



2021 Annual Results

Asymchem Laboratories (Tianjin) Co., Ltd.

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● 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.

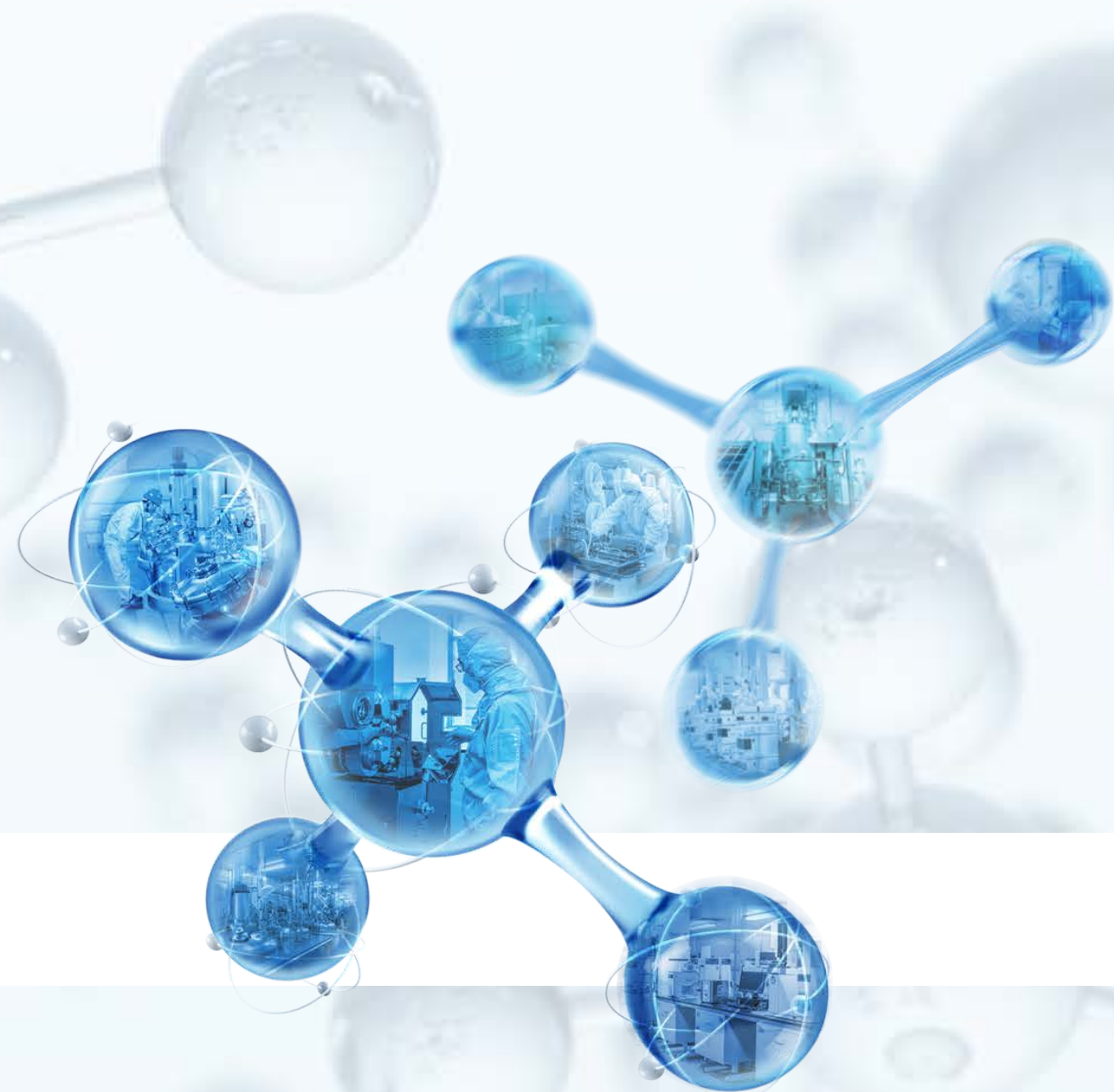
● All financials disclosed in this document are presented in accordance with International Financial Reporting Standards (“IFRS”s) except for those specifically noted otherwise.

● 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.

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1

Overview of Results



Strong Revenue and Profit Growth in 2021



Revenue (RMB mm)	Net Profit Attributable to Owners of the Company (RMB mm)	Adjusted Net Profit (RMB mm)	Orders on Hand* (USD mm)
4,632 ↑ +47.7% ↑ + 56.4% @CER	1,069 ↑ +48.6%	1,123 ↑ +42.1%	1,898 ↑ +320.0%
Gross Profit Margin	Net Profit Margin	Adjusted Net Profit Margin	Number of Employees
44.3% -2.0% ↑ + 0.9% @CER	23.1% ↑ +0.2%	24.2% -0.9%	7,126 ↑ +30.1%

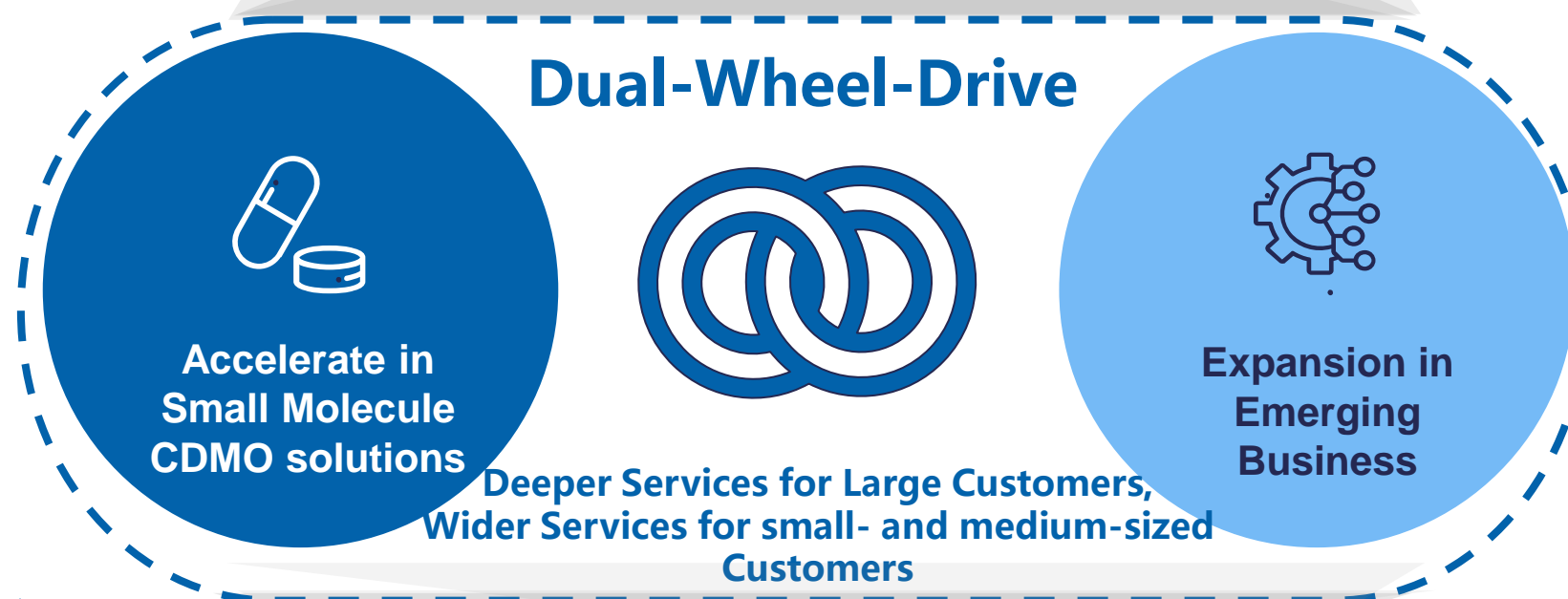
* as of the annual report date

Accelerating Growth on Back of “Dual-Wheel-Drive” Strategy



- Revenue generated from small molecule CDMO solutions was RMB4,232 mm, **+46.02%**YOY (+55.20% assuming constant exchange rate)
- 328 projects were completed, **+48.42%**YOY, including **55** clinical Phase-III projects and **38** commercial stage orders
- Obtained historic-level commercial stage project orders, demonstrating its global competitiveness
- As of the annual report date, the Company’s manufacturing capacity has reached 5,000m³, with an increase of **76.9%** as compared with the end of 2020

- Revenue generated from emerging services was RMB397 mm, **+67.88%**YOY
- Chemical macromolecules CDMO Solutions, drug products and clinical CRO have all completed the accumulation from "0 to 1" and entered a period of rapid development
- Shanghai Asymchem Biotechnology Co., Ltd. has introduced strategic investors. It has orders of **RMB130 mm** on hand at the annual report date



- Achieved a **100% retention rate** of our top 20 customers

- Worked on **30%~50%** of the Phase II or III clinical stage small molecule drug candidates for five of the largest multinational pharmaceutical companies headquartered in the US

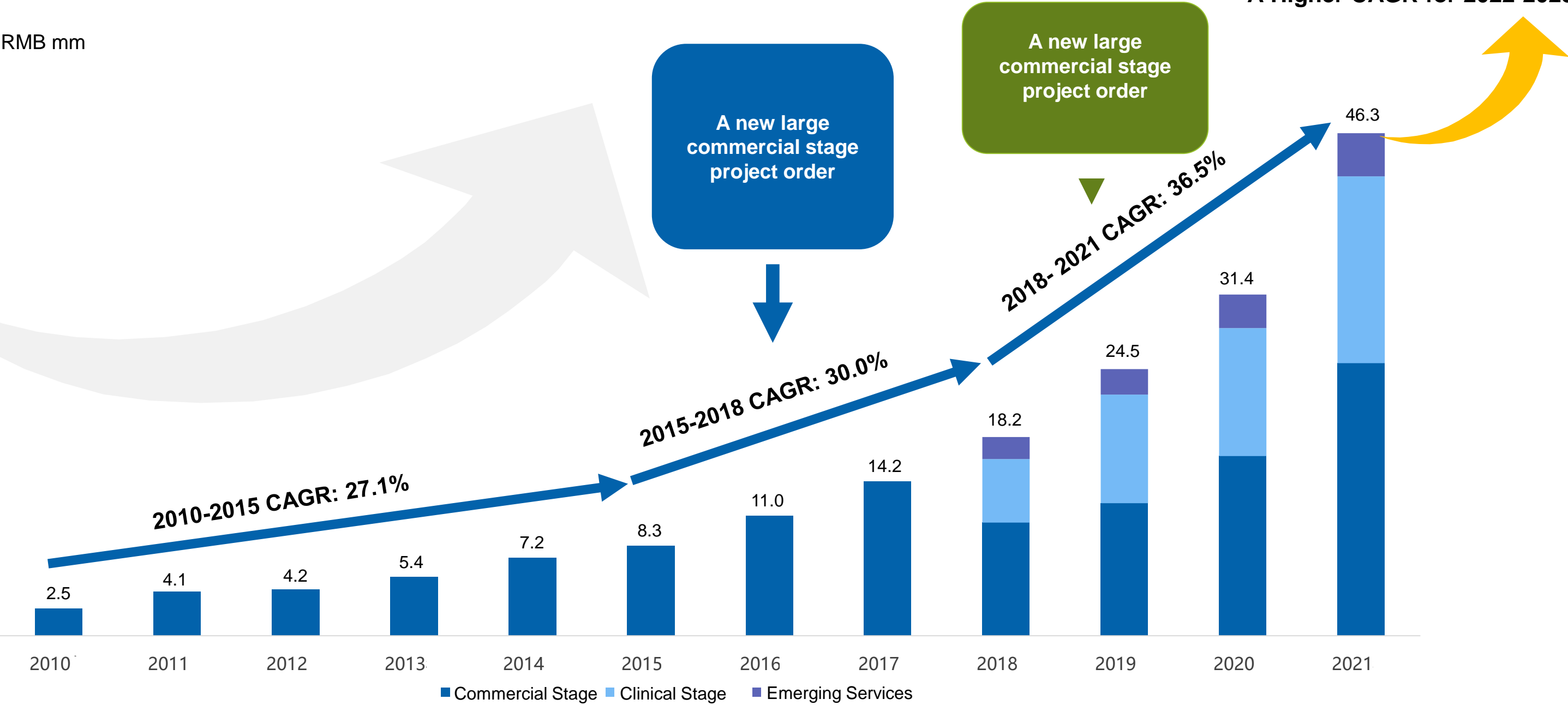
- Revenue generated from small- and medium-sized customers from domestic and overseas has a **+59.04%** YOY growth

Large Orders are “Catalyst” for Accelerating Growth



RMB mm

A Higher CAGR for 2022-2025

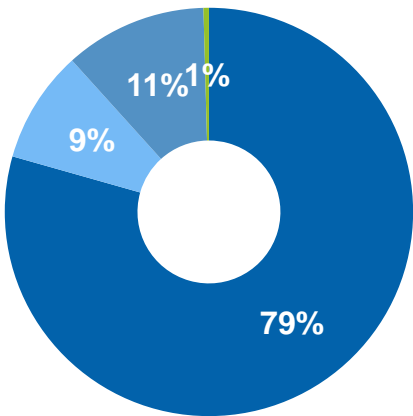


* The Company has audited IFRS revenue since 2018.

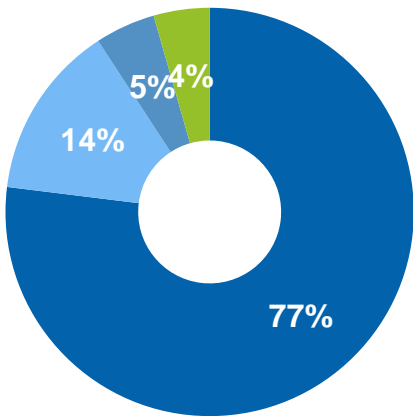
Revenue by Regions



FY2019 Revenue



FY2021 Revenue



■ USA ■ China ■ EUR ■ Asia-Pacific Region ■ USA ■ China ■ EUR ■ Asia-Pacific Region

USA

+41.8%

China

+73.4%

RMB3,565 mm

RMB640 mm

Europe

0.1%

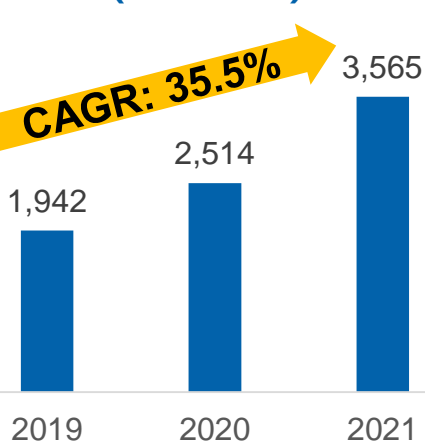
Asia-Pacific

+523.8%

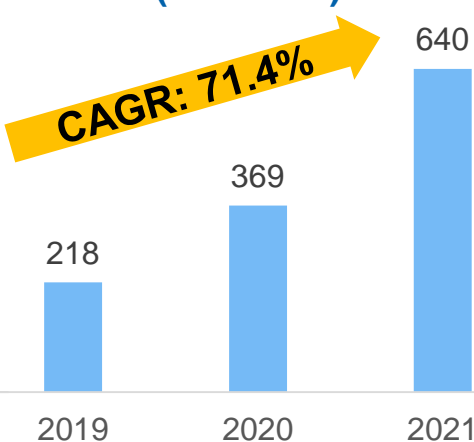
RMB221 mm

RMB206 mm

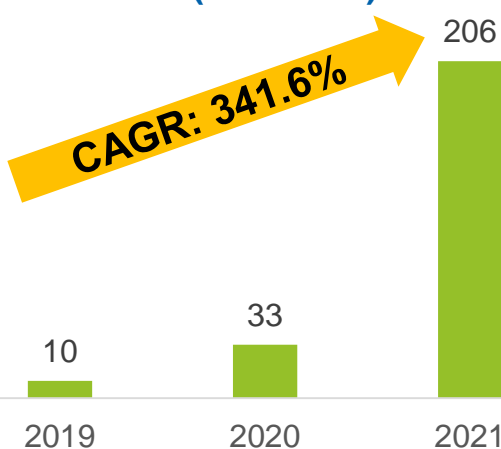
USA Market
(RMB mm)



Chinese Market
(RMB mm)



Asia-Pacific Market
(RMB mm)



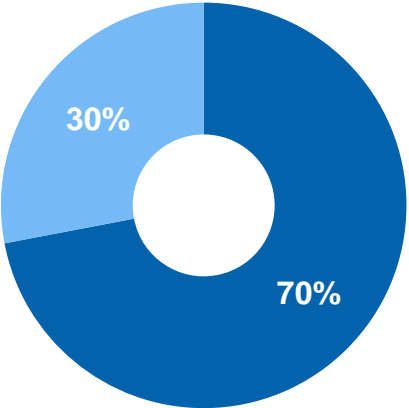
Breakthrough in Japanese Market

- After years of hard work, the Company has made a breakthrough in the Japanese market.
- The company has established cooperative relations with major Japanese pharmaceutical companies, such as Astellas, Shionogi, Ono Pharma, Chugai Pharmaceutical, etc.

Revenue by Customers

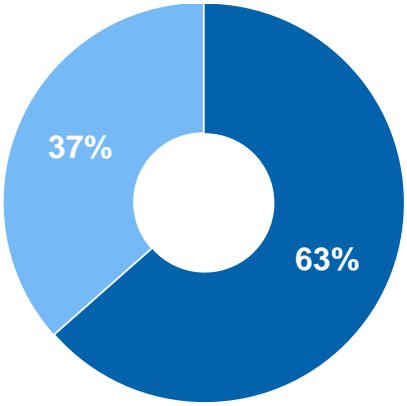


FY2019 Revenue



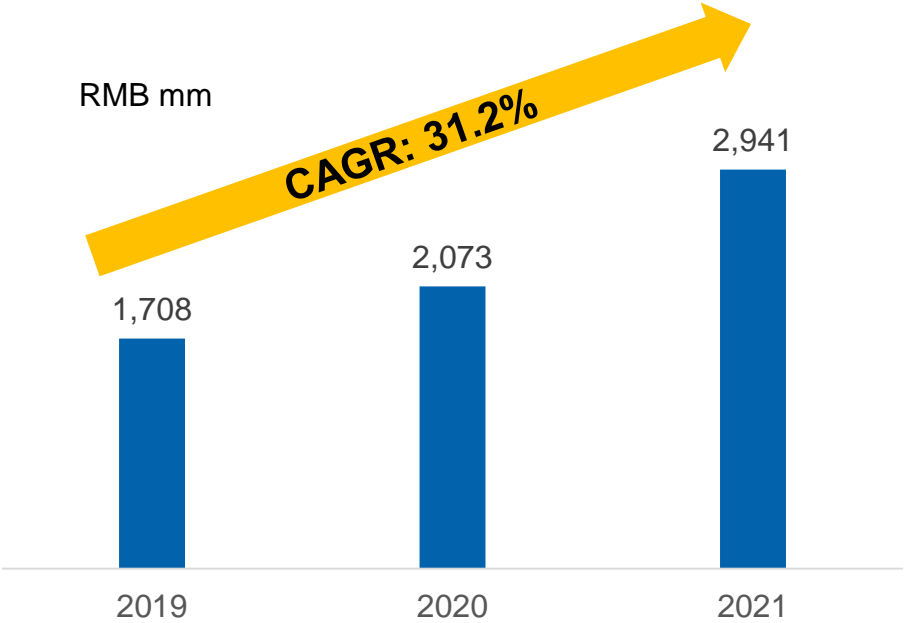
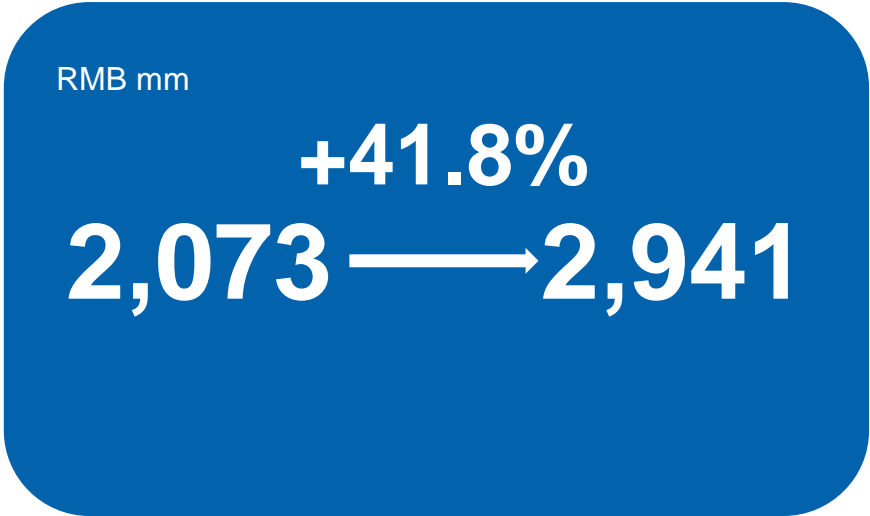
- Large Pharmaceutical Companies
- Small- and Medium-sized Pharmaceutical Companies

FY2021 Revenue

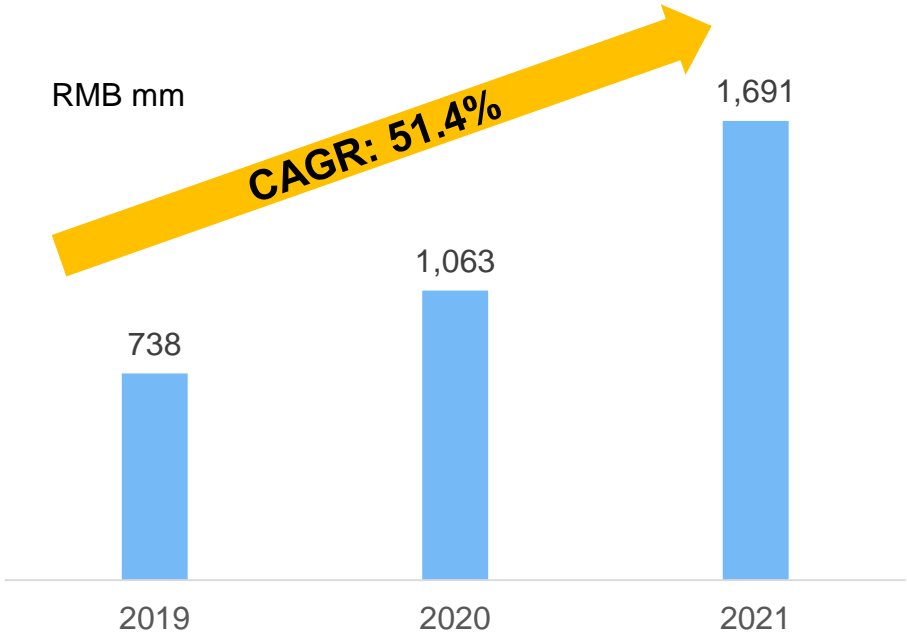
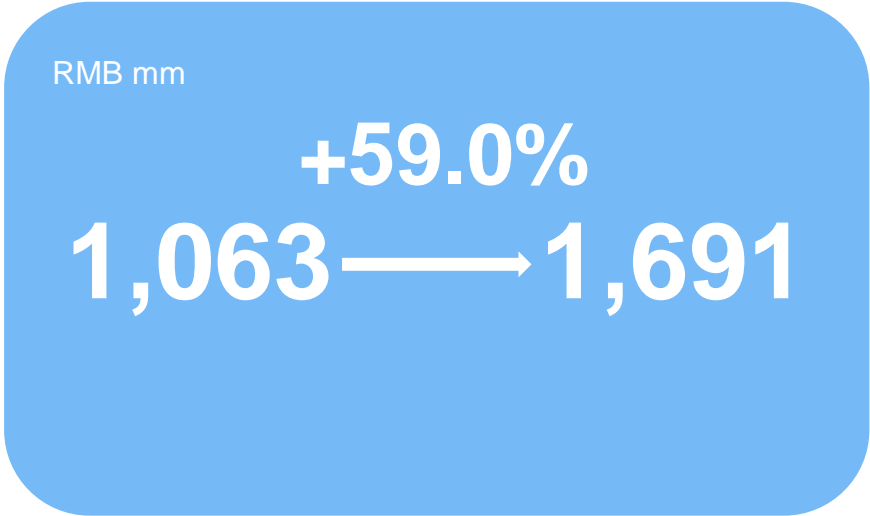


- Large Pharmaceutical Companies
- Small- and Medium-sized Pharmaceutical Companies

Large Pharmaceutical Companies



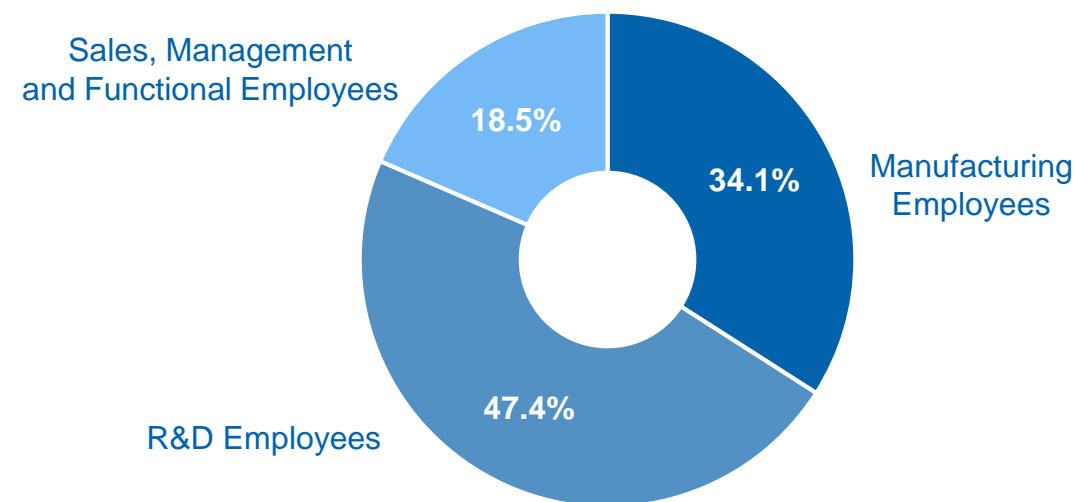
Small- and Medium-sized Pharmaceutical Companies



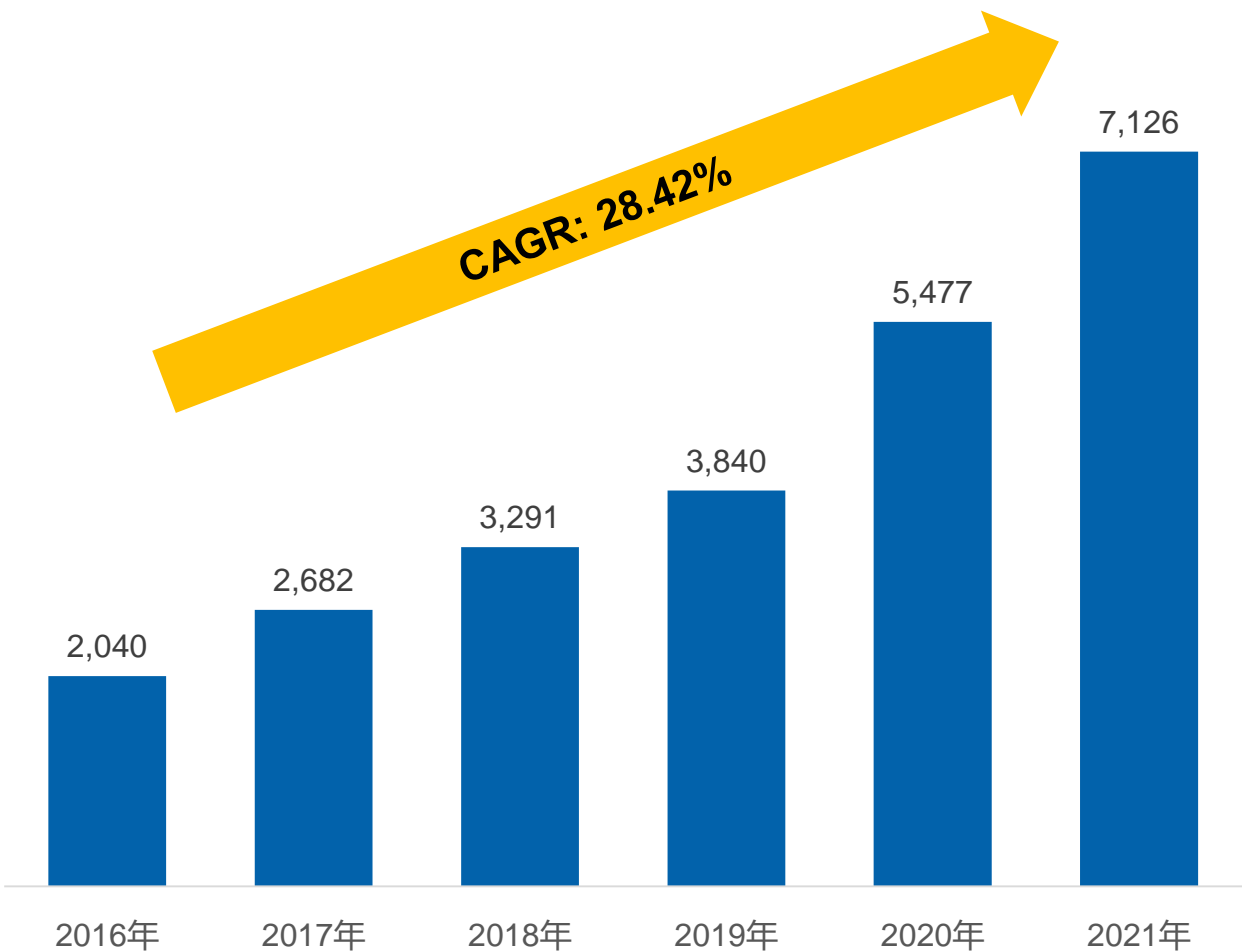
Attract and Retain Talents to Boost Company's High-speed Development



Continuous Optimization of Staff Structure



Stable Growth of Staff Size



Top Talent Pool Globally Attract Talents with Incentive Plan



2.22 million shares
The fifth phase of A-share incentive award

9.07 million shares
Cumulative awarded

700+
Cumulative coverage of core staff

2016-2021 Revenue CAGR : **33.3%**

Social Responsibility and Sustainable Development



Company Governance	20 years+ Meticulous work	100% Signing rate agreement on Integrity and self-discipline	0 case Anti-corruption litigation	0 case Major administrative punishment	Class A Information disclosure (2020)
Responsible Operation	800 + Serving customers around the world (cumulative)	38 Ongoing commercial stage projects	49 Various official audits (cumulative)	100% Pass rate Various official Institutional reviews	100% Coverage Safety and health trainings
Green Development	Application of flow and continuous technology in large-scale production 50% Reduced energy consumption	70% Reduction in floor area	30-60% Reduction of waste gas, waste water and industrial residue	0-30% Yield increase	50-70% Personnel cost reduction
Team and Care	7000 + Global staff	5 phases Equity incentive (cumulative)	9.07 million shares Awarded shares (cumulative)	20 + Staff care activities	16 persons Employment of disabled persons



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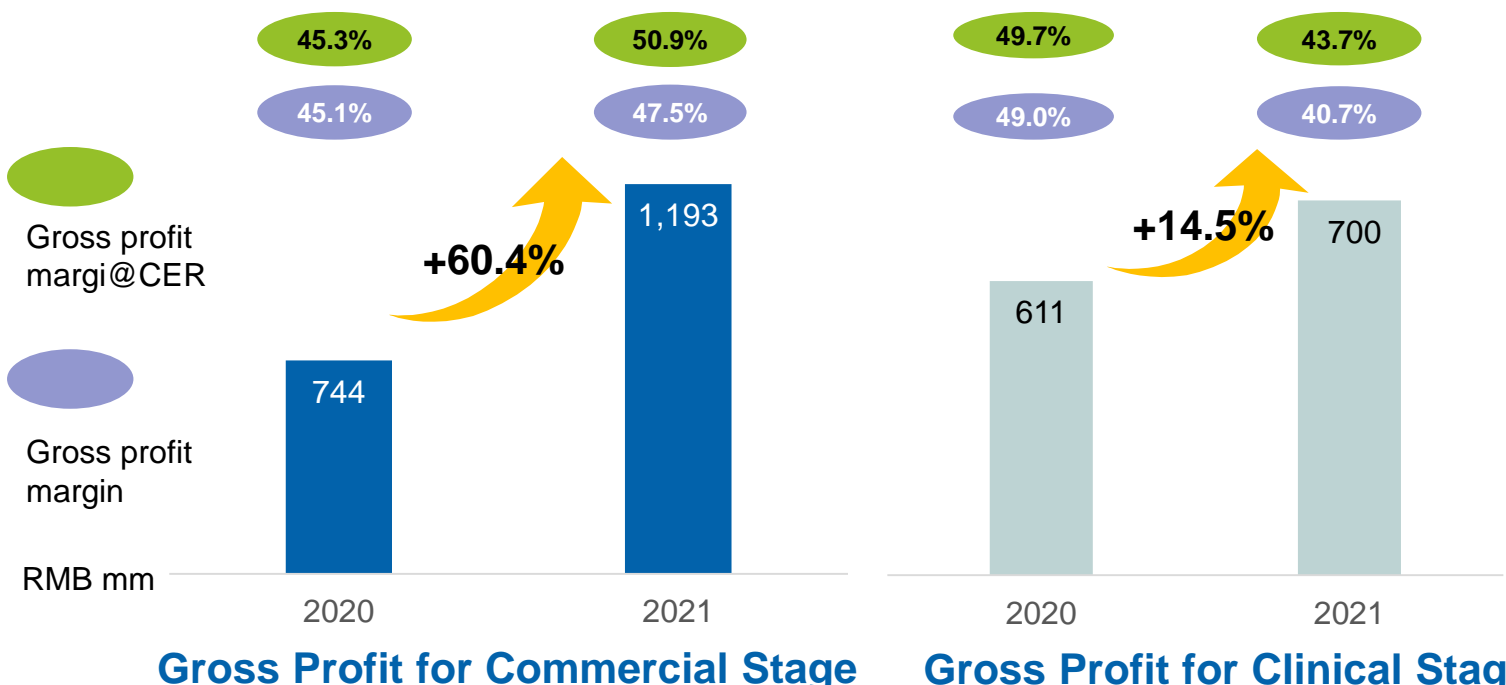
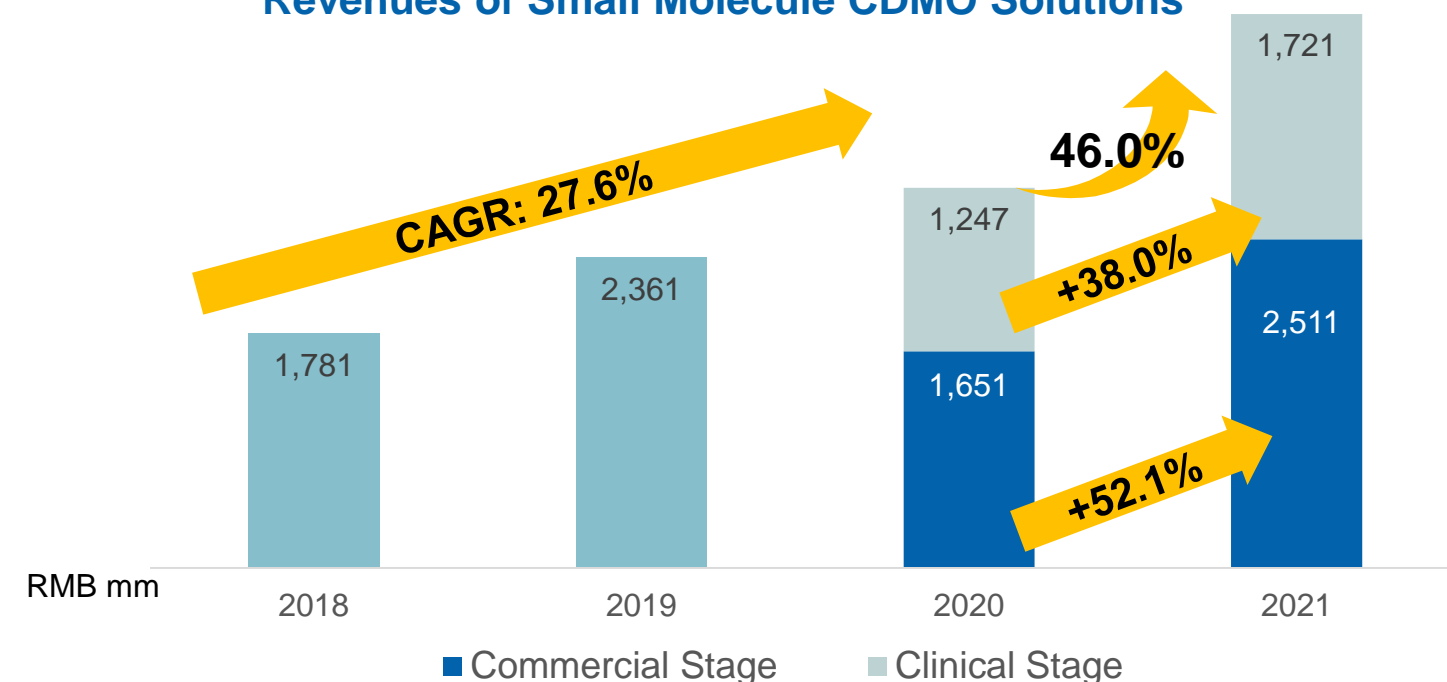
Business Highlights



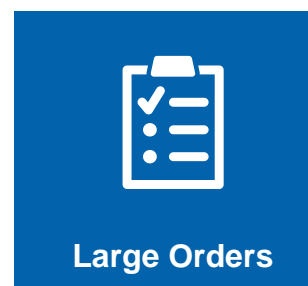
Accelerated Growth for Small Molecule CDMO Solutions



Revenues of Small Molecule CDMO Solutions



Milestones in small molecule CDMO solutions in 2021



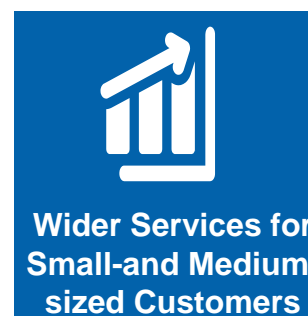
- Obtained historic-level small molecule orders, accumulated contract value is USD1,464 mm as of the annual report date
- Represents Company's global competitiveness of the small molecule CDMO solutions business, forming a good word-of-mouth effect among customer
- With certainty in revenue, the Company can be more focused and aggressive in developing new customers, new businesses and new markets



- Company acquired Snapdragon, which was founded by two gifted professors from MIT.
- As an excellent flow and continuous CDO company, Snapdragon has strong synergy with the Company and the acquisition is helpful to further enhance the Company's competitiveness in the field of flow and continuous technology.
- The transaction is expected to be completed in H1 of 2022.



- Worked on ~30% of the Phase II or III clinical stage small molecule drug candidates for five of the largest multinational pharmaceutical companies headquartered in the US; for one of them, the rate reached 50%
- Obtained an order of API commercial stage from a multinational pharmaceutical company, whose API commercial stage production was rarely outsourced
- Obtained the first API commercial stage order from a Large pharmaceutical company of Japan



- Revenue generated from overseas small- and medium-sized customers continuously rose, with 51.40% YOY growth
- Participated in KRAS and other popular target innovative drug projects, while collaborating deeply with Biotech, the forefront in the field of PROTAC technology
- Revenue generated from domestic small molecule business rose by 73.41%
- 30+ NDA orders on hand.



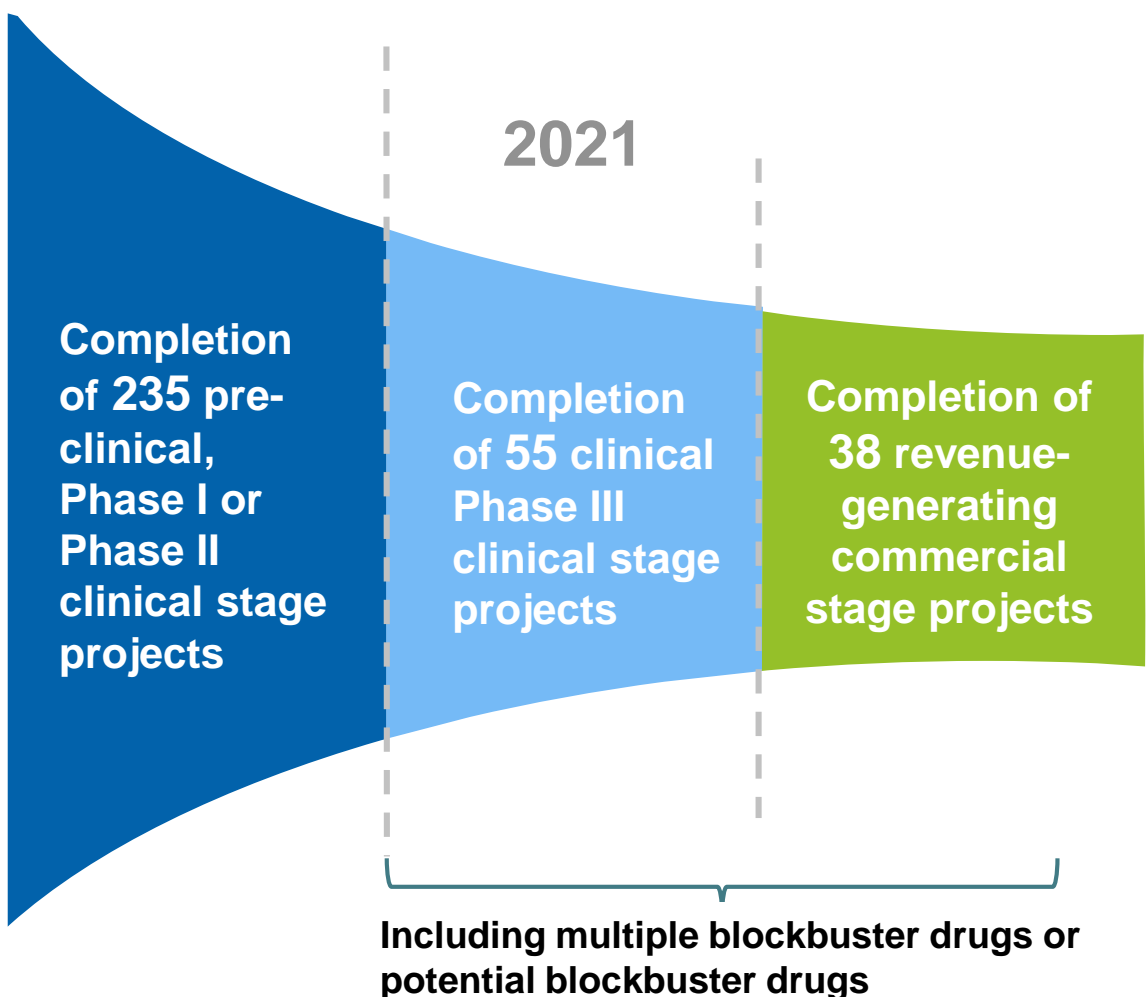
Continuous expansion of service pipeline

- Completed **328** projects in small molecule CDMO solutions , with a **48.4%** YOY growth
- Intensified the development of early-phase projects, with the number of pre-clinical and clinical Phase I and Phase II projects increased by **59.9%**
- In the customer development of overseas small- and medium-sized innovative drug companies, the company achieved initial success and accelerated its efforts. Use Snapdragon and the Boston R&D Center as the starting point to promote Biotech market in the USA



Rich reserves of commercial stage projects

- Domestically, the Company's clinical Phase III projects involved more than 20 hot targets or major drug targets, accounting for 60%+, such as KRAS, 3CL, JAK, TYK2, etc., which provides project reserves for continuous acquisition of commercial orders for blockbuster drugs.
- Domestically, the Company has **30+** NDA orders on hand, which will be successively converted into commercial stage orders in the next 2-3 years.

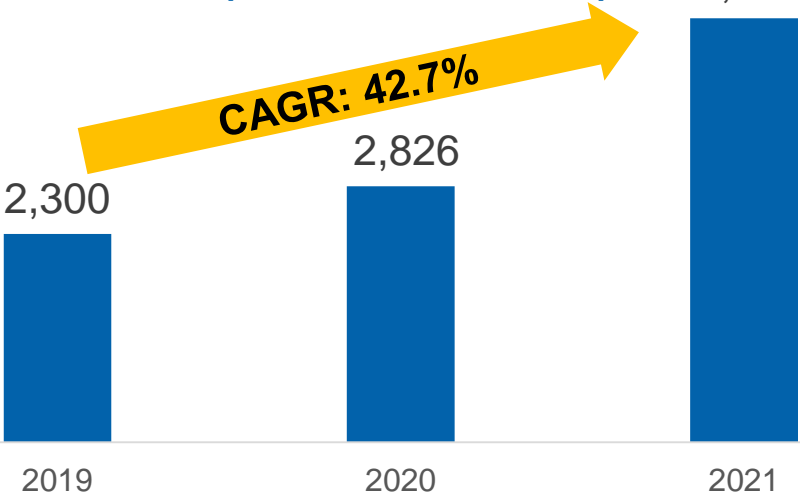


Active Expansion in Small Molecule Manufacturing Capacity



10

Small molecule manufacturing capacity since 2020
(traditional reactor)



As of the annual report date, the capacity of traditional reactor has reached 5000m³



The large-scale application of flow and continuous technology is equivalent to adding large-scale manufacturing capacity to the existing batch manufacturing capacity, and it is a powerful tool for manufacturing capacity release. For example, Company can use flow and continuous technology to produce 1.3 tons/day of critical raw materials for a certain project, which would require 180m³ batch capacity to achieve the same scale of production previously.



Tianjin 1
cGMP production
15,751m²



Tianjin 2
Headquarter and R&D
base
55,387 m²



Tianjin 3
R&D and cGMP
production 19602 m²



Fuxin 1
cGMP and RSMs
production
16,470m²



Fuxin 2
RSMs production
18,766m²



Dunhua 1
cGMP and non-GMP
production
77,979m²



Dunhua 2
cGMP and non-GMP
production
25,847m²



Dunhua 3
cGMP and non-GMP
production
Under construction



Suzhou
R&D center
Under construction



Yangtze River Delta
cGMP and non-GMP
production
Under construction



Boston
R&D center &
sales center



North Carolina
Sales center



Snapdragon
flow and
continuous
technology CDO



3



1



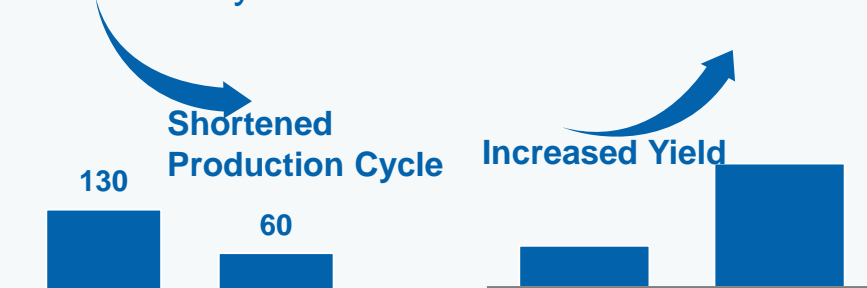
London
Sales center

Small Molecule Cancer Drugs



A Certain Customer

- Completed process optimization and scale-up **within six months** and timely delivered multiple batches of samples for clinical, registration and validation steps
- Designed and optimized the API synthesis process **within four months**
- Shortened the batch production cycle **from 130 days to less than 60 days** and nearly tripled the overall yield



Antiviral drug



A Certain Customer

Technological Advantage

From RSM process optimization to tonnage API validation production **within 8 Months**

Time Advantage

Assisting the customer to complete the process from R&D to approval for sale **within 18 months**

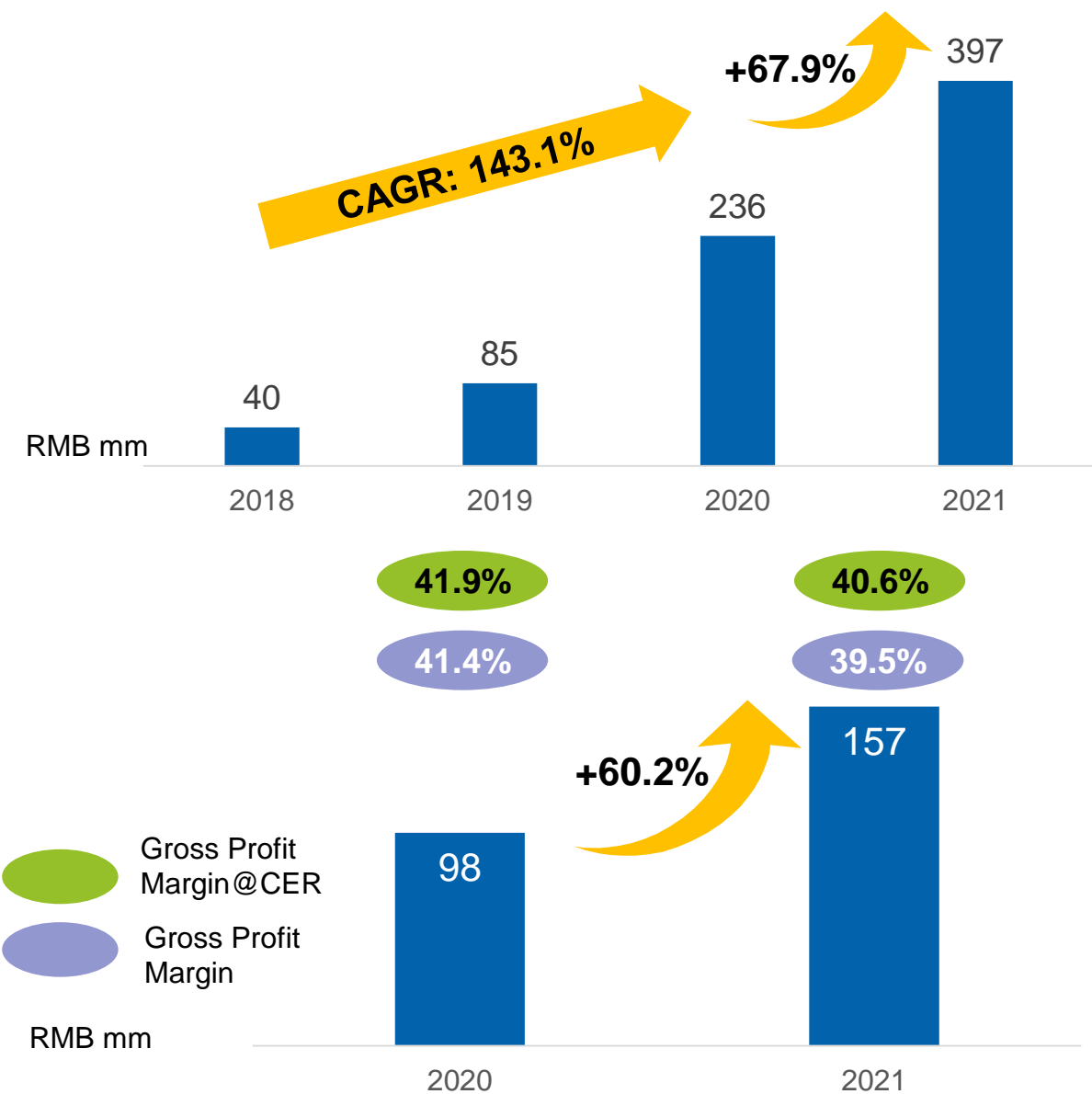
Leading advantage

Smoothly providing the first batch of API products under the globally new process route

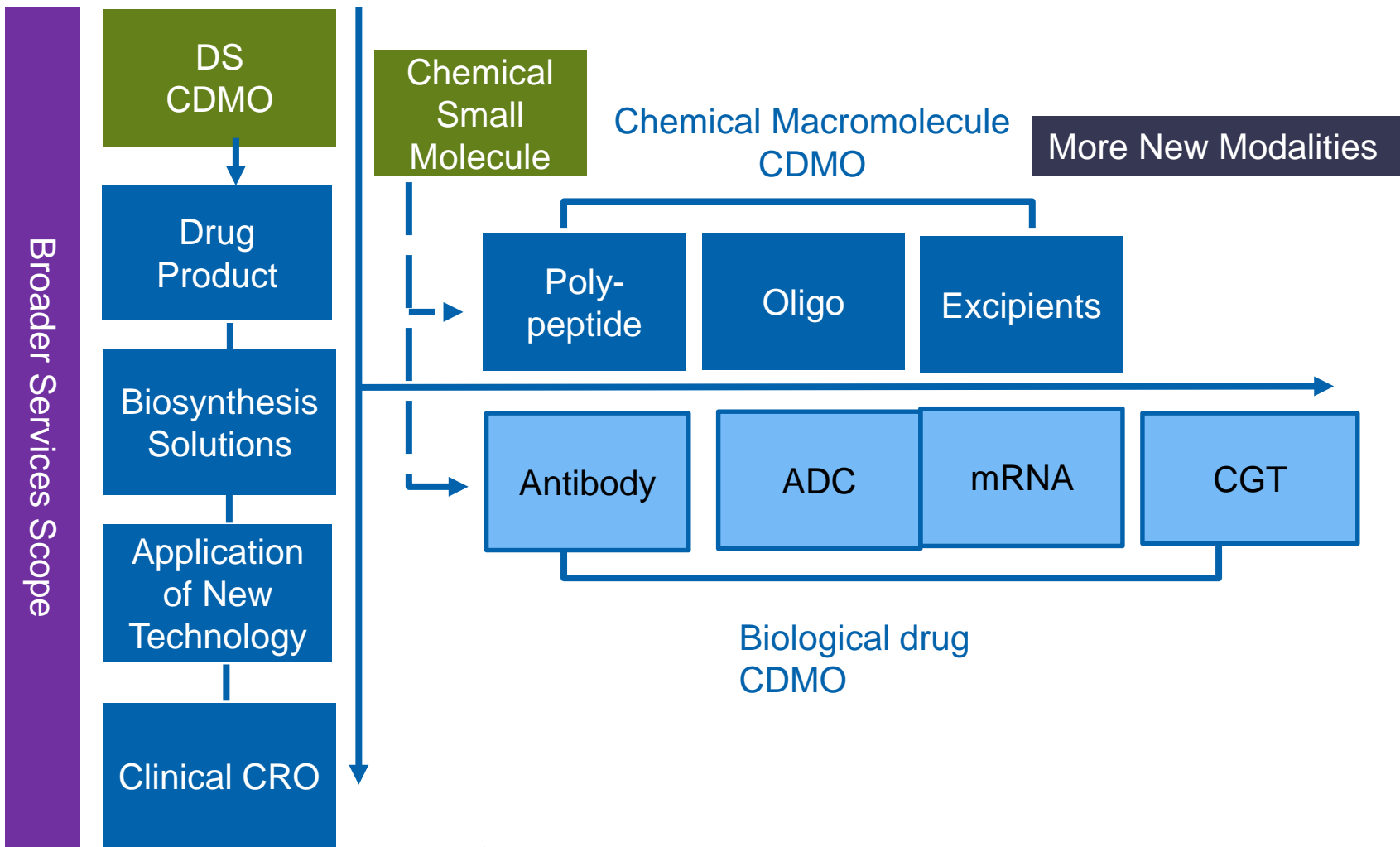
Blooming of Emerging Business



Strong Growth in Revenue from Emerging Business



Gross Profit of Emerging Business



Speed up the Layout of Biologics CDMO



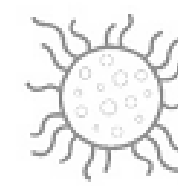
ADC



Antibody



Plasmids



mRNA

Business Highlights

- Strategically promotes the development of biologics business, and has newly signed 20+ project contracts, with on-hand orders of **RMB130 mm +**
- Continues to improve business layout and gradually become capable of taking orders for monoclonal antibodies, ADCs, plasmids and mRNA
- Completed the upgrade of management team and introduced a number of high-end talents, with a staff of **200+**
- Introduced strategic investor Hillhouse Capital to jointly invest RMB2.5 billion to build a first-class biologics CDMO platform

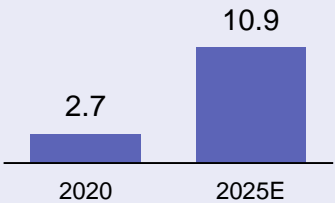
Rapid Development of Chemical Macromolecular Business



Oligonucleotide

- Accelerated the development of small nucleic acid business, and has undertaken a number of API CMC projects from IND to Phase III. All the leading domestic small nucleic acid drug companies have established cooperative relations with the Company.
- Independently designed and fabricated a number of laboratory-scale (OS50) and pilot-scale (OS1000) oligonucleotide synthesizers.

Market Scale
(billion USD)
31.7%
CAGR



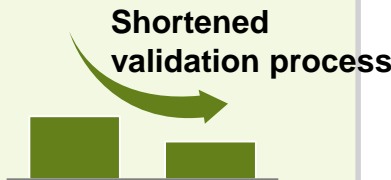
Revenue
+42.86%

Payload-linker

- Deep reserves in the technological development and production capacity of payload, linkers and payload -linkers.
- Mersana's ADC drug payload process verification process was shortened by four months, which greatly accelerating the drug development process, with great significance to accelerate its launching in the market. The related research results were published in the journal *Organic Process Research & Development*.



ADC candidate drug



14 newly-developed customers
23 new projects undertaken

Polymers and adjuvant

- Based on years of technical reserve in the field of polymers and excipients, the company has been involved in a number of lipid projects for mRNA into the late clinical phases.

Projects in the progress of
post Phase-II
More than 20 in total

Clinical CRO Becomes an Important link for Serving the Customers



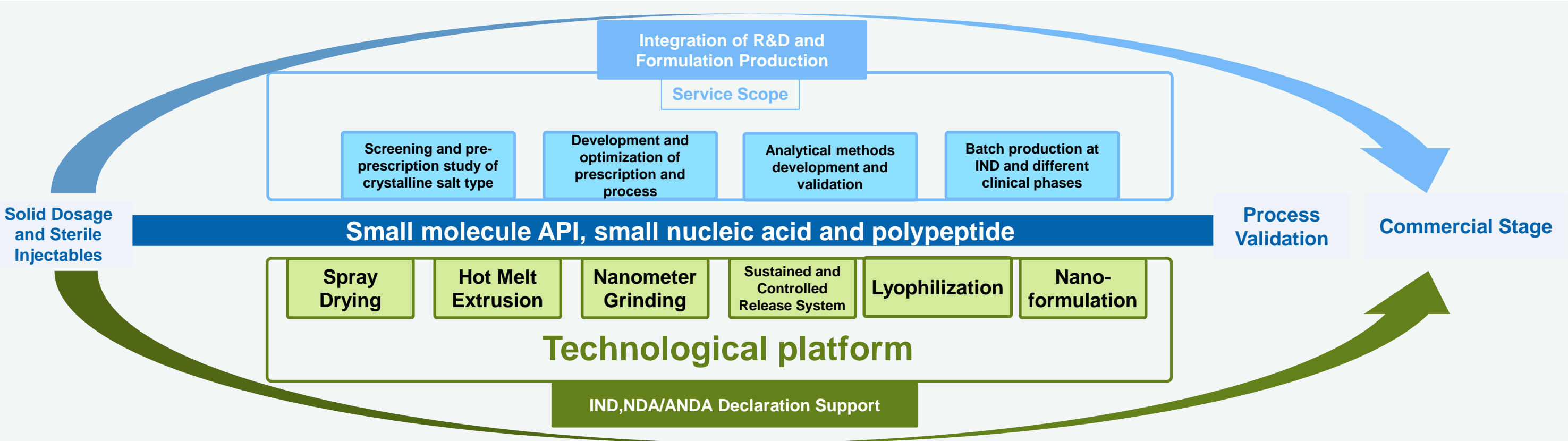
The Company's clinical CRO business (Clin-nov Medical) is an important link for new drug R&D and production service chain
The clinical CRO business, together with the Company's CDMO business, and Company's investment in pharmacokinetic and toxicology platform Yugen Medtech, provide customers with high-quality one-stop service.



Revenue + 84.20%
On-hand order +RMB300 mm

Newly signed projects 150 +
Innovative drug projects 70 +
Nearly 30 cell therapy drug projects

Number of employees 500 +
Continue to introduce middle
and high-end talents

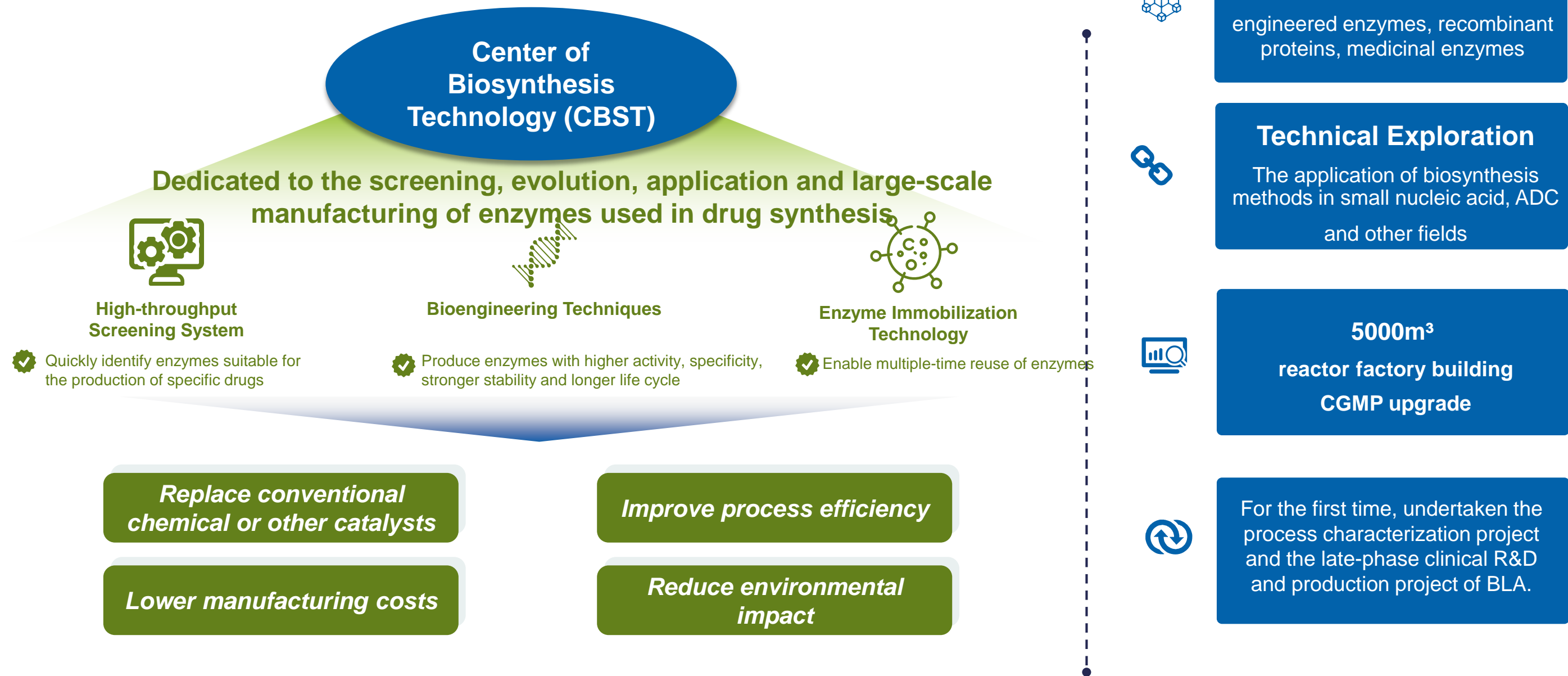


The revenue exceeded **RMB100 mm** for the first time
(A YOY growth of 80.81%)

40% of orders
From foreign customers of the United States / South Korea and other countries

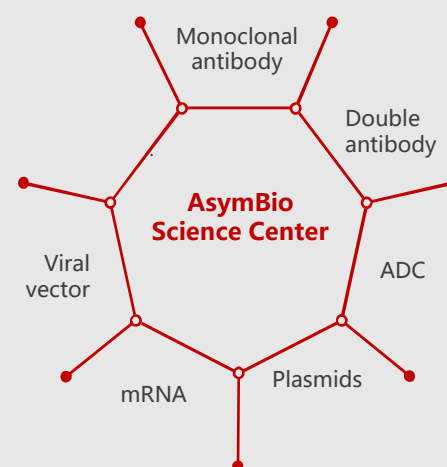
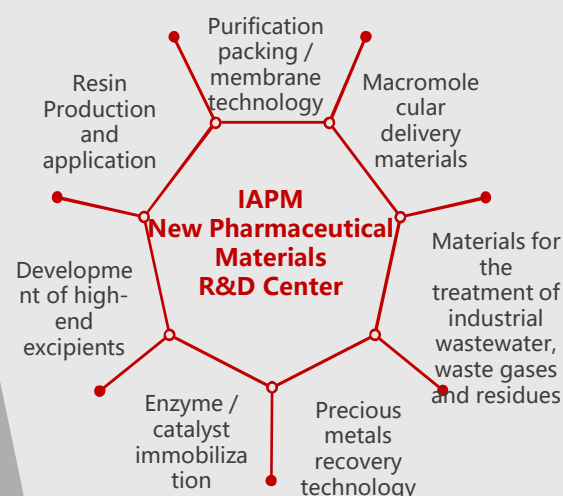
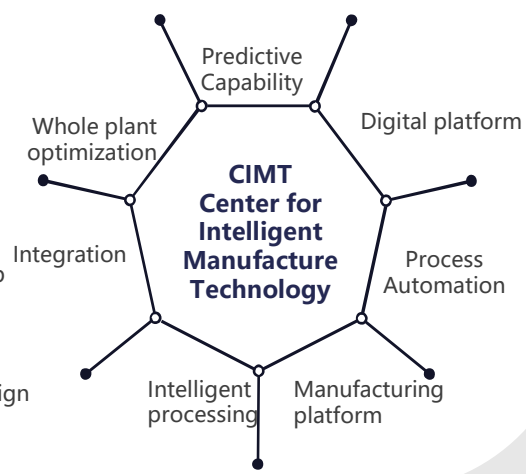
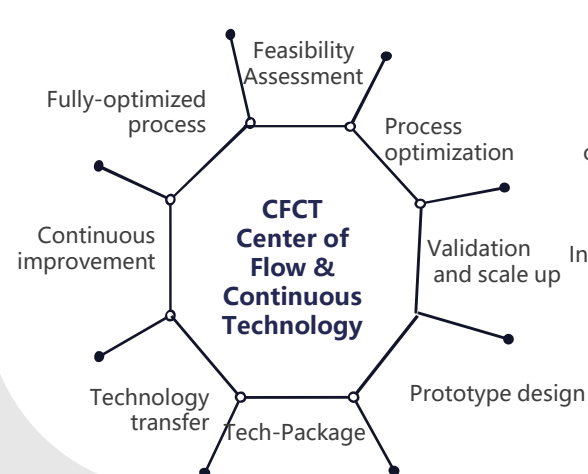
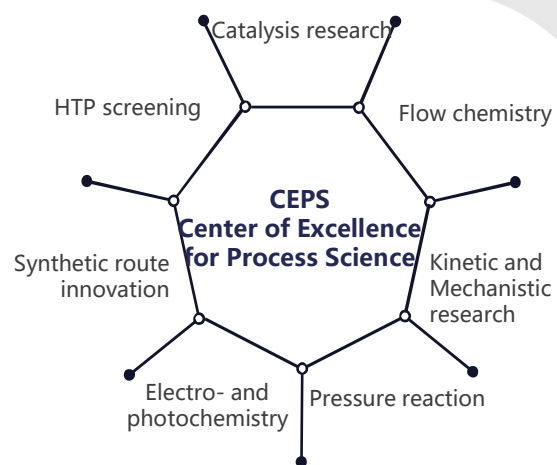
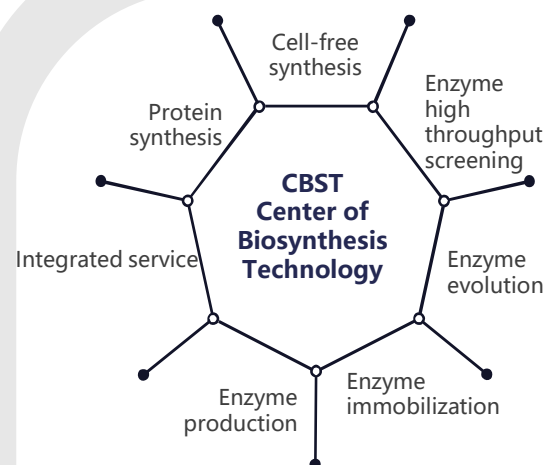
40 API+ formulation projects
Sterile eye drops project
A YOY growth of **300%**

The new platform was put into use
(spray drying, hot melt extrusion, etc.)



Source: Prospectus

Evolving R&D Platform, Increasing R&D Investment



Advanced technological platform

CEPS: The Company has **300 R&D projects**, designed **60 synthetic routes**, developed **8** new routes and applied for **25 patents**

CFCT: The area of flow and continuous technology workshop has expanded nearly **3 times**, and the products produced by flow and continuous technology have exceeded **260mt**. A breakthrough has been made in the R&D of new technology and equipment, with **19 patents** applied

CBST: The number of engineered enzyme databases is nearly **1,900+**, of which nearly 50% has new enzymes with IP; **50+ Enzyme technology application projects**; Focusing on promoting the construction of cell-free synthesis platform

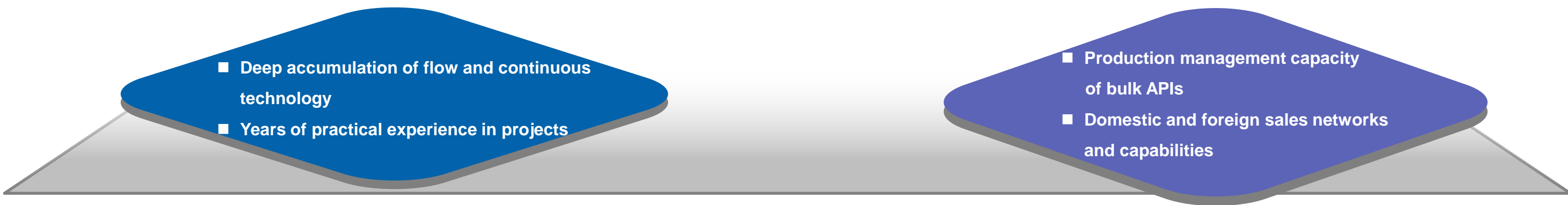
CIMT: The flow-type process digital design has been successfully selected into **the 2021 Excellent Scene Announcement List of the Ministry of Industry and Information Technology of China**

Application of new technology: The application of flow chemistry and Biotechnology projects accounts for **30+**

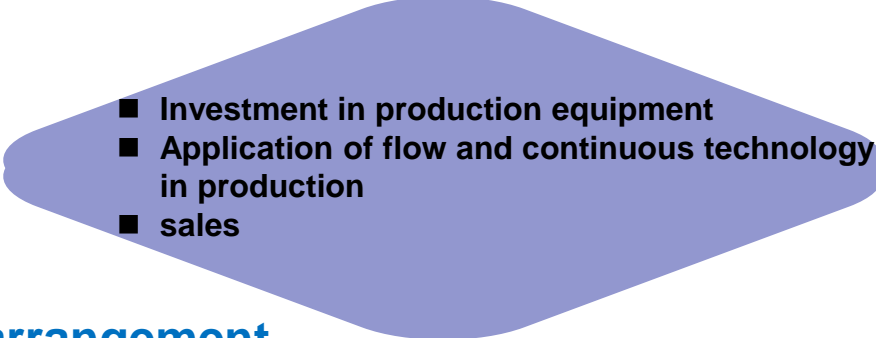
Continuous R&D Investment

The R&D investment in 2021 was **RMB387 mm**, an increase of **49.64%** over the same period last year, accounting for **8.37%** of the revenue in the same period and ranking one of **the highest** in the global CDMO industry

First Successful Commercial Application of Flow and Continuous Technology



Technical empowerment



CDO contracts and cooperative revenue arrangement



Win-Win



3

Financial Performance

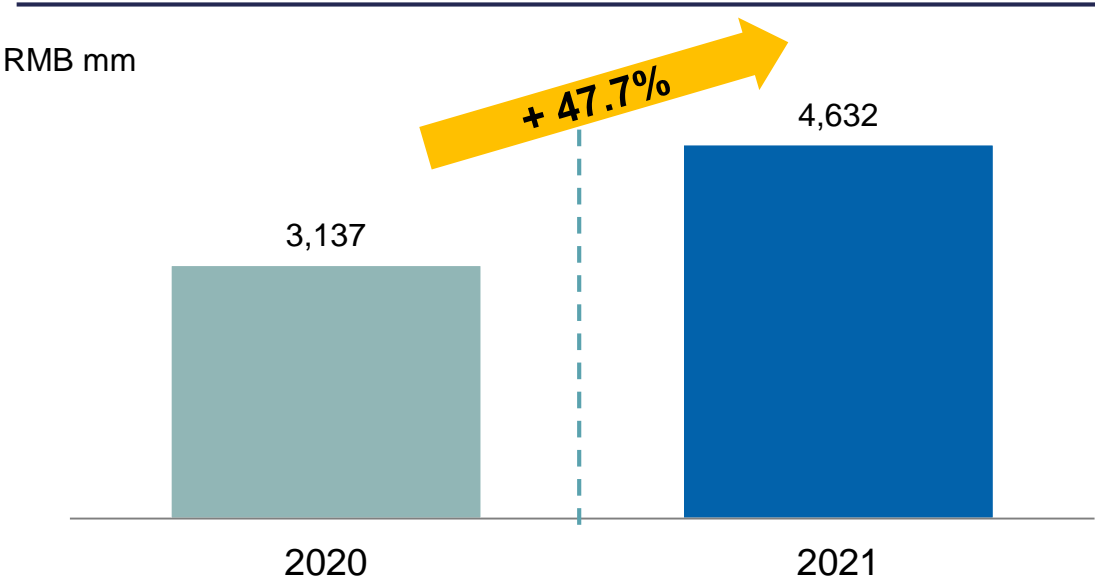


Key Financial Indicators

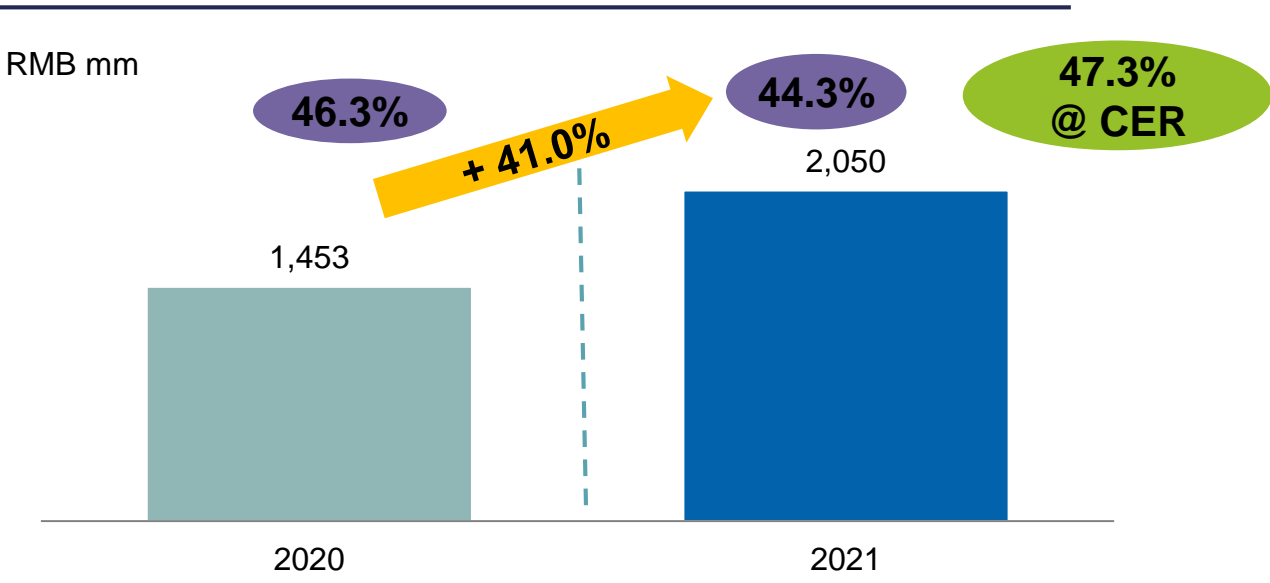


All important financial indicators, including revenue, gross profit margin, net profit attributable to owners of the Company and adjusted net profit attributable to owners of the Company increased significantly in 2021.

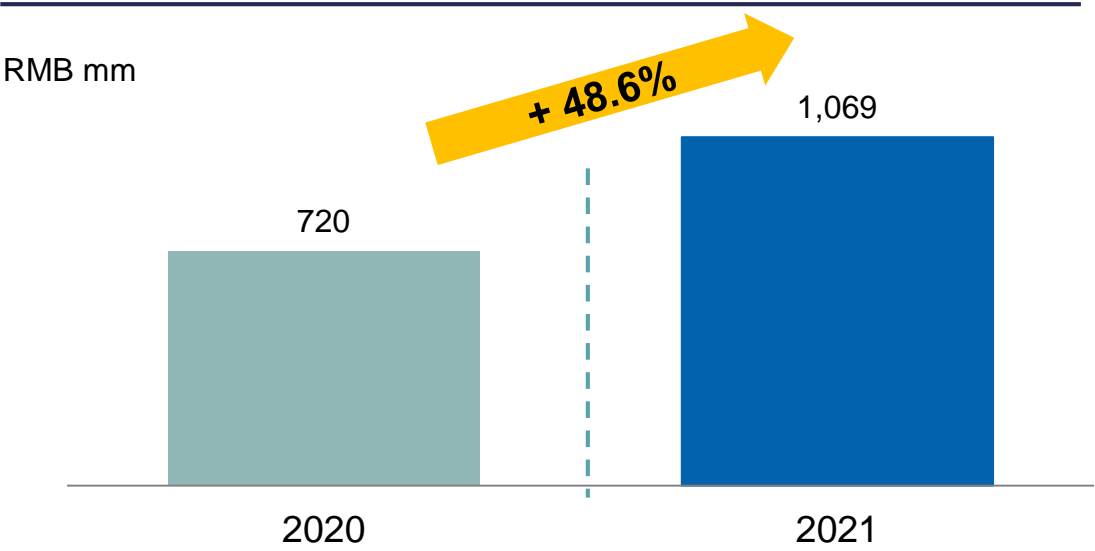
Revenue



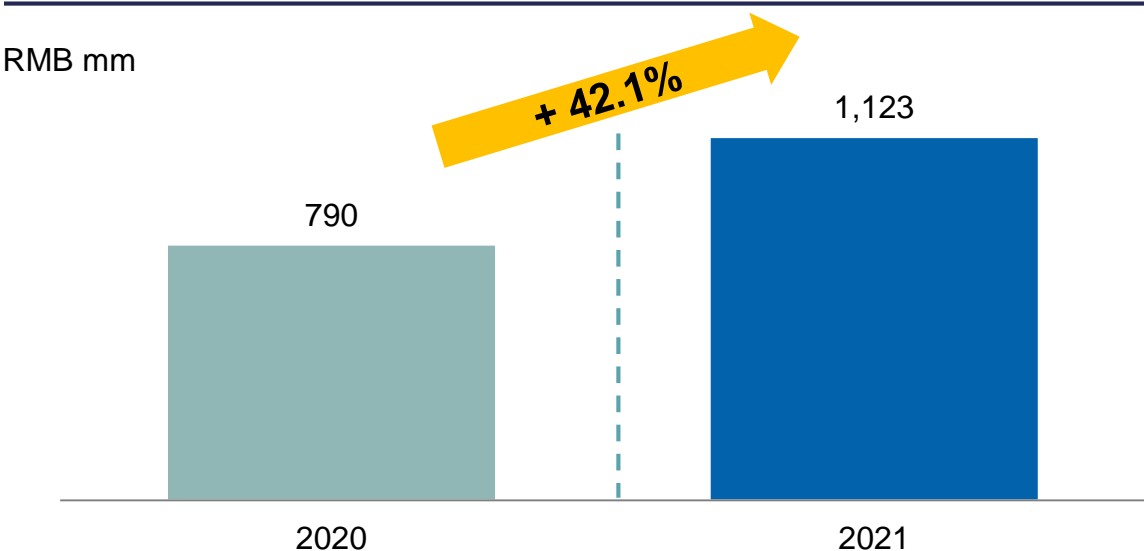
Gross profit and gross profit margin



Net profit attributable to owners of the Company



Adjusted net profit attributable to owners of the Company

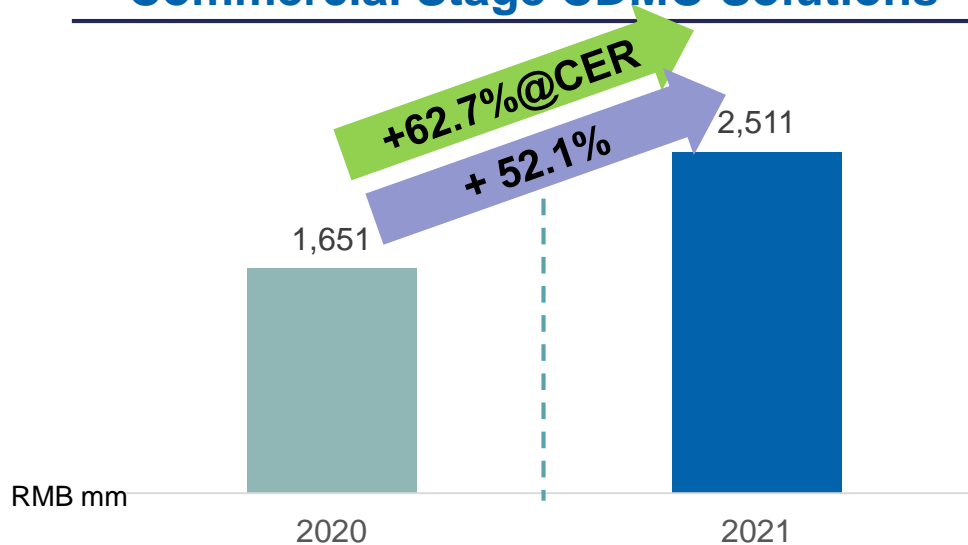


Segment Revenue

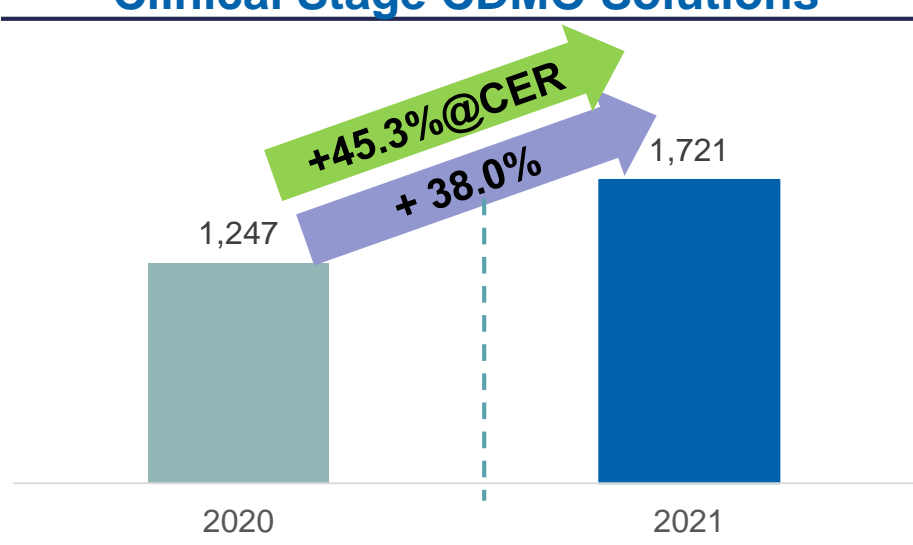


Business in all segments are developing vigorously and rapidly. On the basis of continuously providing high-quality services to major customers, the Company enhanced the coverage of diversified customers both in domestic and abroad and expanded market share.

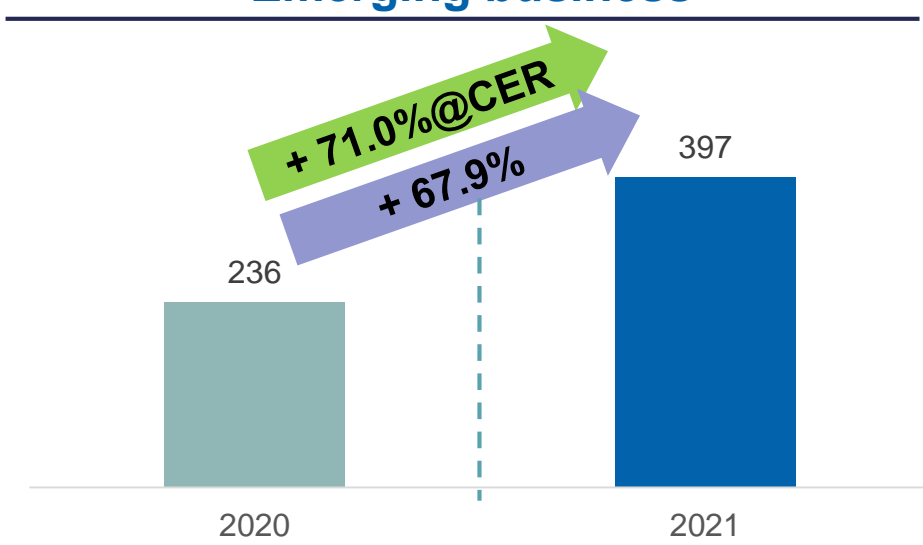
Commercial Stage CDMO Solutions



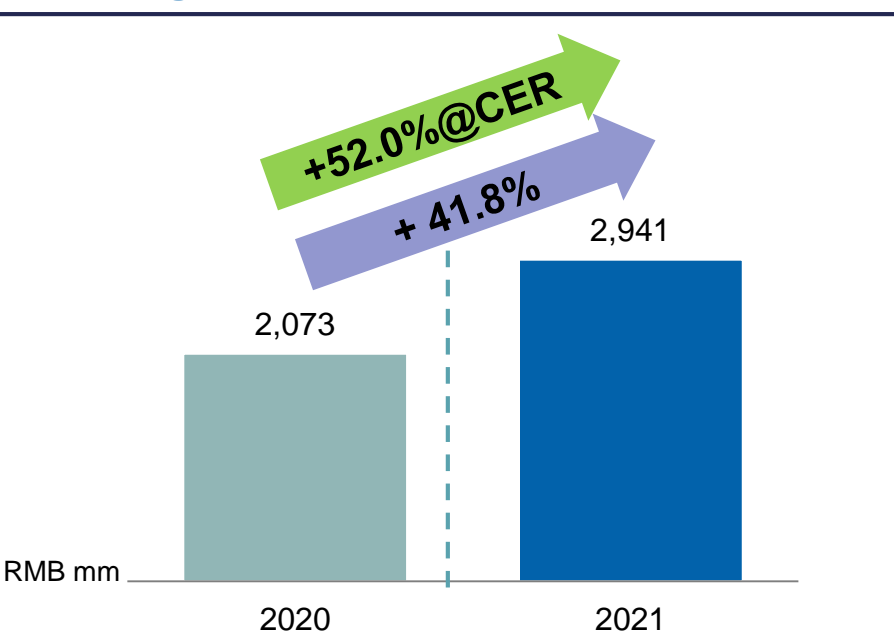
Clinical Stage CDMO Solutions



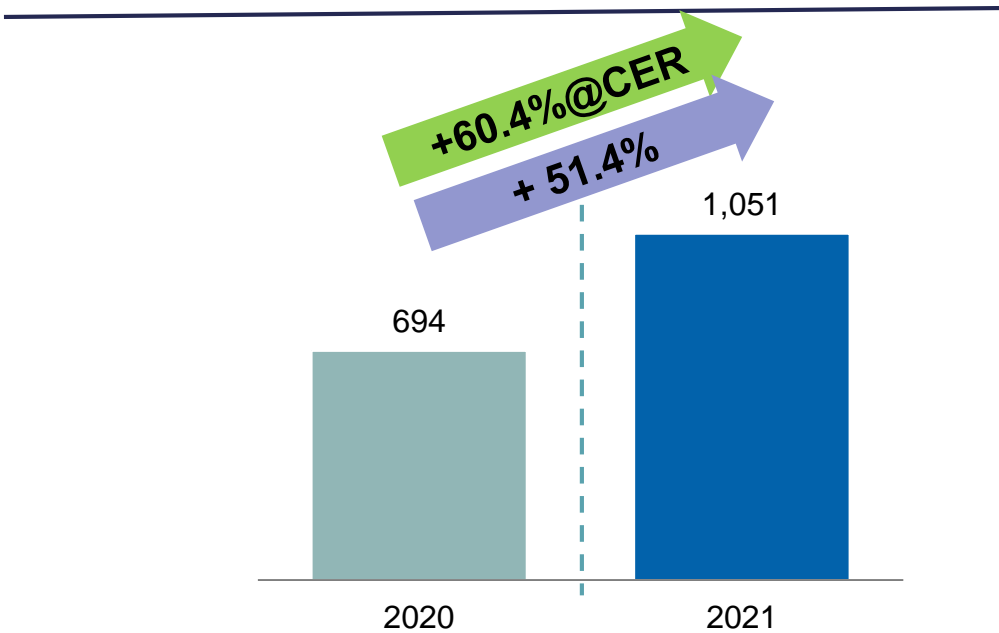
Emerging business



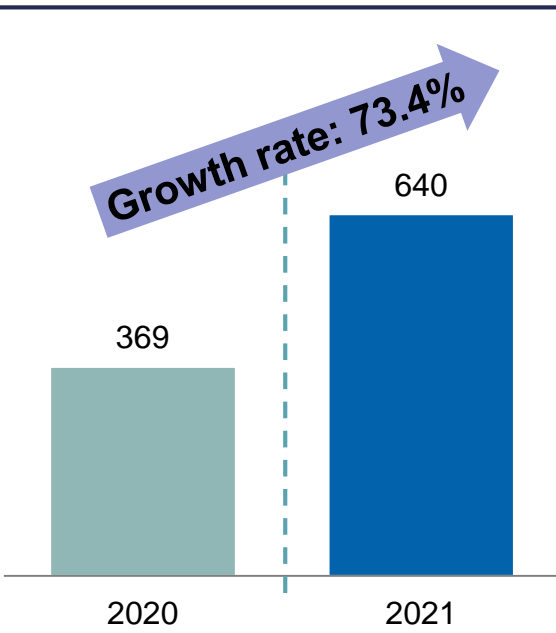
Large Pharmaceutical Companies



Overseas Small- and Medium-sized Companies



Domestic Small- and Medium-sized Companies



Adjusted Non-IFRS Revenue, Gross profit, Gross profit margin



RMB mm	2021	2020	Growth rate	2021 @ CER	Growth rate*
Revenue	4,632	3,137	47.7%	4,905	55.2%
Gross profit	2,050	1,453	41.0%	2,323	57.4%
Gross profit margin	44.3%	46.3%	-2.0%	47.4%	0.6%

*2021@CER vs 2020@CER

@ CER (Constant Exchange Rate), in 2021, about 86% of our revenue is denominated in currencies other than RMB. Because our financial statements are denominated in RMB, the foreign exchange rate will significantly affect our financial performance. Therefore, we believe that the results of the report excludes the impact of foreign currency exchange rate fluctuations in revenue and gross profit margins to facilitate the analysis of comparisons over different periods. This constant monetary information assumes that the current results are converted at the same effective foreign exchange rate as in the same period last year.

Segment Gross Profit and Gross Profit Margin

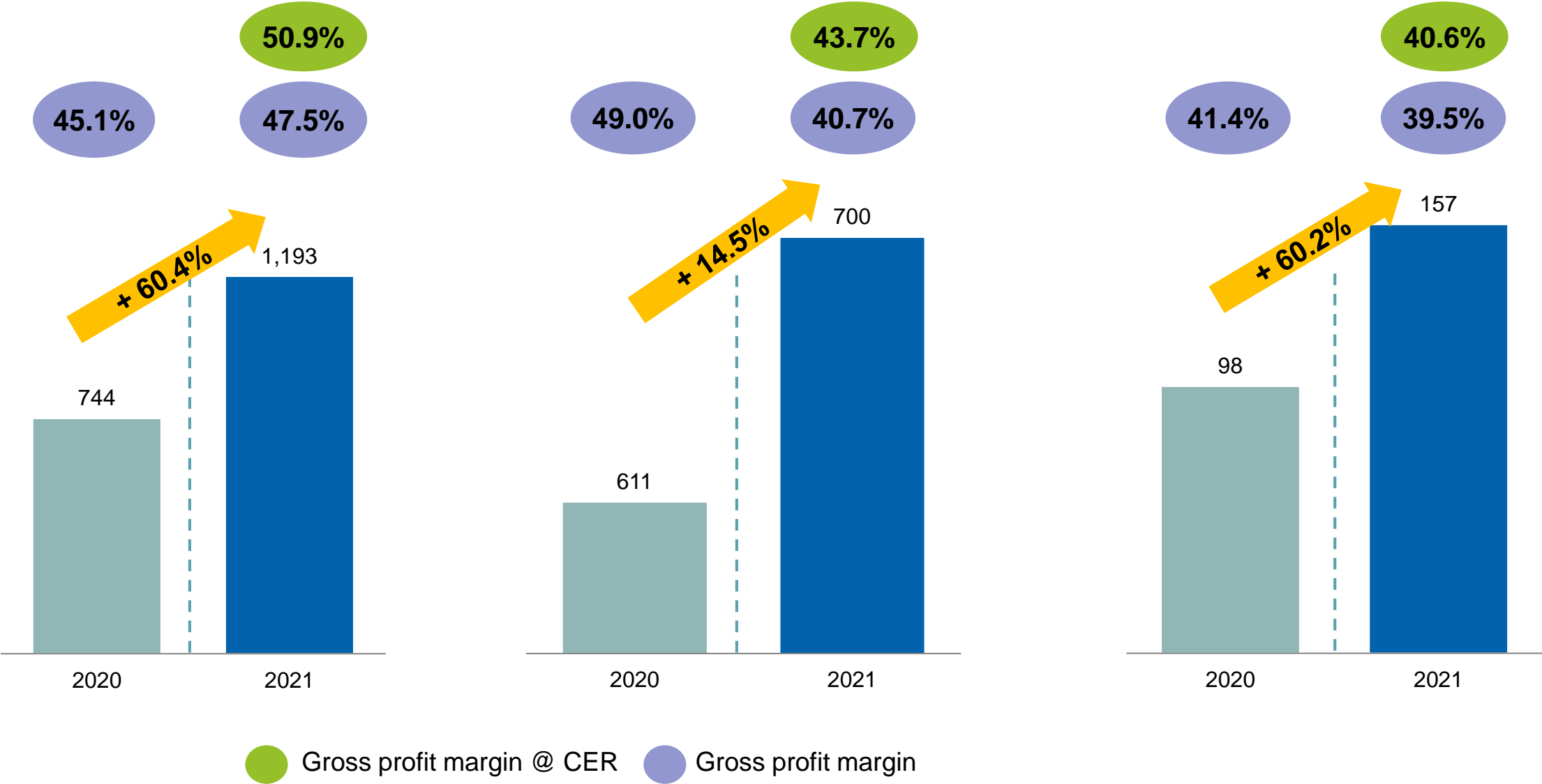


Commercial Stage CDMO Solutions

Clinical Stage CDMO Solutions

Emerging business

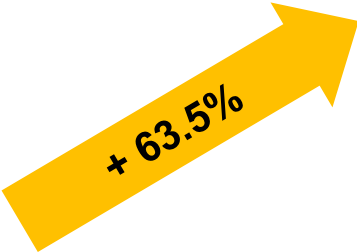
RMB mm



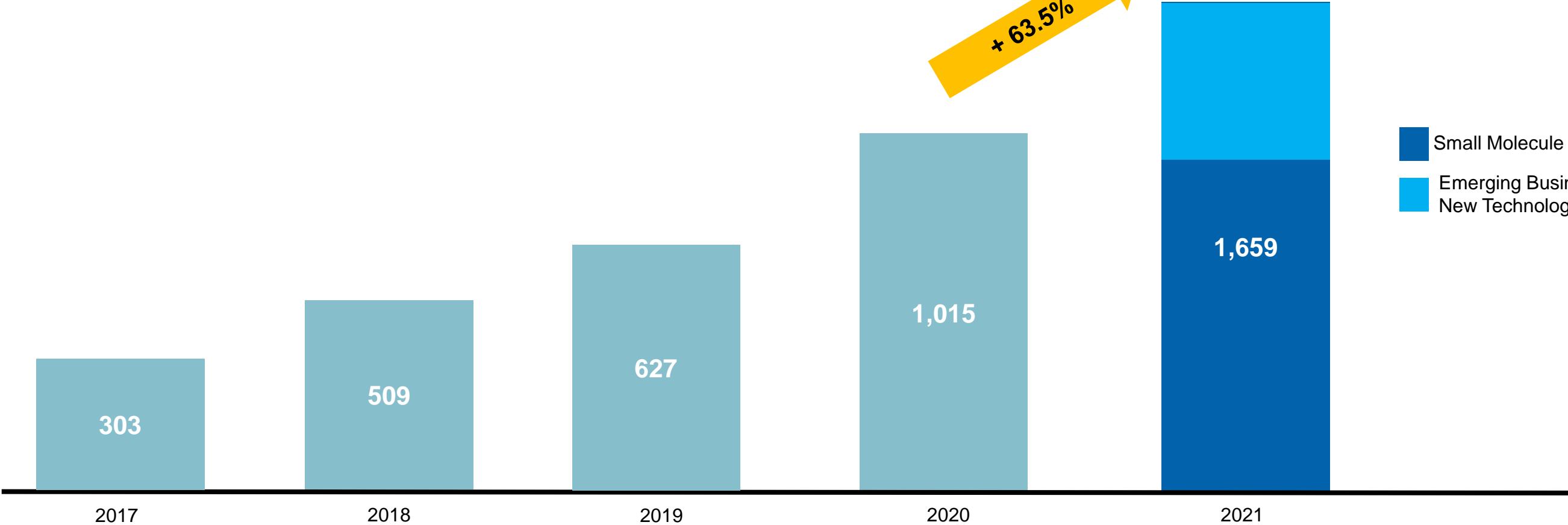
Capital Expenditure



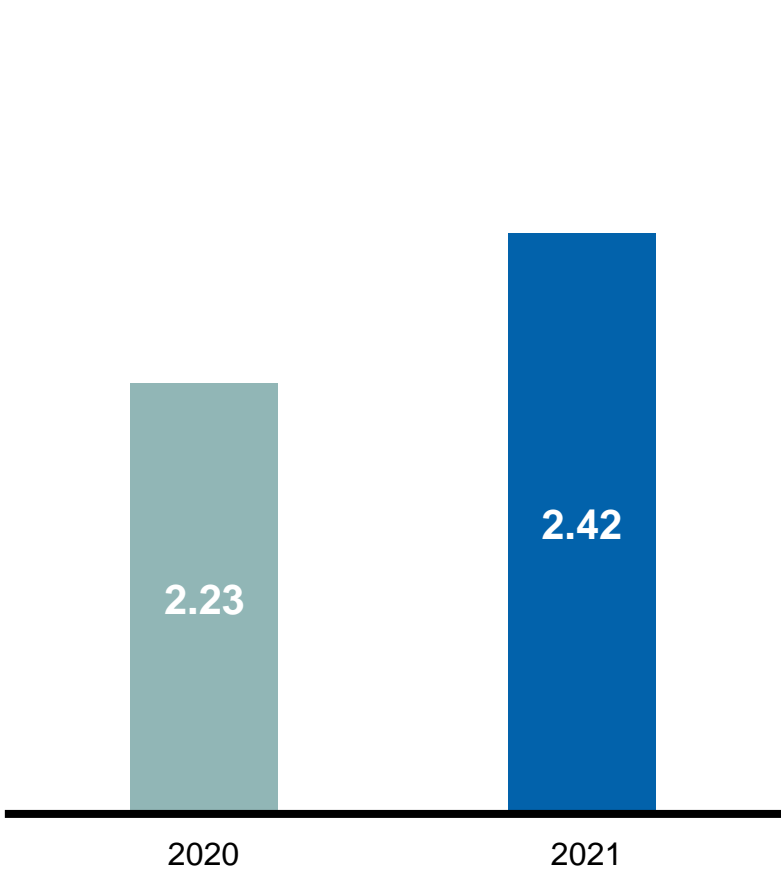
Proportion of
revenue



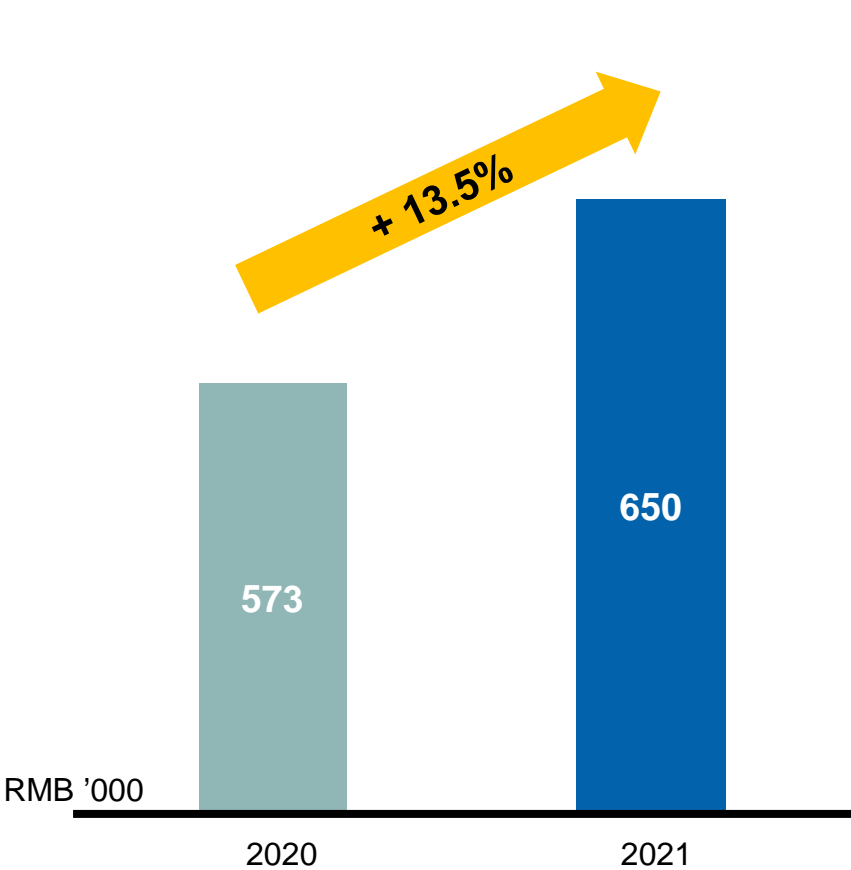
RMB mm



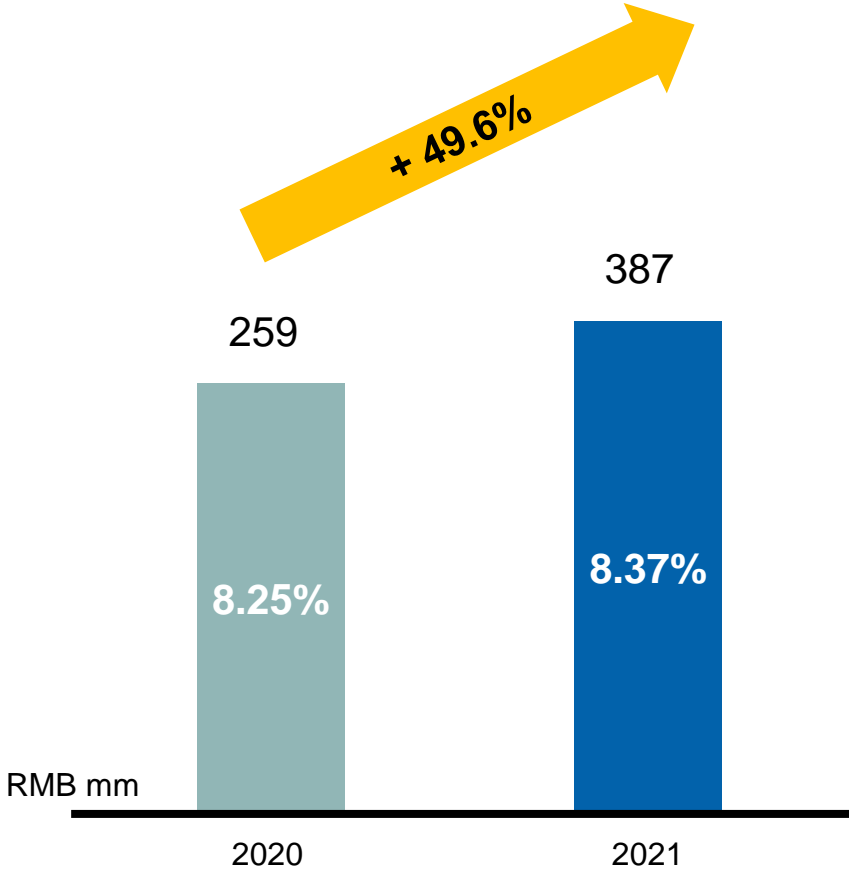
Efficient use of fixed assets, high added value of per capita revenue and sustained growth of R&D investment



Turnover Rate of Fixed Assets



Per Capita Revenue

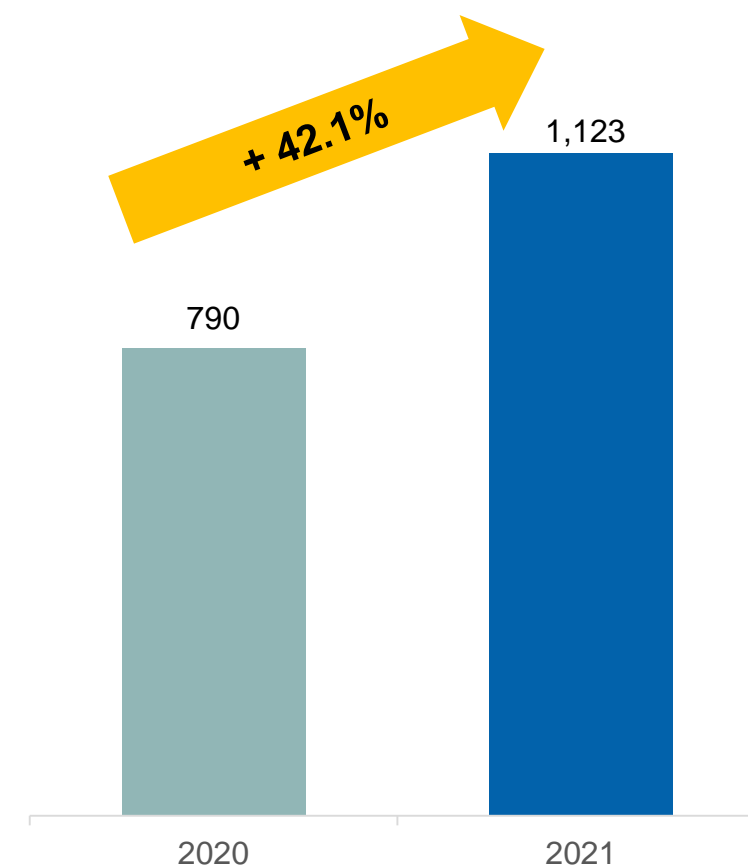


Proportion of R&D Expenses to Revenue

Adjusted Net Profit



RMB mm	2021	2020
Net Profit Attributable to Owners of the Company	1,069	720
Add:		
Equity incentive amortization expense	51	18
Gain or loss on exchange rate fluctuations	12	54
Changes in fair value gains and losses of derivative financial instruments	-	10
Income tax impact	(9)	(12)
Adjusted Net Profit Attributable to Owners of the Company	1,123	790



4

Outlook for 2022



1

Driven by large orders, revenue and profits will grow at a record-high in 2022.

2

Operating Policy in 2022: Delivery of Large Orders, Market Expansion, System Upgrading and Technology Leadership

- Devote to production and supply chain management to ensure timely delivery of large orders; actively expand the CDMO business of other drugs for the indication
- Aggressively explore the US Biotech market and early-phase projects; promote the development of business in all sectors of emerging services at full speed
- Actively promote overseas mergers & acquisitions and speed up overseas market layout
- Continuously upgrade the management system to match the leaping growth of business development
- Actively promote the application of new technologies, continue to build six major R&D centers, and maintain technological leadership

3

Speed up the manufacturing capacity construction of various business sectors

- Rapidly promote the delivery of small molecule manufacturing capacity, add 2,000m³ batch reaction capacity throughout the year, and increase the application of flow and continuous technology
- Promote the construction of kilogram manufacturing capacity of oligonucleotides
- Promote the production capacity construction of biological macromolecule Jinshan ADC and the construction of Fengxian commercialization production base



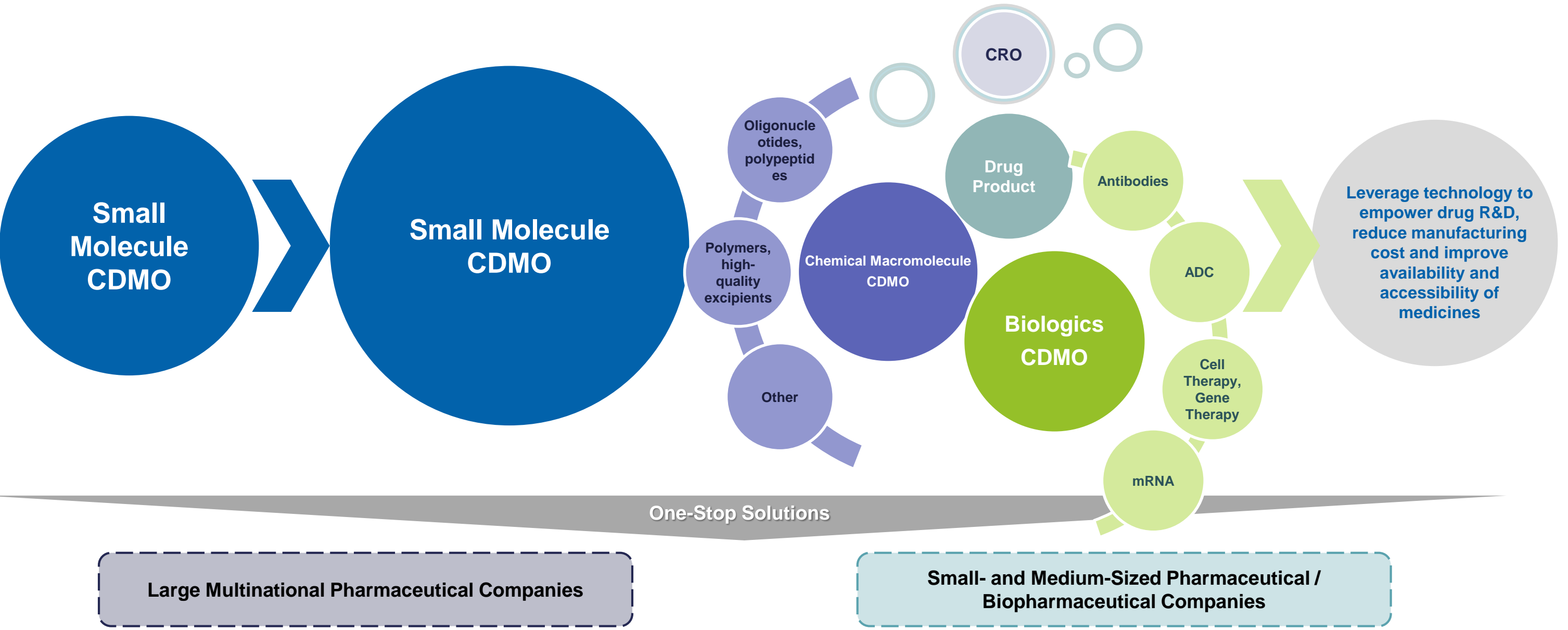
Stick to “Dual-Wheel-Drive” Strategy



Continue to strengthen our leading position in small molecule CDMO, increase market share and expand application of new technologies

+

Expand our CDMO capabilities to other drug modalities by leveraging our technology know-how and business experience in small molecule CDMO



Source: Prospectus

Appendix



Consolidated Statement of Profit or Loss



RMB mm

	2021	2020
REVENUE	4,632	3,137
Cost of sales	2,582	1,684
Gross profit	2,050	1,453
Other income and gains	173	120
Selling and distribution expenses	(100)	(84)
Administrative expenses	(495)	(320)
Research and development expenses	(387)	(259)
Losses on impairment of financial and contract assets, net	(22)	(26)
Other expenses	(15)	(71)
Finance costs	(7)	(4)
Share of (losses)/profits of associates	(4)	2
PROFIT BEFORE TAX	1,193	811
Income tax expense	(124)	(91)
PROFIT FOR THE YEAR	1,069	720
Add:		
Equity incentive amortization expense	51	18
Gain or loss on exchange rate fluctuations	12	54
Changes in fair value gains and losses of derivative financial instruments	-	10
Income tax effect	(9)	(12)
Adjusted Net Profit Attributable to Owners of the Company	1,123	790

Consolidated Statement of Financial Position



RMB mm

	2021	2020
NON-CURRENT ASSETS		
Property, plant and equipment	3,336	2,208
Right-of-use assets	363	284
Goodwill	146	43
Other intangible assets	63	24
Deferred tax assets	187	118
Investments in associates	292	270
Prepayments, deposits and other receivables	355	170
Financial assets at fair value through profit or loss	104	35
Total non-current assets	4,846	3,152
CURRENT ASSETS		
Inventories	1,396	726
Trade receivables	1,816	978
Contract assets	1	9
Prepayments, deposits and other receivables	458	190
Tax recoverable	4	3
Financial assets at fair value through profit or loss	401	-
Cash and cash equivalents	6,234	2,125
Total current assets	10,310	4,031
Total assets	15,156	7,183

Consolidated Statement of Financial Position (continued)



RMB mm

	2021	2020
CURRENT LIABILITIES		
Trade payables	552	379
Other payables and accruals	1,201	518
Interest-bearing bank and other borrowings	375	10
Lease liabilities	13	3
Tax payable	64	19
Total current liabilities	2,205	929
NET CURRENT ASSETS	8,105	3,102
TOTAL ASSETS LESS CURRENT LIABILITIES	12,951	6,254
NON-CURRENT LIABILITIES		
Other payables and accruals	179	151
Lease liabilities	46	26
Deferred tax liabilities	116	87
Total non-current liabilities	341	264
Net assets	12,610	5,990
EQUITY		
Equity attributable to owners of the parent		
Share capital	263	242
Restricted shares under share-based payment	(482)	(137)
Other reserves	12,829	5,885
Total equity	12,610	5,990



Thank You!

