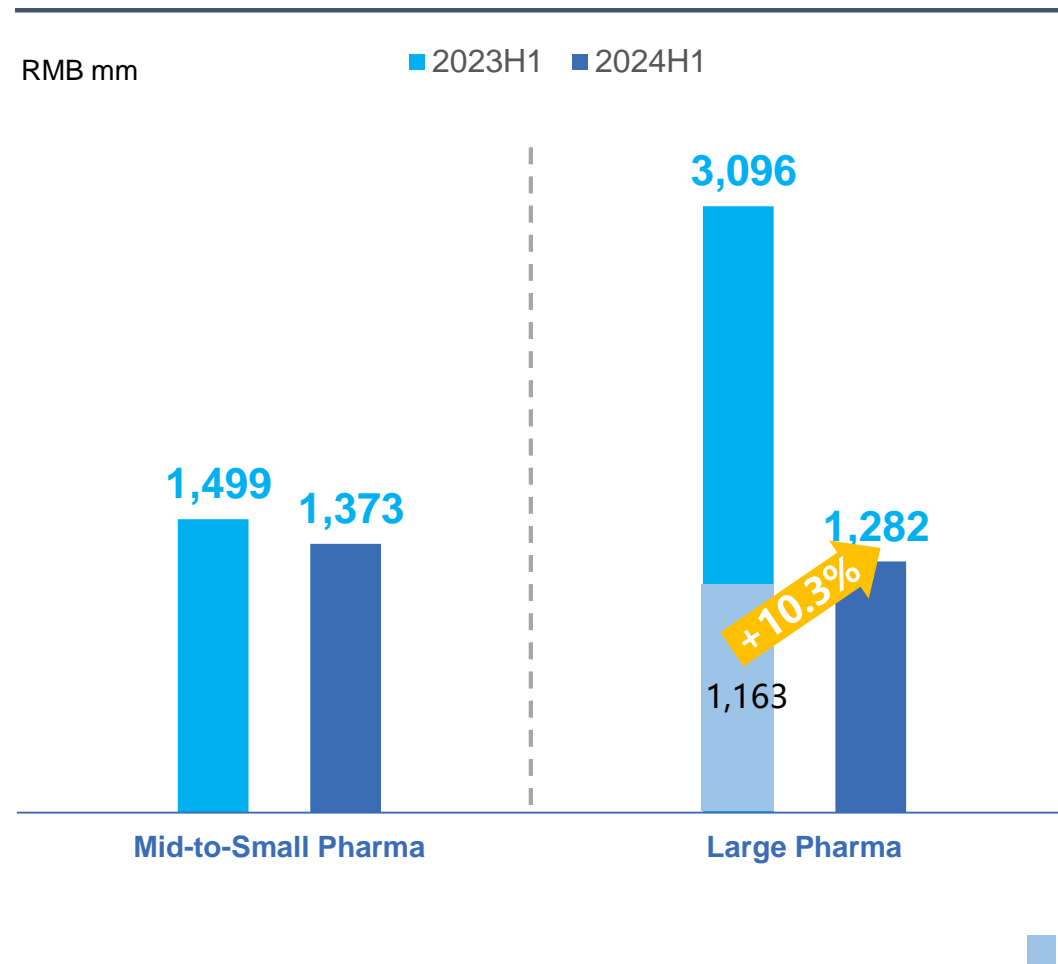
Emerging business

RMB mm

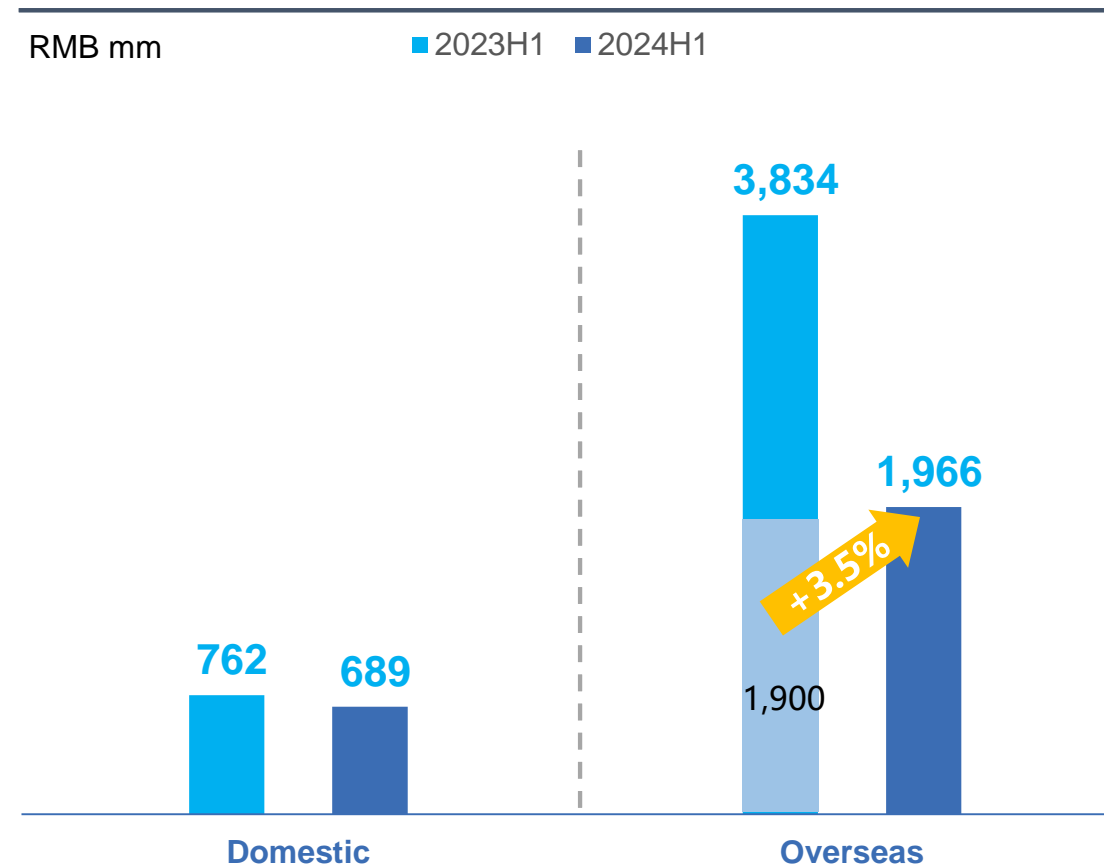


By consistently delivering high-quality services to key clients, the Company has expanded its customer base both domestically and internationally, resulting in increased market share

Revenue by Customer Type



Revenue by Customer Region



Segment Gross Profit and Gross Profit Margin

Commercial Stage CDMO Services

RMB mm

58.9%

49.3%

1,890

673

2023H1

2024H1

Clinical Stage CDMO Services

RMB mm

42.2%

40.7%

361

321

2023H1

2024H1

Emerging Business

RMB mm

33.4%

20.2%

176

101

2023H1

2024H1

GP Margin

% of Revenue

25.6%

32.2%

35.8%

21.0%

16.0%

24.6%

(RMB100 mm)

6.27

10.15

16.59

21.51

12.42

H1:6.54

Overseas
Capex

2019

2020

2021

2022

2023

2024H1

4

Outlook





Against the backdrop of industry restructuring, and in light of the market environment, we expected 10%+ growth in non-covid business revenue



Optimize overall profitability of the Company and ease the downward pressure on its margins



Increase market development and enhance business competitiveness, ensuring the timely delivery of vital projects in emerging businesses i.e. peptides and ADCs to lay the foundation for sustained business growth in 2025



Continuing to promote the construction of the capacity of small molecule API from pilot to commercial stage



Domestic CAPEX would be roughly in line with 2023

Appendix



CONSOLIDATED STATEMENT OF PROFIT OR LOSS

RMB mm

	2024H1	2023H1
Revenue	2,655	4,596
Cost of sales	(1,560)	(2,169)
Gross profit	1,095	2,427
Other income and gains	258	289
Selling and distribution expenses	(102)	(82)
Administrative expenses	(376)	(351)
Research and development expenses	(329)	(323)
Losses on impairment of financial and contract assets, net	7	(16)
Other expenses	(12)	(9)
Finance costs	(3)	(3)
Share of profits/(losses) of associates	(6)	(3)
Profit before tax	532	1,928
Income tax expense	(40)	(246)
Profit for the year	492	1,682
Attributable to:		
Owners of the parent	499	1,686
Equity incentive amortization expense	34	23
Gain or loss on exchange rate fluctuations	(112)	(82)
Income tax effect	11	9
Adjusted Net Profit Attributable to Owners of the company	432	1,636

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

RMB mm

	2024H1	2023
Non-current assets		
Property, plant and equipment	5,855	5,366
Right-of-use assets	552	526
Goodwill	146	146
Other intangible assets	50	54
Deferred tax assets	258	213
Investments in associates	533	260
Prepayments, deposits and other receivables	637	689
Financial assets at fair value through profit or loss	156	131
Equity investments at fair value through other comprehensive income	35	30
Total non-current assets	8,222	7,415
current assets		
Inventories	998	945
Trade receivables	1,483	2,011
Contract assets	98	81
Prepayments, deposits and other receivables	322	297
Tax recoverable	16	3
Financial assets at fair value through profit or loss	2,041	1,906
Cash and bank balances	5,679	7,110
Total current assets	10,637	12,352
Total assets	18,859	19,767

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

RMB mm

	2024H1	2023
Current liabilities		
Trade payables	388	452
Other payables and accruals	1,446	1,276
Interest-bearing bank borrowings	-	12
Lease liabilities	33	29
Amounts due to related party	1	1
Tax payable	26	31
Total current liabilities	1,894	1,801
Non-current liabilities		
Deferred income	253	233
Lease liabilities	133	106
Deferred tax liabilities	126	117
Total non-current liabilities	512	456
Equity		
Share capital	369	369
Restricted Shares under share-based payment	(1,463)	(494)
Other reserves	17,523	17,605
Non-controlling interests	24	30
Total equity	16,453	17,510



THANK YOU !

