



2024 Q1 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.

1,364

Revenue
(RMB mm)

(39.3%)

Exclude Large
Orders



+12.4%

42.0%

Gross Profit Margin

282

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

20.7%

Net Profit Margin Attributable to
Shareholders of the Company

267

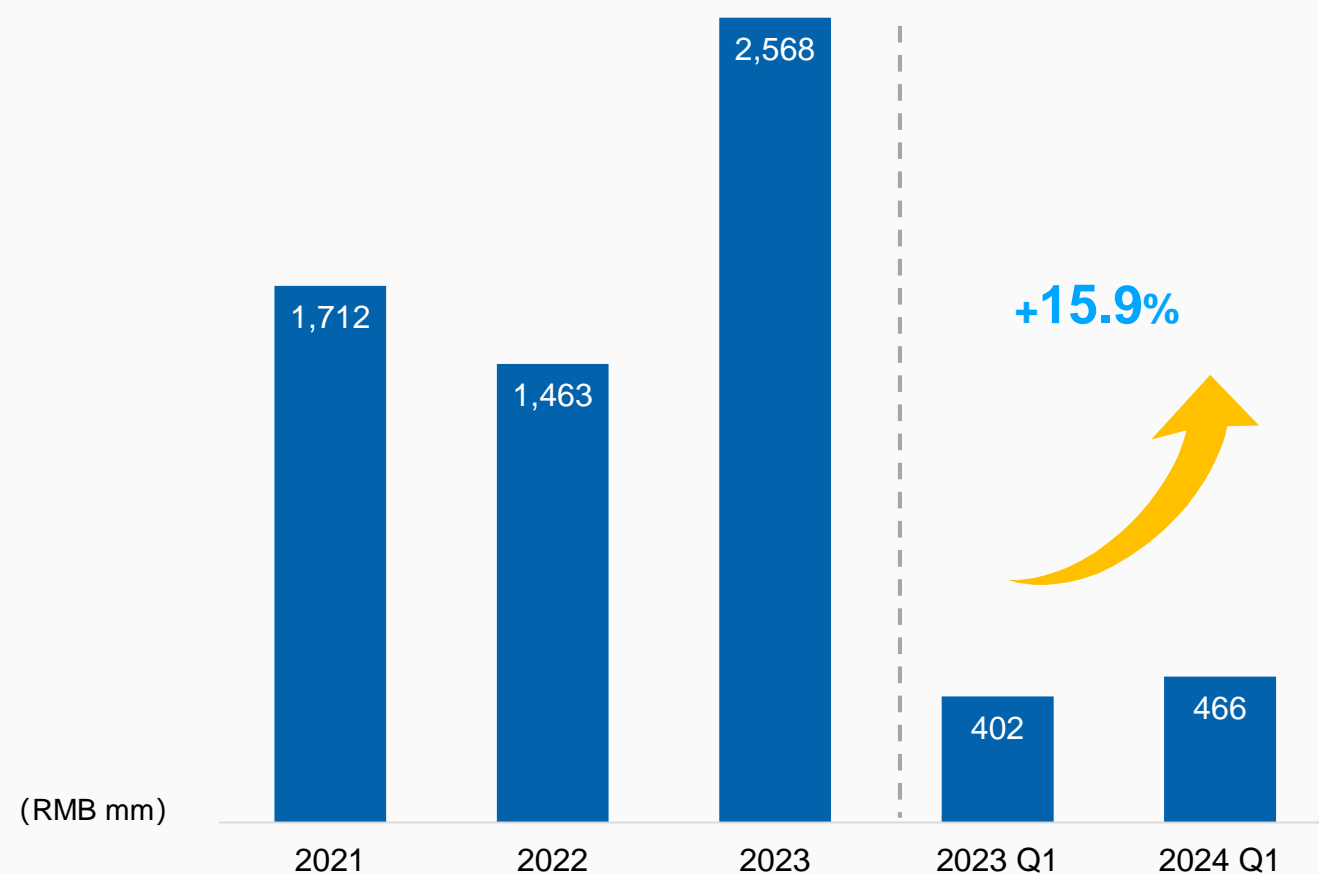
Adjusted Net Profit
(RMB mm)

19%

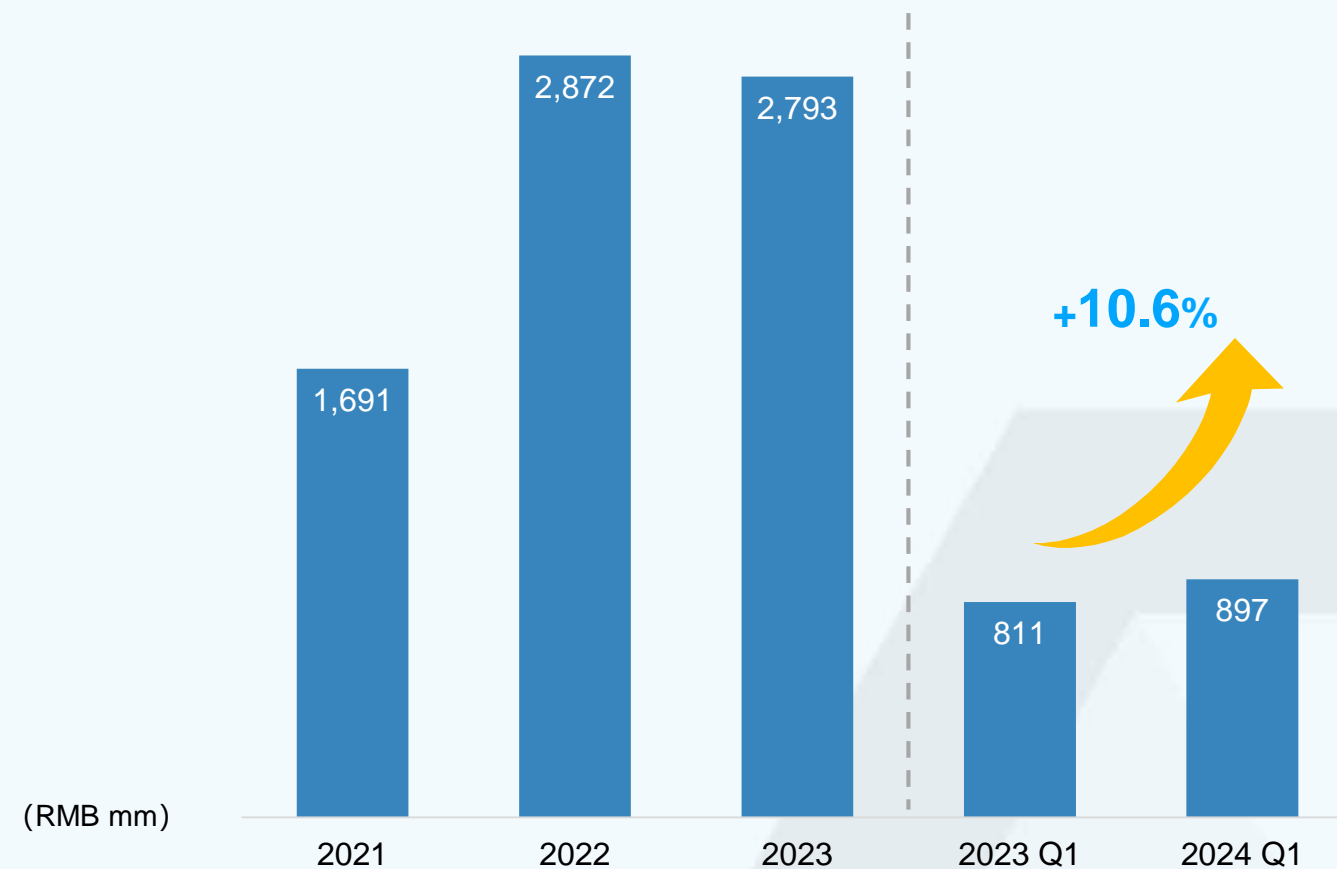
Adjusted Net Profit Margin

Note: All financial data disclosed in this document are presented in accordance with IFRS unless otherwise specified.

Revenue From Large Pharma
(Exclude Large Orders)

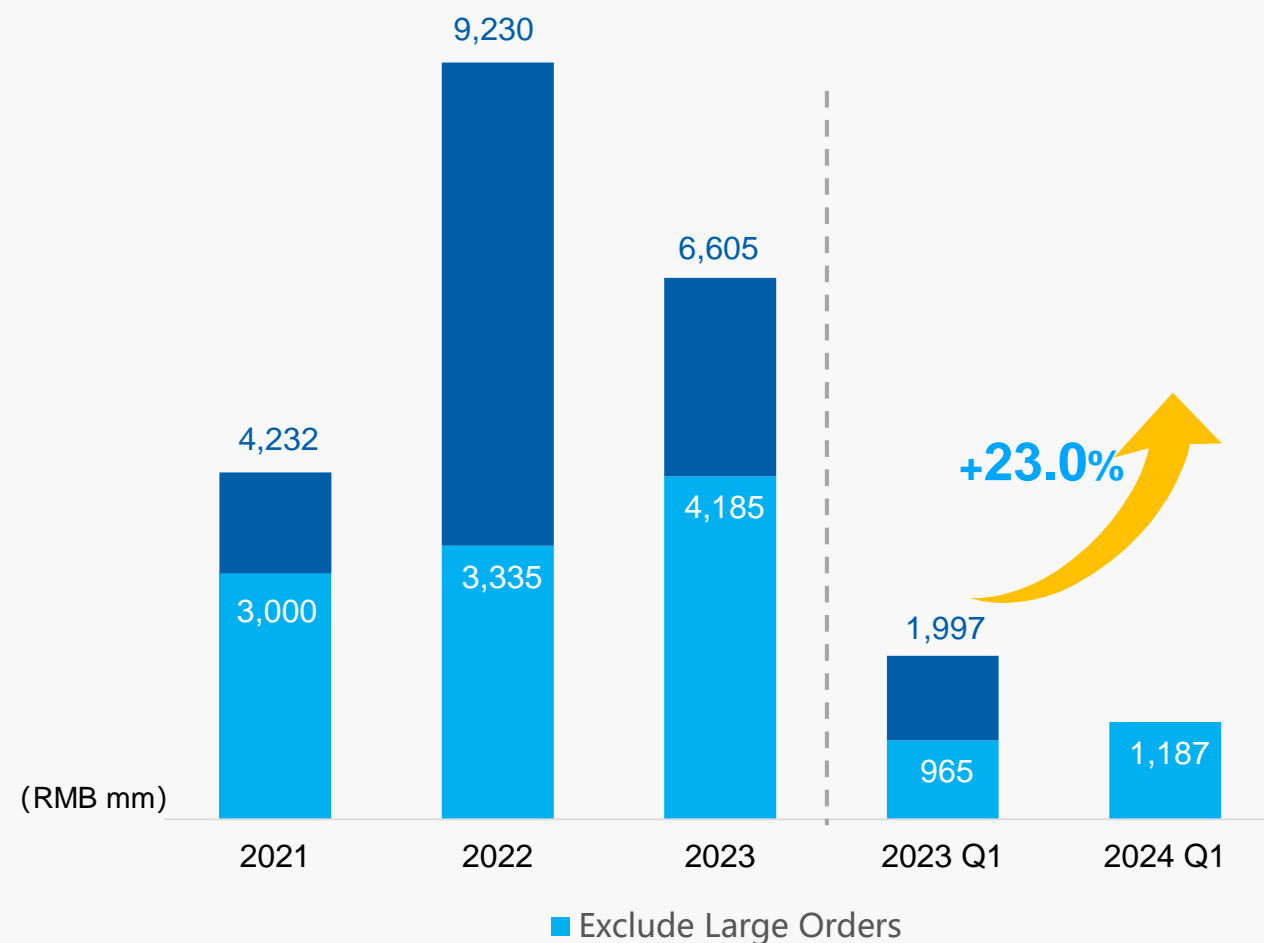


Revenue From Mid-to-Small Pharma



If large orders in the same period last year are excluded,
the revenue from Europe and U.S. markets shows a period-on-period growth of **57.9%**

Revenues from Small Molecule CDMO Services

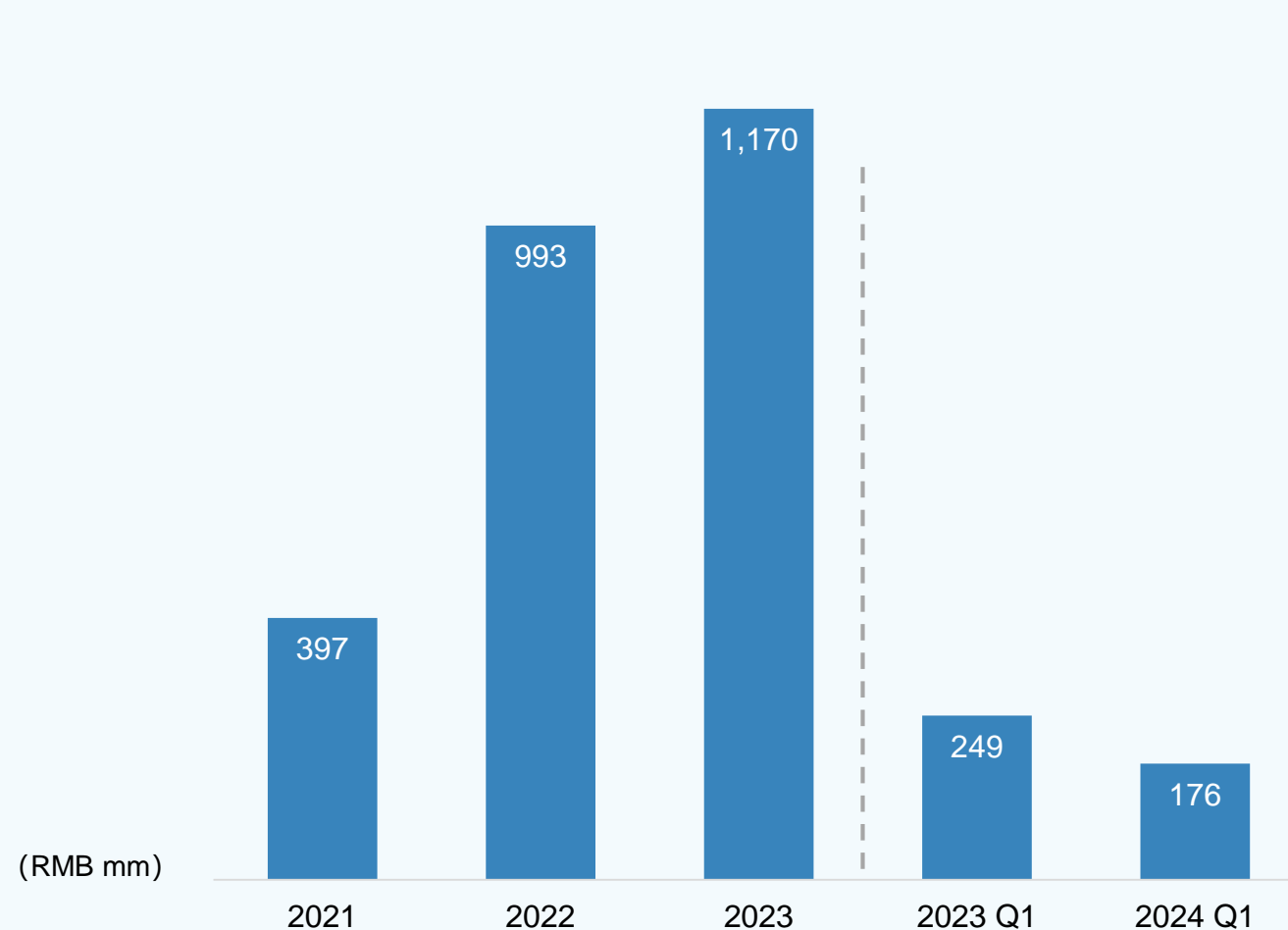


Gross Profit Margin of Small Molecule CDMO Business

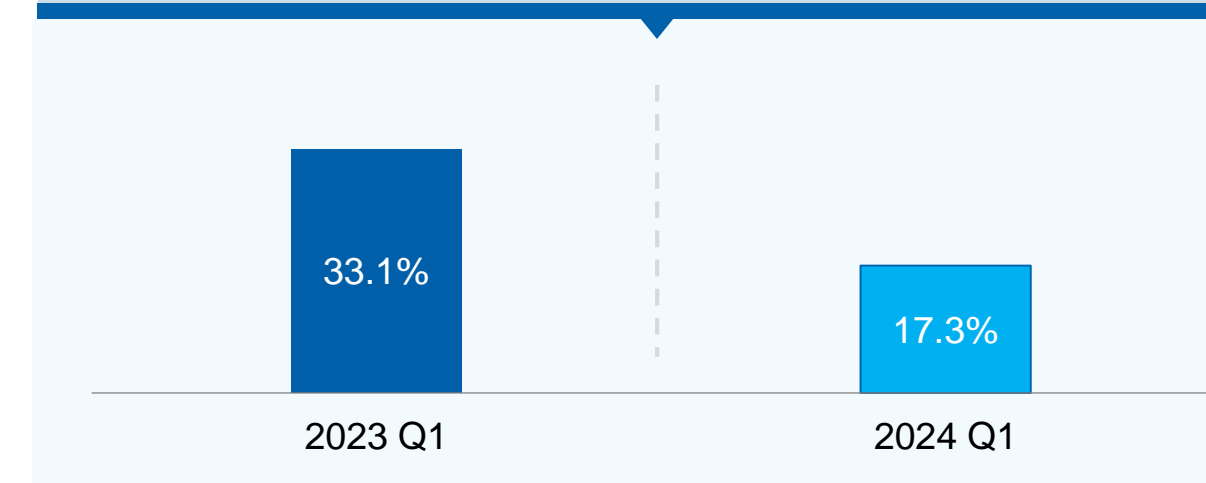


- Small molecule business sustained rapid growth, driven by strong performance in overseas market and ongoing commercialization projects amidst domestic market challenges
- Advanced **30** revenue-recognizing small molecule commercialization projects and achieved significant progress with **148** revenue-generating clinical stage projects, including **41** clinical phase III projects
- Continuously optimizing management and strengthening of cost control measures to enhance gross profit margins
- Efforts are underway to expedite the construction of **overseas small molecule API capacities from pilot to commercial stage**

Revenues from Emerging Services

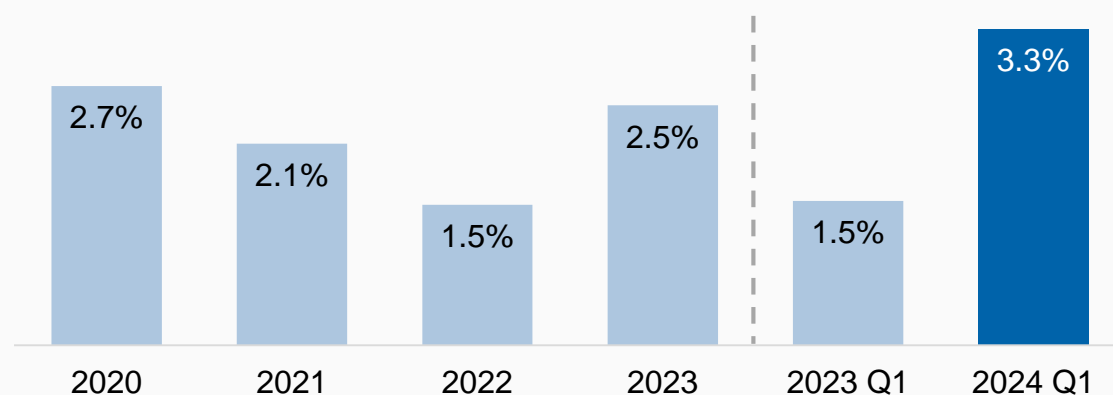


Gross Profit Margin of Emerging Services

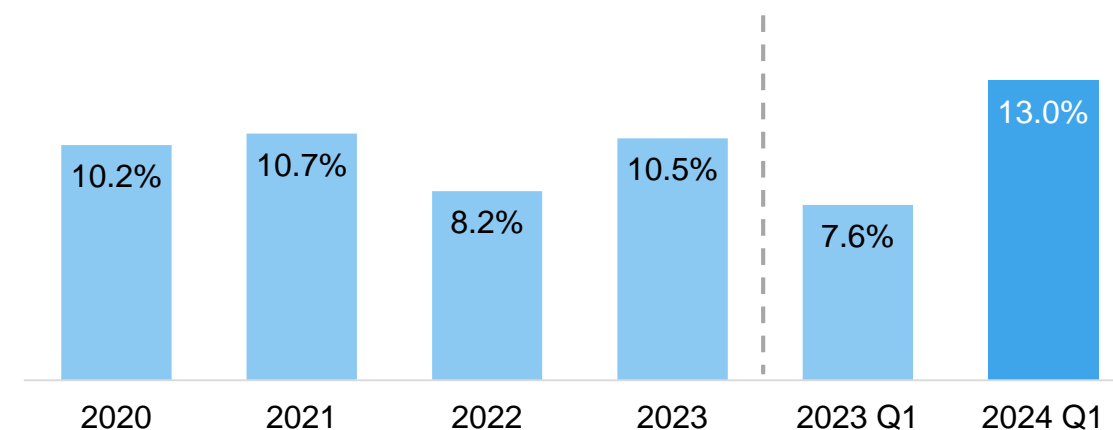


- Affected by fluctuations in domestic capital market, our emerging businesses generated **RMB176 mm in revenue**, experiencing a **29.2% decrease** compared to the same period last year
- Factors such as intense competition in the domestic market, as well as capacity and operational challenges at a climbing stage faced by some business lines, have put greater pressure on the gross profit margin of our emerging business, which decreased to 17.3% in 2024Q1
- Nonetheless, inquiries remain active in popular areas such as small nucleic acid, ADCs, and peptides, etc.

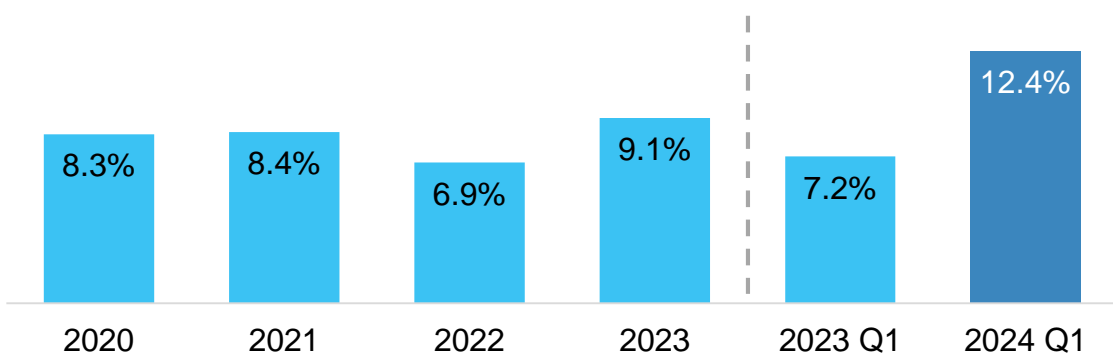
Selling and Distribution Expenses as % of Total Revenue



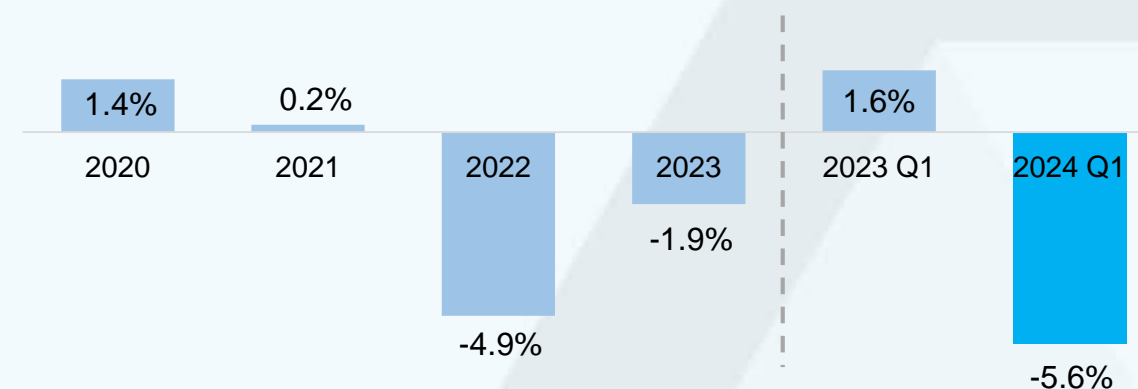
Administrative Expenses* as % of Total Revenue



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..

% of Revenue

25.6%

32.2%

35.8%

21.0%

16.0%

23.4%

(RMB mm)

627

1,015

1,659

2,151

1,242

Q1: 319

Overseas
Capex

2019

2020

2021

2022

2023

2024

| (RMB MM) | 2024 Q1 | 2023 Q1 |
|--|------------|------------|
| Net Profit Attributable to Shareholders of the Parent | 282 | 630 |
| Additions: | | |
| Amortization expenses of share-based compensation | 17 | 3 |
| Gain or loss on exchange rate fluctuations | (34) | 80 |
| Income tax effect | 2 | (12) |
| Adjusted Net Profit Attributable to Shareholders of the Parent | 267 | 701 |
| Adjusted Net Profit Margin Attributable to Shareholders of the Parent | 19% | 31% |



Against the backdrop of industry restructuring, we strive to sustain 15%-25% growth in non-covid business revenue

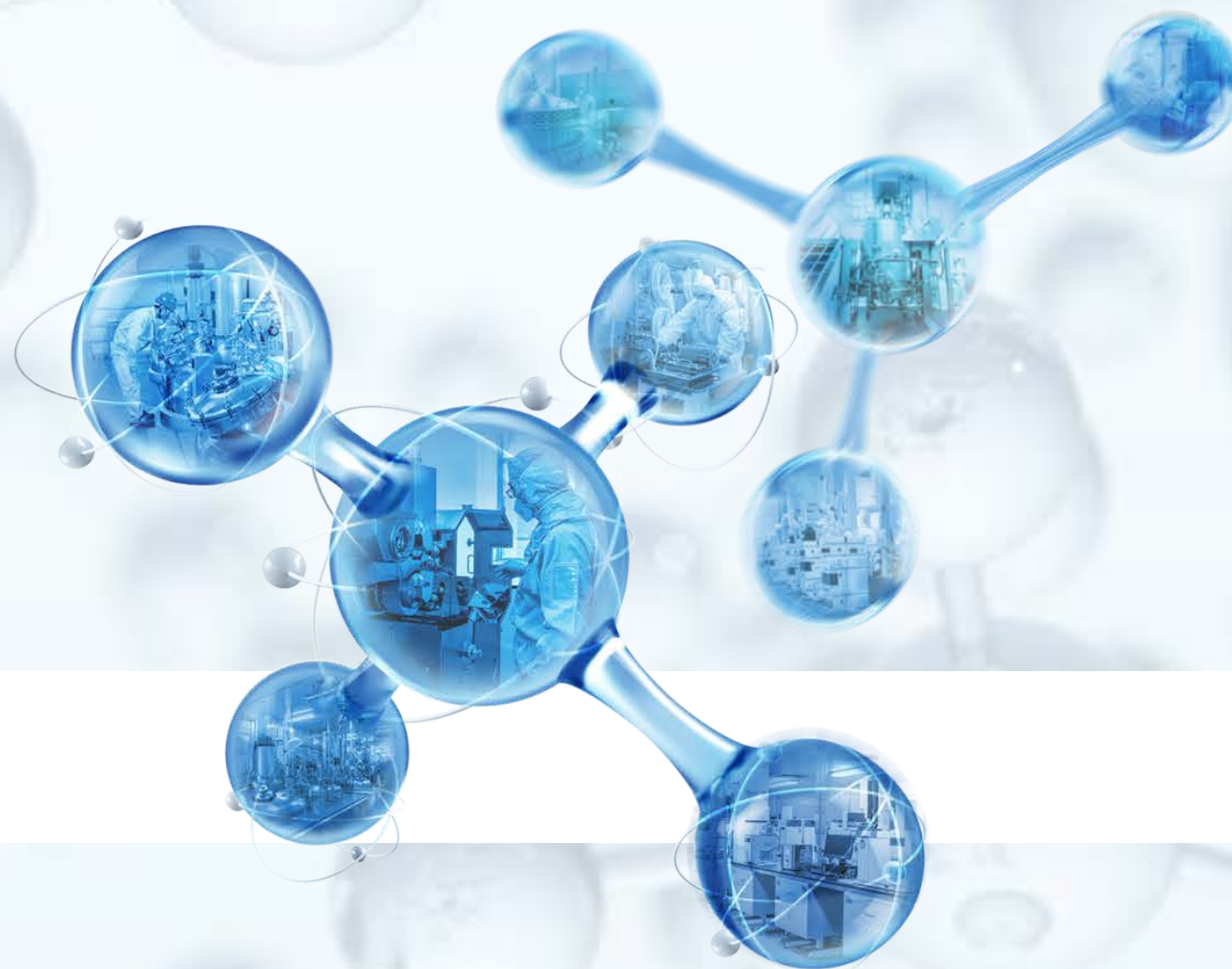


Optimize overall profitability of the Company and ease the downward pressure on its margins



Continue to expedite the construction of overseas capacity

Appendix



RMB mm

| | 2024 Q1 | 2023 Q1 |
|--|--------------|----------------|
| Revenue | 1,364 | 2,246 |
| Cost of sales | (791) | (1,160) |
| Gross profit | 573 | 1,086 |
| Other income and gains | 114 | 52 |
| Selling and distribution expenses | (45) | (34) |
| Administrative expenses | (177) | (171) |
| Research and development expenses | (169) | (162) |
| Net impairment losses on financial and contract assets, net | 2 | 12 |
| Other expenses | (1) | (73) |
| Finance costs | (1) | (1) |
| Share of profits/(losses) of associates | - | 1 |
| Profit before tax | 295 | 710 |
| Income tax expense | (15) | (82) |
| Profit for the year | 280 | 628 |
| Attributable to: | | |
| Owners of the parent | 282 | 630 |
| Equity incentive amortization expense | 17 | 3 |
| Gain or loss on exchange rate fluctuations | (34) | 80 |
| Income tax effect | 2 | (12) |
| Adjusted Net Profit Attributable to Owners of the company | 267 | 701 |

RMB mm

| | 2024 Q1 | 2023 |
|---|---------------|---------------|
| Non-current assets | | |
| Property, plant and equipment | 5,588 | 5,366 |
| Right-of-use assets | 514 | 526 |
| Goodwill | 146 | 146 |
| Other intangible assets | 52 | 54 |
| Deferred tax assets | 251 | 213 |
| Investments in associates | 277 | 260 |
| Prepayments, deposits and other receivables | 716 | 689 |
| Financial assets at fair value through profit or loss | 157 | 131 |
| Equity investments at fair value through other comprehensive income | 30 | 30 |
| Total non-current assets | 7,731 | 7,415 |
| current assets | | |
| Inventories | 992 | 945 |
| Trade and bills receivables | 1,730 | 2,011 |
| Contract assets | 84 | 81 |
| Prepayments, deposits and other receivables | 307 | 297 |
| Tax recoverable | 14 | 3 |
| Financial assets at fair value through profit or loss | 1,435 | 1,906 |
| Cash and bank balances | 7,548 | 7,110 |
| Total current assets | 12,100 | 12,352 |
| Total assets | 19,841 | 19,767 |

RMB mm

| | 2024 Q1 | 2023 |
|---|---------------|---------------|
| Current liabilities | | |
| Trade payables | 406 | 452 |
| Other payables and accruals | 1,288 | 1,276 |
| Interest-bearing bank borrowings | 12 | 12 |
| Lease liabilities | 30 | 29 |
| Amounts due to related party | 1 | 1 |
| Tax payable | 31 | 31 |
| Total current liabilities | 1,768 | 1,801 |
| Non-current liabilities | | |
| Deferred income | 243 | 233 |
| Lease liabilities | 101 | 106 |
| Deferred tax liabilities | 122 | 117 |
| Total non-current liabilities | 466 | 456 |
| Equity | | |
| Share capital | 369 | 369 |
| Restricted Shares under share-based payment | (693) | (494) |
| Other reserves | 17,903 | 17,605 |
| Non-controlling interests | 28 | 30 |
| Total equity | 17,607 | 17,510 |



Thanks!

