

Stock code: 300759.SZ

Stock code: 3759.HK



2021

Annual Results Announcement



28 March, 2022



Disclaimer

The documents, opinions and materials presented in this presentation (the “Document”) have been prepared by Pharmaron Beijing Co., Ltd. (康龍化成(北京)新藥技術股份有限公司) (the “Company”) for use in presentations by the Company and does not constitute a recommendation regarding the securities of the Company. You fully understand that the Document is being made available on a confidential basis and subject to the following provisions. 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 the recipients into whose possession this Document comes should inform themselves about, and observe such restrictions. By accessing this Document, you are agreeing (i) that you have read and agree to comply with the contents of this notice and disclaimer and (ii) to maintain absolute confidentiality regarding the information disclosed in this Document.

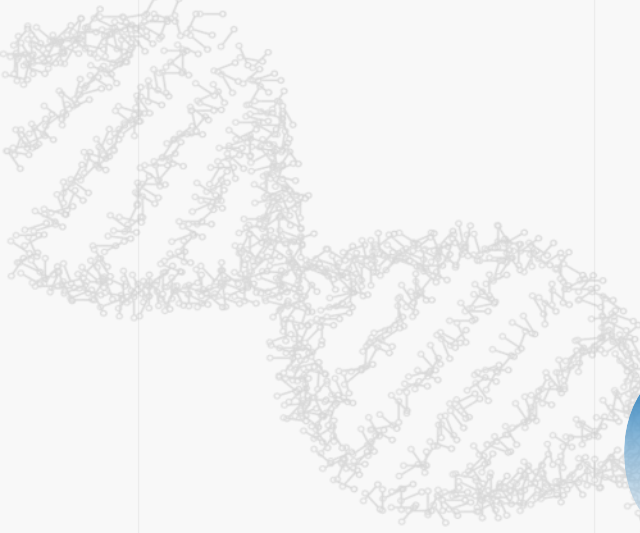
This Document has not been independently verified and is not intended to form the basis of any investment decision. It does not constitute an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities in any jurisdiction in which the making of such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction or would not otherwise be in compliance with the laws and regulations of such jurisdiction, and nothing contained herein shall form the basis of any investment decision, contract or commitment whatsoever. This Document contains no information or material which may result in it being deemed (1) to be an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “Securities and Futures Ordinance”) or (2) in Hong Kong to have effected an offer to the public without compliance with the laws of Hong Kong or being able to invoke any exemption available under the laws of Hong Kong, and is subject to material change without notice.

The securities of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or under the laws of any state of the United States. This Document does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States and is not for distribution and may not be distributed, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). The securities of the Company will not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the U.S. Securities Act. There will be no public offer of the Company’s securities in the United States.

This Document and the information contained herein as well as information presented orally or otherwise are strictly confidential and must be treated as such. Neither the information contained in this Document nor any copy hereof may be, directly or indirectly, taken or transmitted into or distributed in the United States, Canada, Australia, Japan, PRC, Hong Kong or any other jurisdiction which prohibits the same except in compliance with applicable securities laws. Any failure to comply with this restriction may constitute a violation of U.S. or other jurisdiction's securities laws. Upon request, the recipient will promptly return this Document and any other written information made available in the presentation, without retaining any copies.

This Document does not purport to be comprehensive or to contain all the information that a recipient may need in order to evaluate the Group. No representation, warranty or undertaking, express or implied, is given and, so far as is permitted by law, no responsibility or liability is accepted by any person (for the avoidance of doubt, including but not limited to, the Company and its affiliates, controlling persons, directors, officers, partners, employees, agents, representatives or advisers of any of the foregoing), with respect to the accuracy, reliability, correctness, fairness or completeness of this Document or its contents. The information communicated in this presentation contains certain statements that are or may be forward looking. These statements typically contain words such as “will”, “expects”, “intends”, “plans to” and “anticipates” and words of similar import. These forward-looking statements reflect the current view of the Company with respect to future events are based on a number of assumptions about the Company’s operations and factors beyond the Company’s control and are subject to significant risks and uncertainties, and, accordingly, actual results may differ materially from these forward-looking statements. In particular, but without limitation, no representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on, any assumptions, projections, targets, estimates, forecasts or any forward-looking statements contained in this Document. Each of the Company and its affiliates, controlling persons, directors, officers, partners, employees, agents, representatives or advisers of any of the foregoing assumes no obligation to update or otherwise revise these forward-looking statements for new information, events or circumstances that occur subsequent to such dates. None of the Company and any of its affiliates, controlling persons, directors, officers, partners, employees, agents, representatives or advisers of any of the foregoing shall have any liability (in negligence or otherwise) in respect of the use of, or reliance upon, the information contained herein by you or any person to whom the information herein is disclosed.

In furnishing this Document, the Company and its affiliates undertake no obligation to provide any additional information or to update this Document or any additional information or to correct any inaccuracies which may become apparent.



Contents

Performance
Overview

1

Business
Highlights

2

Financial
Highlights

3

Growth
Strategy

4

“ CONTENT

01

Performance
Overview

02

Business
Highlights

03

Financial
Highlights

04

Growth
Strategy



2021 Performance Overview

17 Years

In operation

18 Locations

Operation sites in China / U.S. / U.K

>14,900

Employees (>13,400 scientists & technicians) ⁽¹⁾

1 of Only 2

Platform with a fully integrated business model globally ⁽²⁾

Top 3

Drug discovery service provider globally ⁽²⁾

All Top 20

Global pharmaceutical companies are our customers ⁽¹⁾

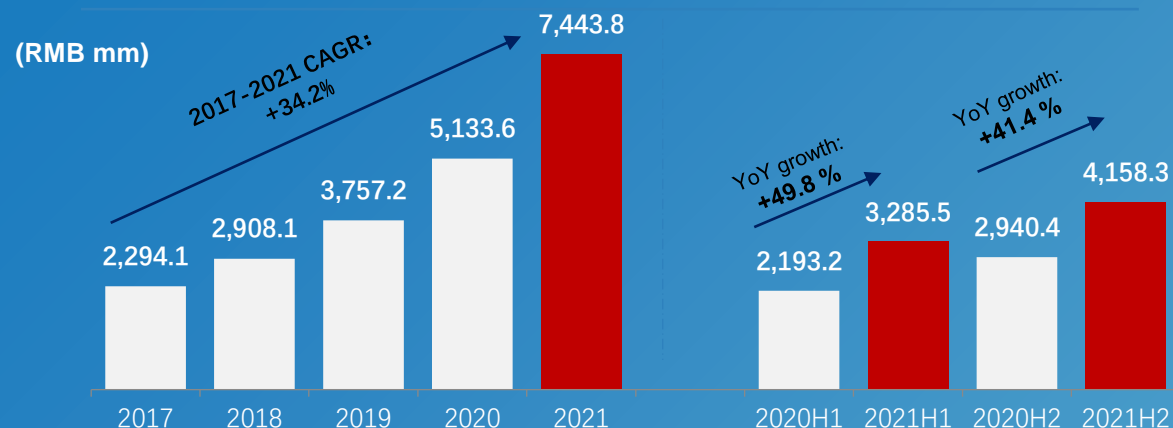
~ 90% of revenue

From repeat customers ⁽³⁾

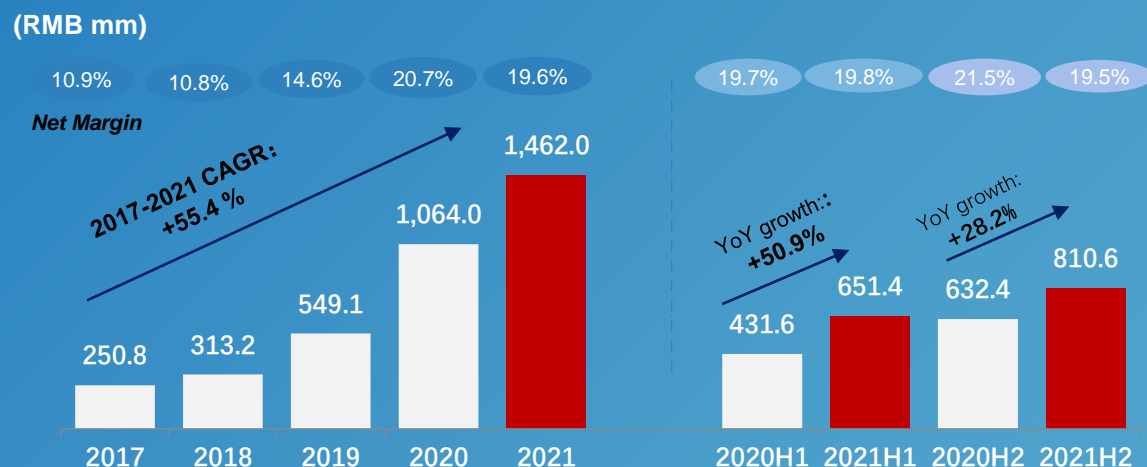
Over 2000

Customers served in 2021

Strong Revenue Growth



Robust Non-IFRSs net profit ⁽⁴⁾ Growth



Source: Prospectus, 2019 Annual Report, 2020 Annual Report, 2021 Annual Report, and 2021 Interim Report. 2020H1, 2021H1, 2020H2 and 2021H2 financials are unaudited.

1. As of December 31, 2021;

2. By 2020 revenue, Frost & Sullivan analysis;

3. During FY 2021;

4. Non-IFRSs net profit for the period excludes the impact from certain expense such as share-based compensation expenses, foreign exchange related gains or losses, issuance expense on convertible bonds, Losses on fair value change of convertible bonds-embedded derivative component and realized/unrealized gains or losses from equity investments



China



Beijing HQ
Laboratory services
1.2 million ft²



Ningbo
Laboratory services
2.56 million ft²



Shanghai
Laboratory services
130,000 ft²



Tianjin
CMC
Land: 538,195 ft²



Shaoxing
CMC
(commercialization)
Land: 1,791,000 ft²



Nanjing
Clinical development
services
40,000 ft²



Beijing TSP
Safety assessment
215,000 ft²



Xi'an
Laboratory services
172,000 ft²



U.S.



Baltimore, MD
Clinical development
services
40,000 ft²



Germantown, MD
Clinical development
services
16,000 ft²



Exton, PA
Laboratory services &
CGT analysis
53,000 ft²



San Diego, CA
Laboratory services
96,500 ft²



Boston, MA
Biologics & CGT analysis
24,000 ft²



U.K.



Cardiff
Radiolabelled Science
48,000 ft²



Hoddesdon
Discovery & Early
Development
473,000 ft²



Rushden
Radiolabelled Chemistry
& Metabolism
29,000 ft²



Liverpool
CGT CDMO
103,000 ft²

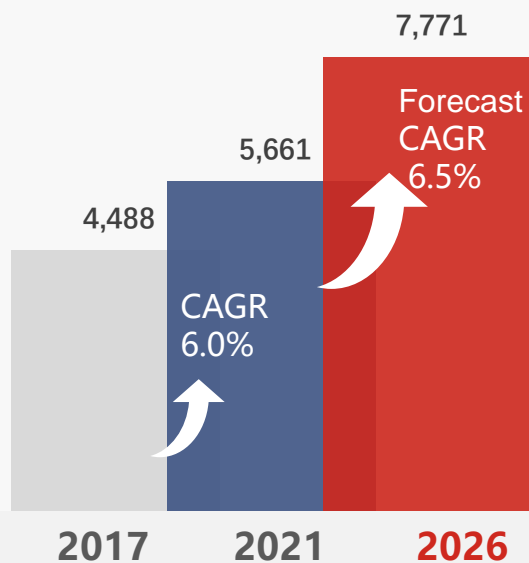


Cramlington
CMC
(commercialization)
(Acquired in Jan 2022)

- According to Frost & Sullivan’s forecast, the global drug R&D and manufacturing spending from 2021 to 2026 will maintain a stable growth, of which, the pharmaceutical R&D and manufacturing spending in China is expected to grow at a CAGR of 11.2% from 2021 to 2026.
- According to Frost & Sullivan’s forecast, From 2021 to 2026, the outsourcing penetration rate of the global drug R&D and manufacturing spending will further increase from 2021 to 2026 and the market share of the Chinese drug R&D and manufacturing outsourcing services is expected to reach 21.4% in 2026.

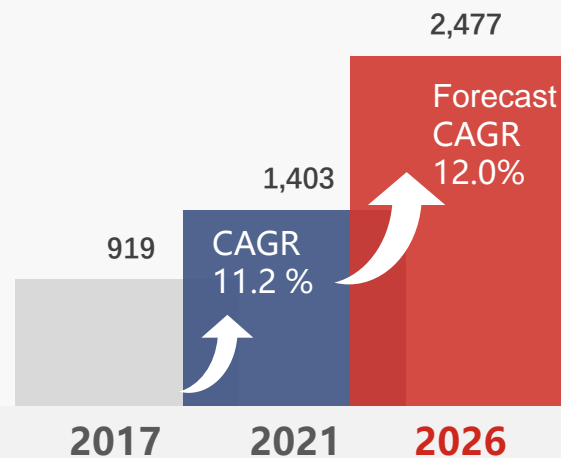
Global Drug R&D and Manufacturing Spending

(Unit: US \$100 million)



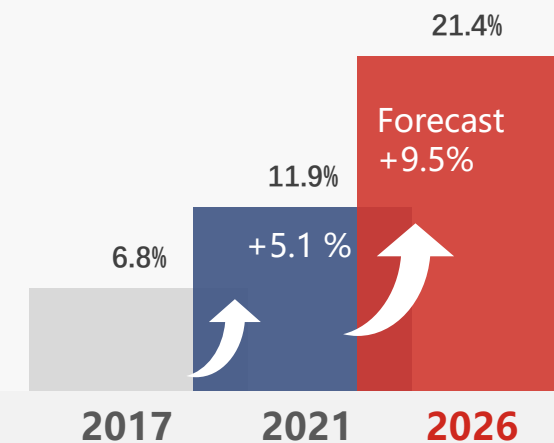
Global Drug R&D and Manufacturing Outsourcing Services Market Size

(Unit: US \$100 million)



Chinese Drug R&D and Manufacturing Outsourcing Services Market Size

2026 market share is expected **21.4%**
RMB 342.4 billion





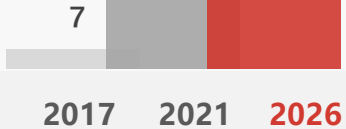
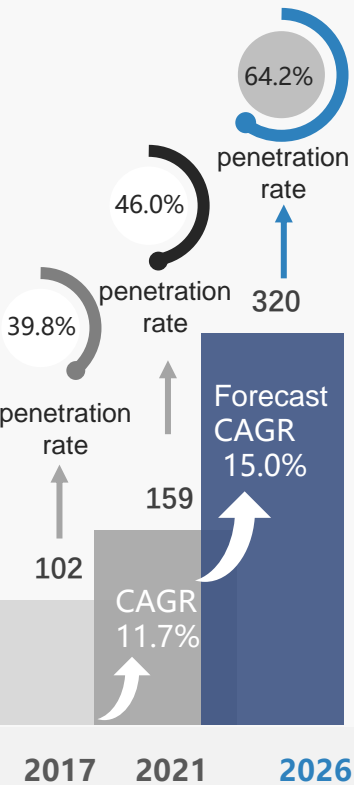
Discovery R&D Services Trend

(Unit: US \$100 million)

Global discovery CRO services market size

China's discovery R&D CRO services market size

In 2021-2026
China market share forecast



16.3% → 24.6%



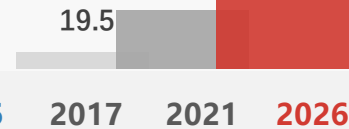
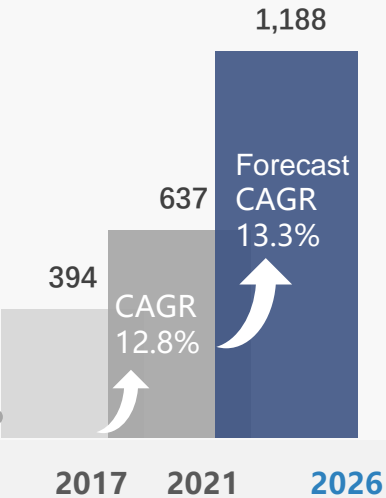
CDMO Services Trend

(Unit: US \$100 million)

Global CDMO services market size

China's CDMO services market size

In 2021-2026
China market share forecast



10.5% → 19.8%



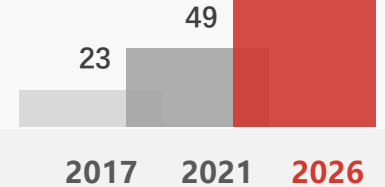
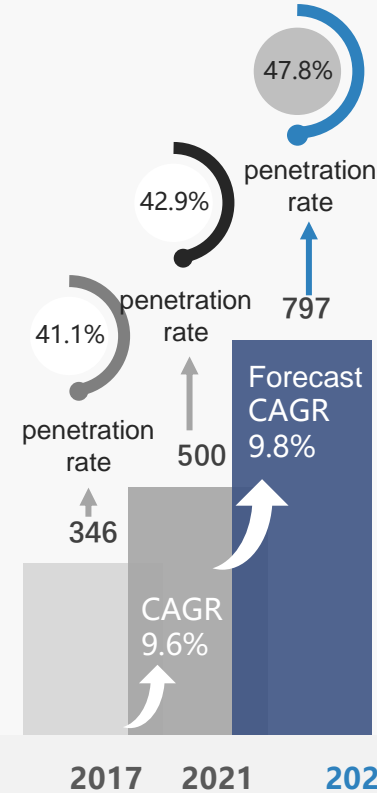
Clinical Development Services Trend

(Unit: US \$100 million)

Global clinical development services market size

China's clinical development services market size

In 2021-2026
China market share forecast



9.8% → 19.4%

“ CONTENT

01

Performance
Overview

02

Business
Highlights

03

Financial
Highlights

04

Growth
Strategy



2021 Business Segment Highlights

- We operate our leading fully-integrated pharmaceutical R&D services platform through four main business segments, namely, **Laboratory Services, CMC (Small Molecule CDMO) Services, Clinical Development Services and Biologics and CGT Services**, in China, the U.S. and the U.K.



Laboratory Services

Laboratory chemistry services and Bioscience services (in vitro and in vivo DMPK/ADME, in vitro biology and in vivo pharmacology, safety assessment and U.S. laboratory services).

Location: China, U.S. and U.K.

Revenue → **RMB 4,565.8 mm**

Gross Profit → **RMB 1,980.0 mm**



CMC (Small Molecule CDMO) Services

Chemistry development and manufacturing, material science/ pre-formulation, formulation development and manufacturing, and analytical development services.

Location: China and U.K.

Revenue → **RMB 1,746.2 mm**

Gross Profit → **RMB 608.0 mm**



Clinical Development Services

Overseas clinical development services (radiolabeled sciences and clinical trial services) and domestic clinical development services (clinical research services and site management services covering different service needs of clinical research).

Location: China, U.S. and U.K.

Revenue → **RMB 956.4 mm**

Gross Profit → **RMB 98.6 mm**



Biologics and CGT Services

Biologics discovery, development and manufacturing services (CDMO), CGT lab and Gene therapy CDMO services.

Location: China, U.S. and U.K.

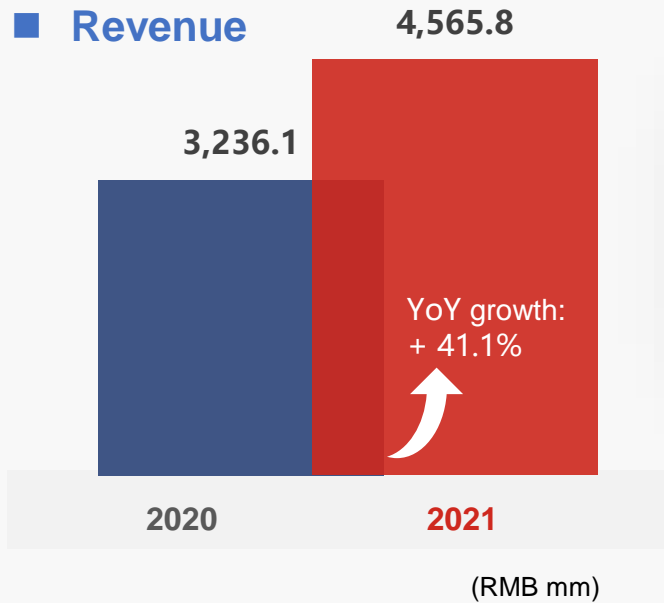
Revenue → **RMB 151.0 mm**

Gross Profit → **RMB -20.9 mm**

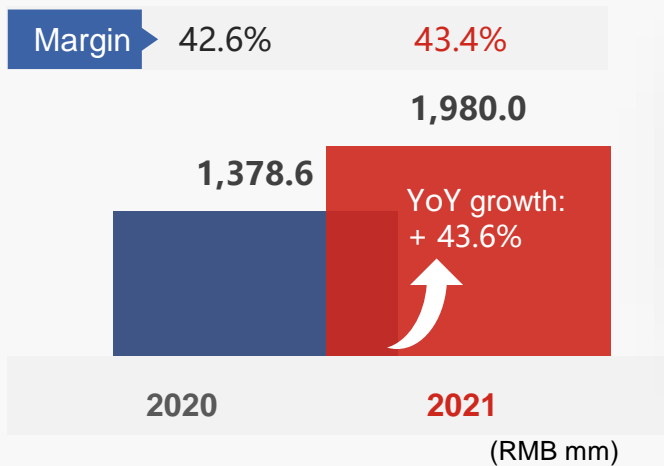


I Laboratory Services

Revenue



Gross Profit



Margin 42.6% 43.4%

Operational Highlights

- Providing customers with more flexible and comprehensive laboratory services through the collaboration of laboratory service teams in China, UK and US.
- With the improvement in capabilities and seamless integration with laboratory chemistry services, bioscience revenue contributed to the laboratory services increased to **46.6%** (YoY growth **5.8%**).
- Participating in **565** drug discovery projects and **77** IND or NDA filings, of which, **56** projects applied with multiple jurisdictions.
- Drug safety assessment services passed three GLP field inspections by the US FDA and Belgium OECD, passed **the GLP re-inspection** by **NMPA** in 2021. San Diego division of US Laboratory Services passed the **GLP** field inspection by the **US FDA**.
- **7,136** employees, increased by **1,579** in 2021, with **4,900** laboratory chemists and technicians.

Internal and M&A Expansion

Infrastructure construction

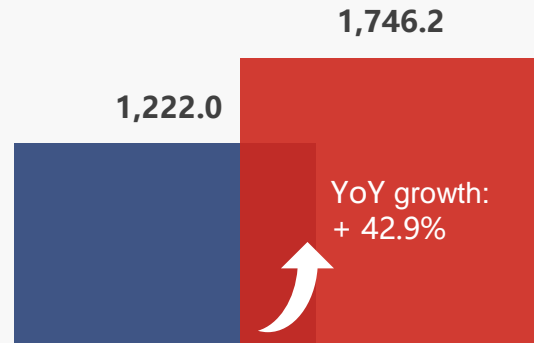
- Upon the completion of Phase II of the Ningbo Campus I, additional laboratory space for nearly 2,000 laboratory service scientists and technicians.
- first **120,000m²** of laboratory space of Ningbo Campus I – Phase II was gradually in operation starting from the first quarter of 2021.
- Remaining **42,000m²** laboratory space was in the process of internal installation.
- Commenced the construction of **140,000m²** safety assessment and *in vivo* bioscience facility in Phase I of Ningbo Campus III and expected to be operational in 2024.
- Expanding the laboratory spaces in Beijing and Xian, and started the laboratory expansion in Qingdao, Chongqing and Zhuhai.

M&A expansion

- Acquired Biomedical Research (GZ) and Kangruitai in 2021 and increased the Company's NHP colony to nearly **10,000**.

II CMC (Small Molecule CDMO)

Revenue



2020

2021

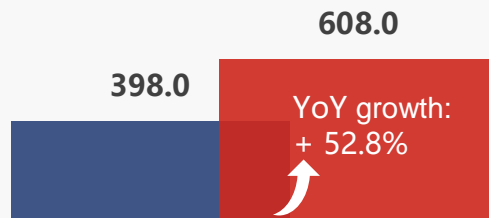
(RMB mm)

Operational Highlights

- Process development teams in China and the U.K. cooperated closely to provide customized solutions in an innovative hybrid mode.
- With the seamless integration of the Company's fully-integrated R&D service platform, **~80%** of CMC (Small molecule CDMO) revenue came from the drug discovery services customers.
- Worked on **1,013** APIs or intermediates in 2021, including **754** in pre-clinical stage, **224** in Phase I-II clinical trials, **30** in Phase III clinical trial, **5** in process validation and commercialization stage.
- ~80%** of CMC (Small molecule CDMO) revenue was generated from preclinical to Phase II clinical trial stages.
- Adhering to the highest international quality standards, the pilot plant in Hoddesdon successfully passed the **GMP** inspection of **MHRA** in 2021. Chinese facilities completed **74** QA audits (including audits from global Top 20 pharmaceutical companies) in 2021.
- 2,621** employees, increased by **687** from December 31, 2020.

Gross Profit

Margin 32.6% 34.8%



2020

2021

(RMB mm)

Internal and M&A Expansion

Infrastructure construction

- Reactor volume of **200m³** of Shaoxing Plant Phase1 was operational in early 2022 and the remaining reactor volume of **400m³** are expected to be operational by mid-2022.
- With **Phase III of Tianjin plant** (40,000 m²) and **Phase II of Ningbo Campus I** became operation, additional laboratory spaces for nearly **1,000** process and analytical chemists and technicians.

M&A expansion

- Acquired **Cramlington** facility in UK in January 2022 with commercial manufacturing reactor volume of **100m³**.

III Clinical Development Services

Revenue



Operational Highlights

- In 2021, the Company reorganize the clinical development capabilities by optimizing the organizational structure and integrating the domestic clinical development functions including site management, volunteer recruitment, regulatory and medical affairs, clinical operation, data management and biostatistics, pharmacovigilance and quantitative pharmacology, project management and quality assurance, to provide the end-to-end clinical development service throughout all the clinical stages.
- Further strengthen the close collaboration between China and US and provide end-to-end solution in both China and US.
- To support the expansion strategy, **3,357** employees in 2021, increased by **1,149** from December 31, 2020.

Gross Profit



Internal and M&A Expansion

- Acquired **Enyuan Pharmaceutical** and **DeltaMed** to strengthen the service capabilities in quantitative pharmacology, pharmacovigilance, medical monitoring, medical strategy and medical writing.
- In US, started expanding from early clinical trial services in healthy volunteers to **patient** clinical studies in 2021.

IV Biologics and CGT Services

■ Revenue

151.0



2021

(RMB mm)



Operational Highlights

- As the Company's mid to long term strategy, began to report biologics and CGT services as a separate service segment in 2021.
- Biologics and CGT laboratory services in the U.S. are gaining customer recognition with rapid increase in both revenue and market share.
- Pharmaron Biologics UK as gene therapy CDMO service platform began to take third-party customers orders.
- **341** employees, increased by **213** from December 31, 2020.



Internal and M&A Expansion

Infrastructure construction

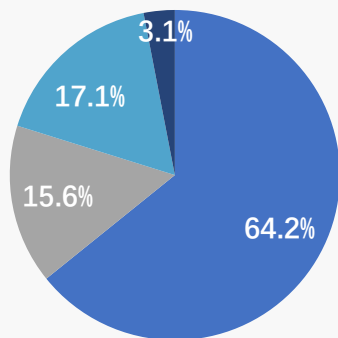
- Phase I of Ningbo Campus II (covering nearly **70,000m²**), is expected to undertake large molecule GMP production service projects in the **first half of 2023**. After the completion of the project, the Company will be able to provide development services for cell line and cell culture process, upstream and downstream process development, formulation development and fill-and-finish process development and analytics method development, as well as drug substances and product manufacturing services with 200L to 2000L production capacity to support the project from pilot to commercial stage production.

M&A expansion

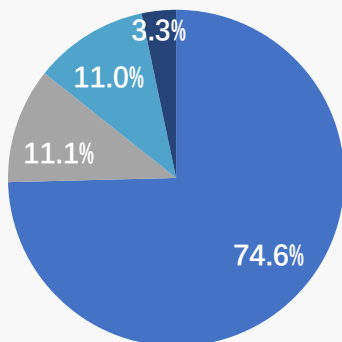
- Completed the acquisition of **Pharmaron Biologics UK** in Liverpool, England in the second quarter of 2021 with cGMP manufacturing facilities and over 100 experienced science and technology and production personnel to provides customers with services covering process development and cGMP manufacturing for gene therapy products.

Geographic Locations of Customers

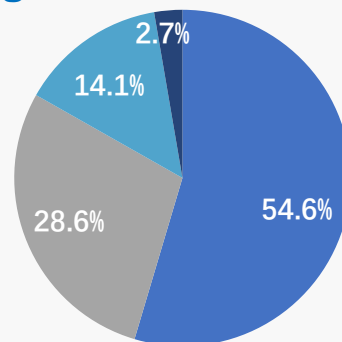
Group



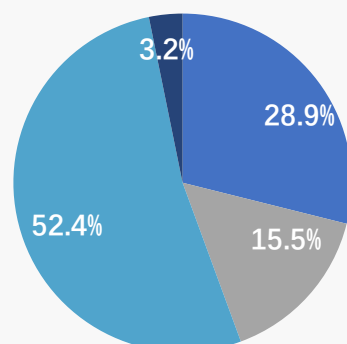
Business Segment



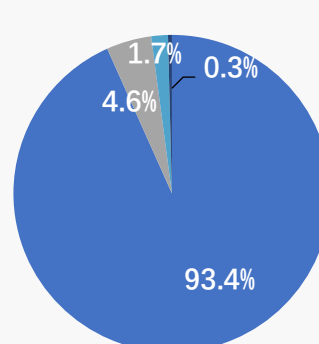
Laboratory Services



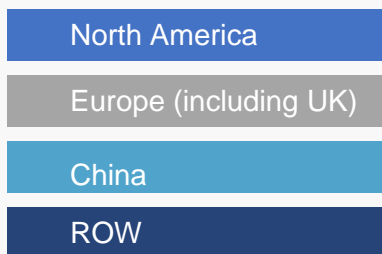
CMC (small molecule CDMO) services



Clinical Development Services



Biologics and CGT Services



China-based customers revenue growth in 2021: **82.1%**



Overseas customers revenue growth in 2021: **39.1%**

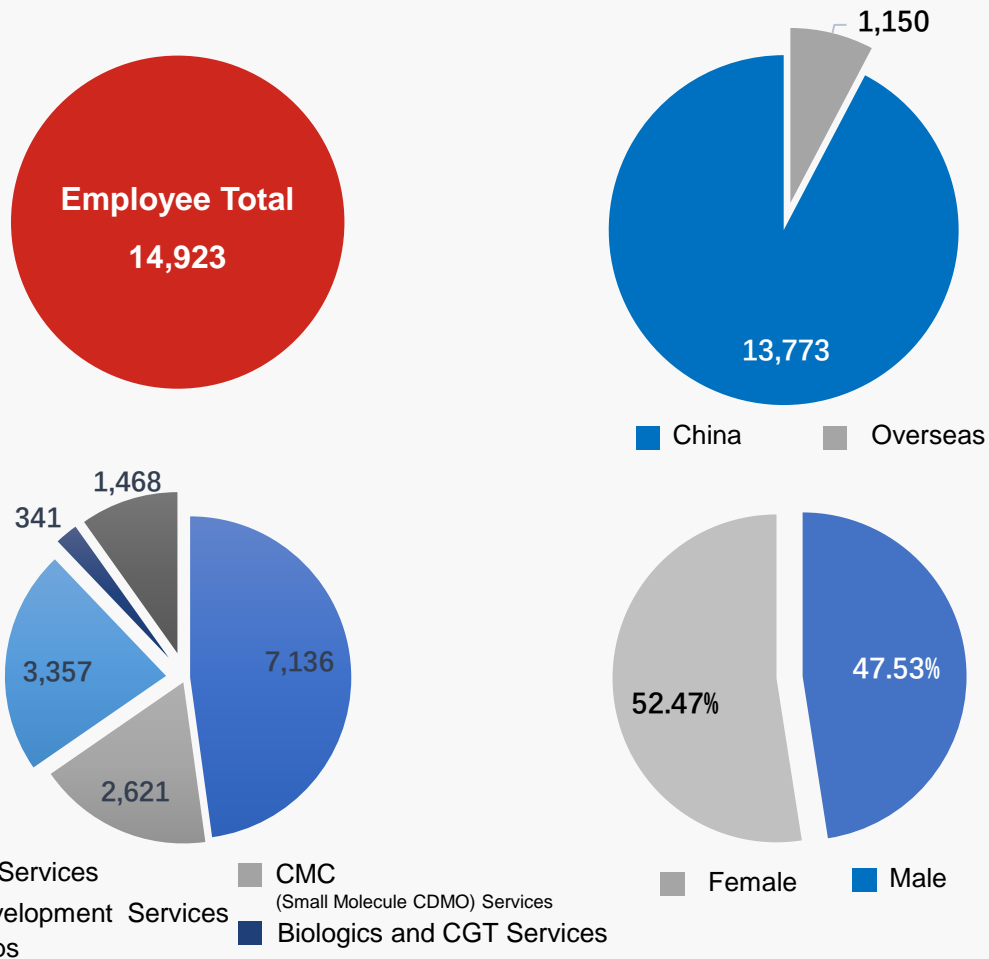
Customer Structure Further Optimized

- With **~90%** of the revenue coming from a large, diverse, loyal and repeated customer base that including global top 20 pharmaceutical companies.
- More than **800** new customers addition in 2021.
- Further optimizing the customers mix with reduced customer concentration by **7.3%** for the top 20 customers, while the total revenue from the top 20 customers increased by **19.2%**.
- Top 20 global pharmaceutical companies contributed to **19.0%** of revenue in 2021.
- Through collaboration with our customers, a total of **29** papers were published on J. Med. Chem., Bioorg. Med. Chem. Lett., and J. Pharm. Sci. and other international scientific journals, together with **27** patent inventorship at home and abroad in 2021.

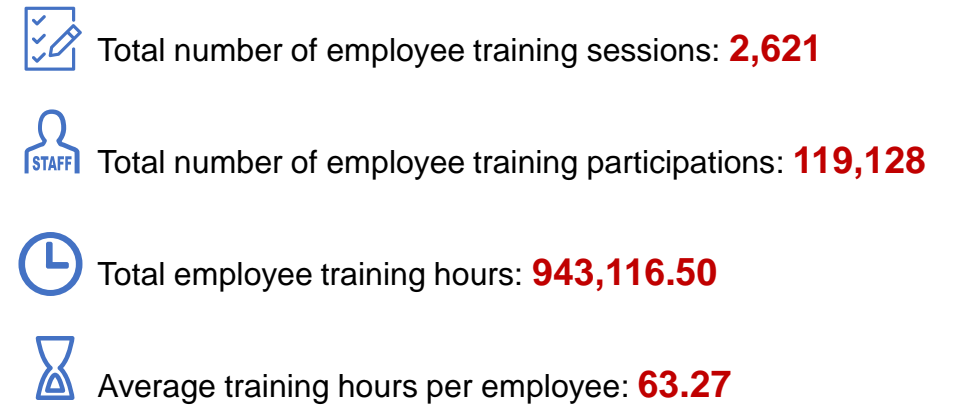
Empowering Talent Development

- Talent Development: We actively create learning opportunities for our employees and support their growth by offering both systematic and tailored-made trainings to meet their learning and development needs.

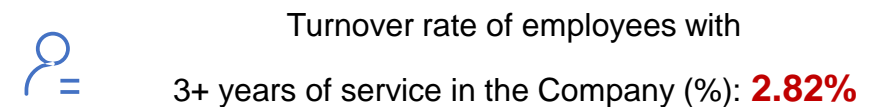
Employee Total and Distribution



Continue to Strengthen Learning Culture



Stable Core Scientific Research and Business Team





Biocatalysis

We produced about 2000 catalytic enzymes and established the enzyme screening and directed-evolution platforms. We also provided services for our clients in identifying high selective enzymes for chiral compound synthesis and production.



Flow chemistry

Multistep continuous reaction technology, continuous extraction and separation technology, online process analysis PAT technology and automatic control system have been established. From process condition screening to DOE design, a comprehensive flow chemistry service platform has been established. A pilot scale automatic control continuous flow system was established with continuous reaction and continuous extraction, with the capacity of manufacturing of tons of products. A total of nearly 100 projects over kilogram scale had been completed.



High-throughput experimentation (HTE) platform for reaction condition screening

More than 220,000 conditions screened which optimized nearly 5,000 reactions in 2021.



DNA-encoded chemical library technology platform

Over 10 billion new small molecule drug-like compounds with innovative and unique structures in our collections. Many DNA-encoded chemical probes and DNA-encoded compound libraries were effectively synthesized. Submitted 9 patent applications to the Chinese Patent Office, and one research paper has also been accepted by a peer reviewed journal.



Chemical proteomics platform

Strength of chemical proteomics platforms by screening covalent binder libraries and established the high-throughput workflow to identify the new targets.

Biosciences



Screening assay platform of 3D spheroid and organoid

Established a well characterized 3D liver spheroid model which has been validated by testing the chronic hepatotoxicity of 42 clinical drugs that have been known and classified with different hepatotoxicity categories, against our 3D liver spheroid model and also primary human hepatocyte.



In vivo imaging technology platform

Established 270 luciferase-expressed tumor cell lines and 112 orthotopic or metastatic tumor models, which cover 30 different cancers. Provided service for dozens of clients to evaluate the blood-brain-barrier permeability and antitumor effect of test articles by utilizing 31 orthotopic and metastatic brain tumor models.



Multi-electrode array (MEA) platform on basis of human iPSC-derived cardiomyocyte

Transition from single ion channel assessment to the comprehensive CiPA studies on human cardiomyocytes to achieve the short time cycle for cardiac safety screening. Becomes one of very few CRO companies in China owning both high-throughput patch clamp recording system for single ion channel study and MEA system for real time measurement of cardiac action potentials of human samples.



X-ray radiotherapy technology

X-ray irradiator with high energy was introduced and provided services to many clients for a large number of radiotherapy and chemotherapy *in vivo* and *in vitro* studies, which successfully verified mechanism of action and effects of several radiation sensitizers.

CMC (Small Molecule CDMO)

Laboratory Chemistry

ESG Governance

- Built a three-tiered ESG governance framework with “governance, management, and implementation” level
- Issued and implemented the ESG Management Measures and the ESG Information Management Handbook
- Developed the 2021-2025 environmental targets
- Issue the first standalone ESG Report

Responsible Operations

- High-quality products
- Innovative technologies
- Quality Services
- Stable and sustainable supply chain

Empowering Talent Development

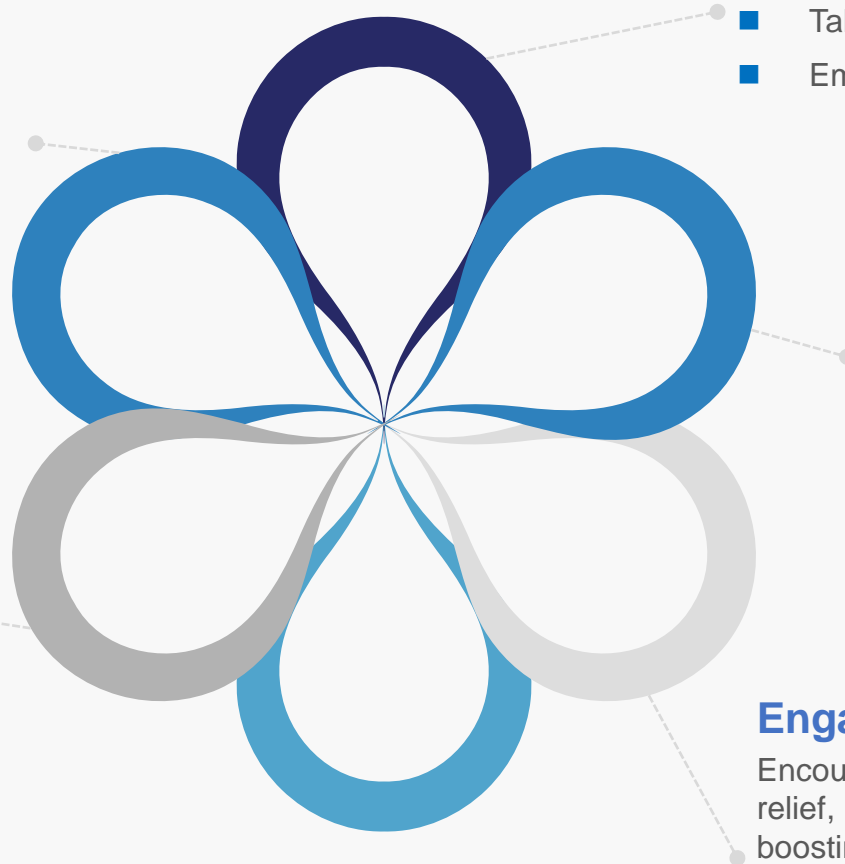
- Equality and diversity
- Talent attraction and retention
- Employee health and safety

Ethics and Compliance

- Business integrity, improve regulatory compliance, 0 legal actions due to corruption or fraud.
- Developed information security management policy and protect information security
- Ethics on clinical trials
- Animal welfare

Engaging in Charity and Public Welfare

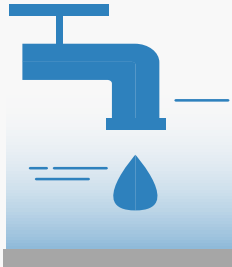
Encouraging employee involvement in natural disaster relief, rural revitalization, supporting education and boosting industry development



Green and Low-Carbon Operations

2021-2025 Environmental Targets

/per RMB10,000 of output value



water consumption

Reduce **10%**



Energy consumption

Reduce **10%**



CO2 emissions

Reduce **10%**



Maintaining **100%** compliance in waste disposal

2021 Achievements

2020

2021

Emission and Waste Reduction

CO ₂ emissions	 0.18 t CO ₂ e /RMB10,000	0.17 t CO ₂ e /RMB10,000	Reduce 4.0%
exhaust gas	 27,089.65 Sm ³ /RMB10,000	26,523.40 Sm ³ /RMB10,000	Reduce 2.1%
wastewater	 1.25 tonnes/RMB10,000	1.10 tonnes/RMB10,000	Reduce 11.7%

Energy Consumption

energy consumption	 0.090 tonnes of standard coal/RMB10,000	0.055 tonnes of standard coal/RMB10,000	Reduce 38.4%
water consumption	 1.60 tonnes/RMB10,000	1.55 tonnes/RMB10,000	Reduce 3.0%
packaging materials	 0.086 kg/RMB10,000	0.015 kg/RMB10,000	Reduce 82.6%

Awards and Recognitions

- Included in **HSCI, HSHCI, MSCI China Health Care Index, CHINEXT Composite, SZSE Component Index**



Rank	Company Name	Revenue (RMB)	Profit (RMB)	Assets (RMB)	Employees	Market Cap (RMB)
1	阿里巴巴集团	2,503.0	1,000.0	1,000.0	10,000	2,500.0
2	腾讯控股	2,000.0	800.0	800.0	8,000	2,000.0
3	华为技术有限公司	1,800.0	700.0	700.0	7,000	1,800.0
4	百度	1,500.0	600.0	600.0	6,000	1,500.0
5	京东集团	1,200.0	500.0	500.0	5,000	1,200.0
6	美团	1,000.0	400.0	400.0	4,000	1,000.0
7	拼多多	900.0	350.0	350.0	3,500	900.0
8	小米集团	800.0	300.0	300.0	3,000	800.0
9	快手	700.0	250.0	250.0	2,500	700.0
10	贝壳找房	600.0	200.0	200.0	2,000	600.0

ACCA China's Next 100 Global Giants
TOP 1



"14th FYP Best Investment Value for Listed Companies" award in the China Securities Golden Bauhinia Award



Best Hong Kong Stock Connect Listed Company" award in the China Securities Golden Bauhinia Award



Kunpeng Award – 2021 Top 3 Preclinical CRO/CDMO Enterprises Pharmaceutical Sciences



New Shares Growth Momentum Award



Top 25 Pharmaceutical Companies



Top 30 New Shares



Top 50 Stock Connect Shares

“ CONTENT

01

Performance
Overview

02

Business
Highlights

03

Financial
Highlights

04

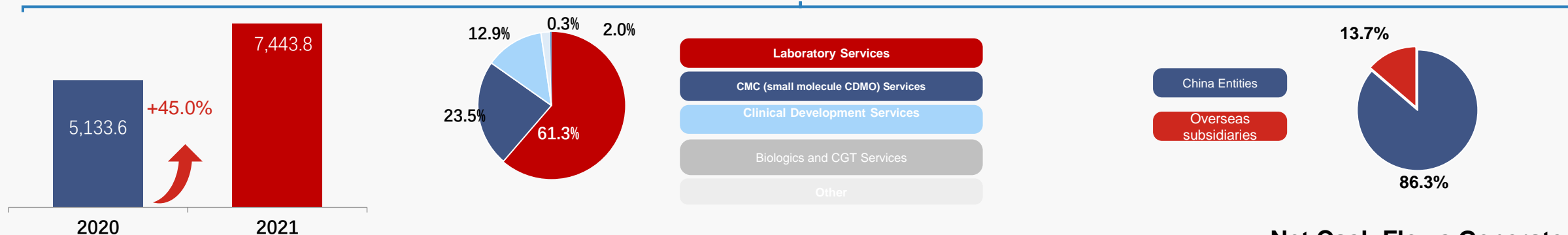
Growth
Strategy

2021 Financial Performance

- The average exchange rate of USD against RMB depreciated by about 6.5% compared with the last year.
- If the same weighted average USD exchange rate of 2020 was used, the year-on-year revenue growth will be 52.2% in 2021 and the gross margin will be increased by 1.3% points.

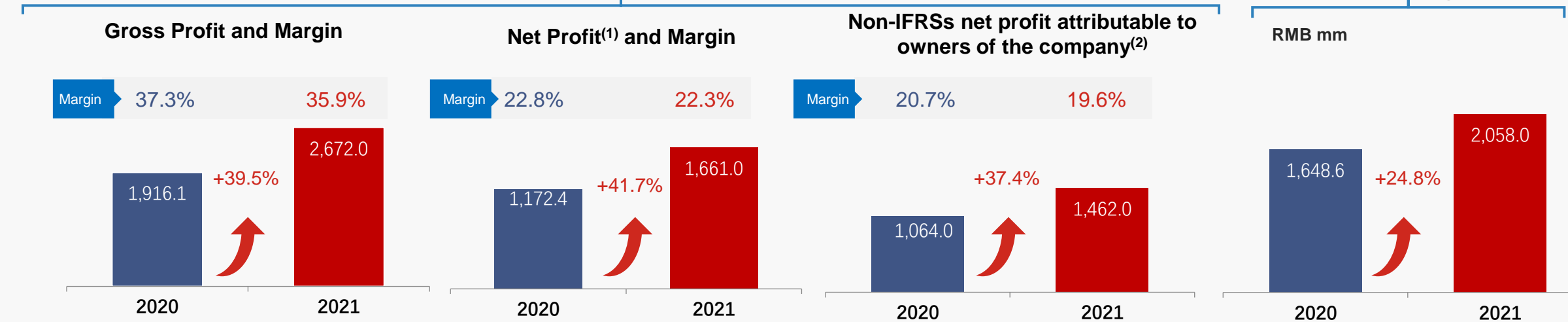
Robust Revenue Growth

RMB mm



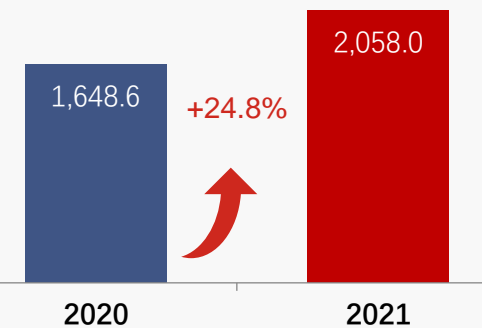
Steady Growth in Profits

RMB mm



Net Cash Flows Generated from Operating Activities

RMB mm



Source: 2021 Annual Report.

Note: Data are rounded to the nearest million.

1. Net profit attributable to owners of the parent.

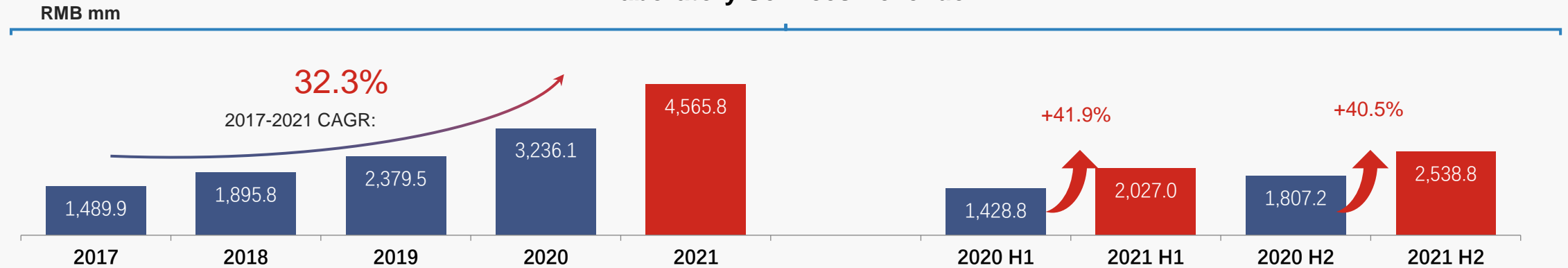
2. Non-IFRSs net profit for the period excludes the impact from certain expense such as share-based compensation expenses, foreign exchange related gains or losses, issuance expense on convertible bonds, losses on fair value change of convertible bonds-embedded derivative component.

Robust Growth and Profitability Across All Business Segments: Laboratory Services

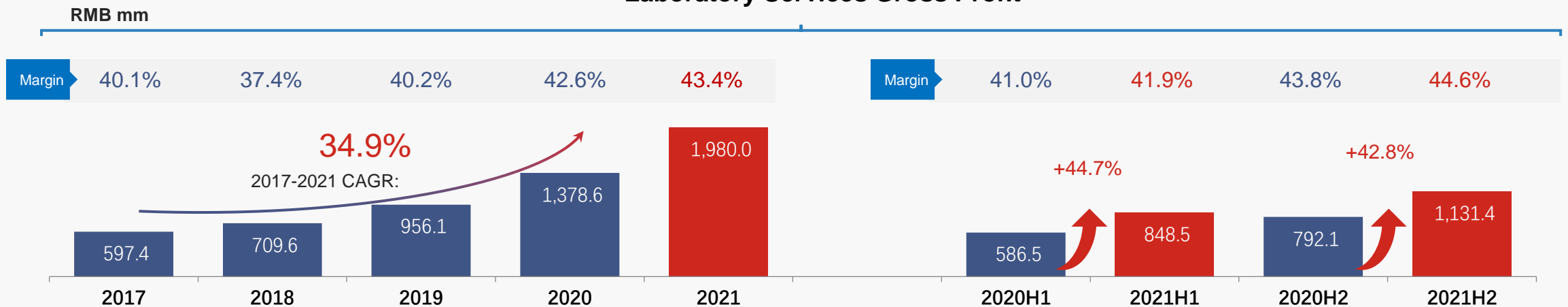


- Revenue growth drivers: Increased demand; Deepened integration between bioscience and laboratory platform; Increased customer interest in our integrated IND enabling solution.
- Gross margin drivers: Higher operating efficiency due to economies of scale; RMB appreciation impact.

Laboratory Services Revenue



Laboratory Services Gross Profit



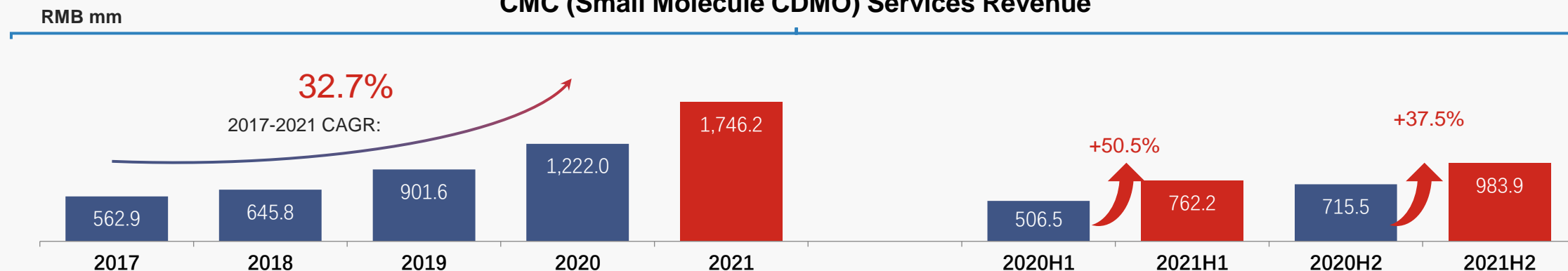
Source: Prospectus, 2019 Annual Report, 2020 Annual Report, 2021 Annual Report, and 2021 Interim Report.
 Note: Data are rounded to the nearest million. 2020H1, 2020H2, 2021H1 and 2021H2 financials are unaudited.

Robust Growth and Profitability Across All Business Segments: CMC (Small Molecule CDMO) Services

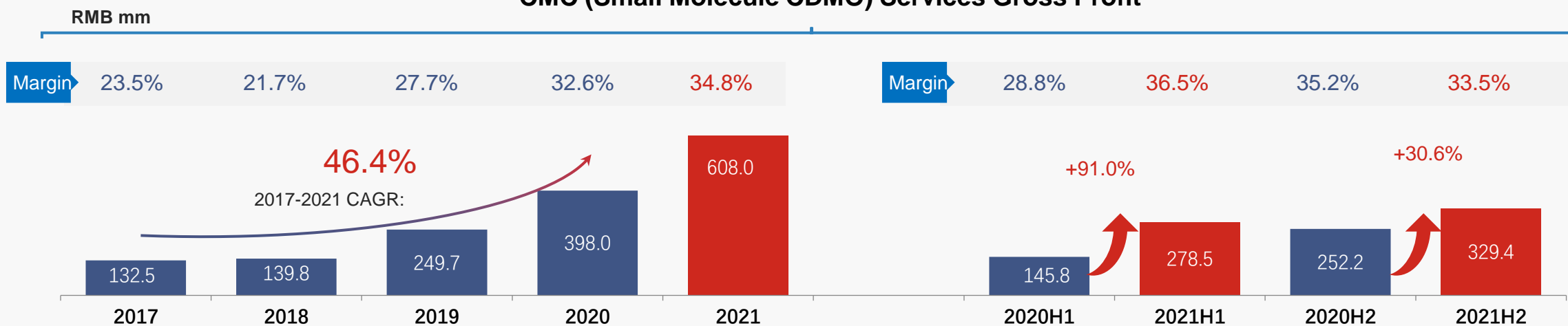


- Revenue growth drivers: Strong demand for our CMC services with increased number of projects and strengthened pipeline; Successful integration of our CMC operations in China and UK.
- Gross margin drivers: Higher operating efficiency due to economies of scale; Continuous investment in the new service offerings with relatively low margin; RMB appreciation impact.

CMC (Small Molecule CDMO) Services Revenue



CMC (Small Molecule CDMO) Services Gross Profit



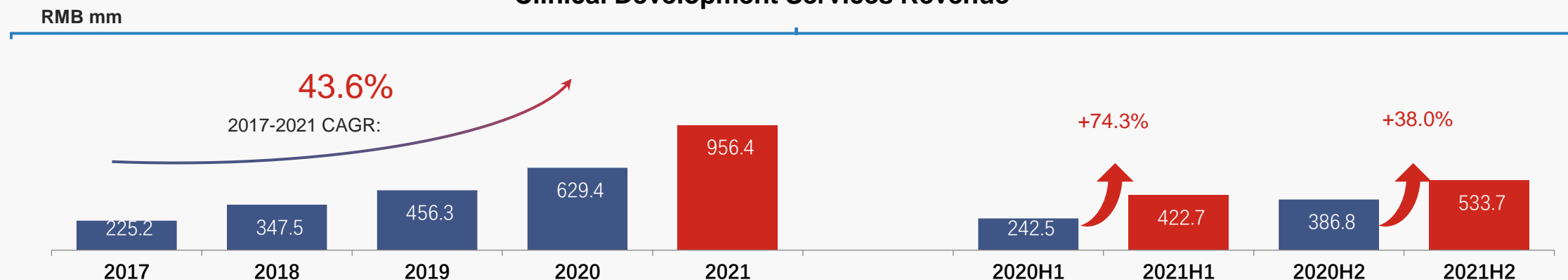
Source: Prospectus, 2019 Annual Report, 2020 Annual Report, 2021 Annual Report, and 2021 Interim Report.
 Note: Data are rounded to the nearest million. 2020H1, 2020H2, 2021H1 and 2021H2 financials are unaudited.

Robust Growth and Profitability Across All Business Segments: Clinical Development Services

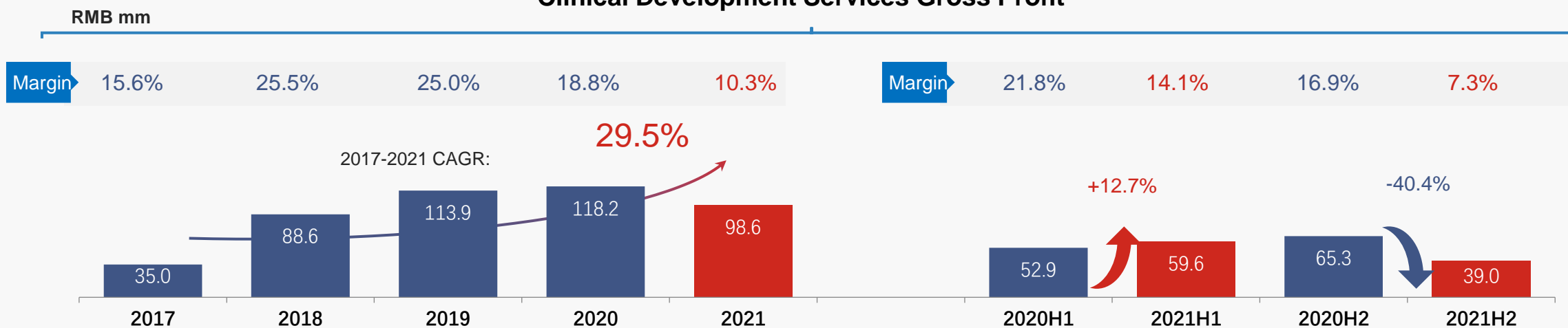


- Revenue growth drivers: Increased customer interest in our domestic Clinical Development Service; Efforts in cross-selling to existing customers from overseas and China; Impact from the acquisition of LinkStart in June 2020.
- Gross margin drivers: Advance capacity expansion to support the rapid growth strategy for the domestic clinical development services.

Clinical Development Services Revenue



Clinical Development Services Gross Profit

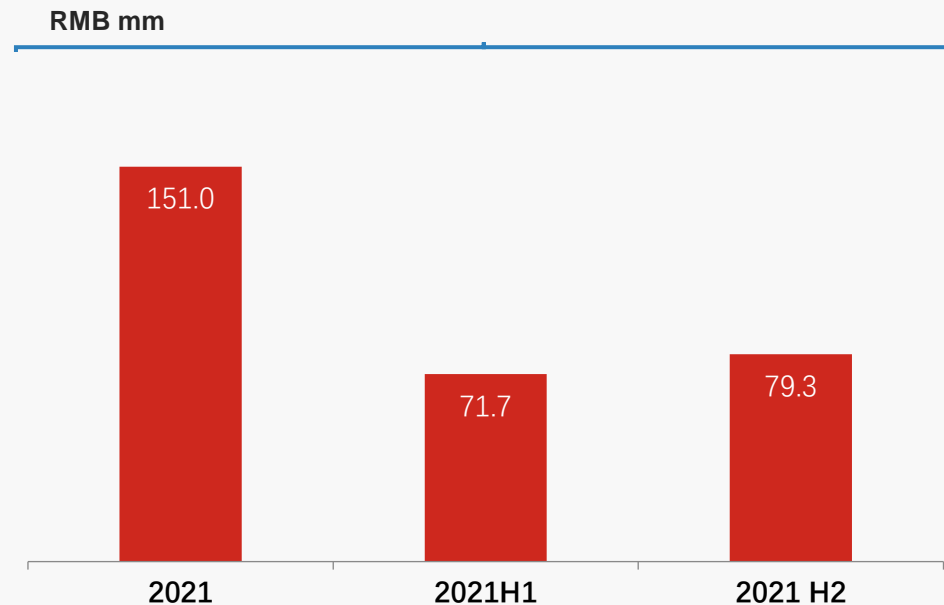


Source: Prospectus, 2019 Annual Report, 2020 Annual Report, 2021 Annual Report, and 2021 Interim Report.
 Note: Data are rounded to the nearest million. 2020H1, 2020H2, 2021H1, and 2021H2 financials are unaudited.

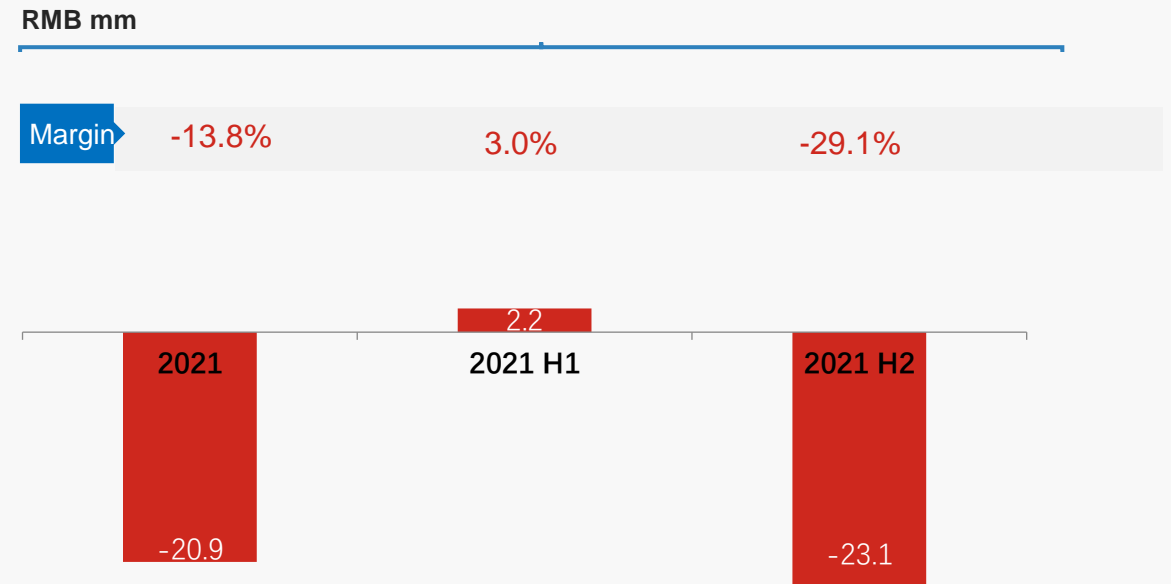
Robust Growth and Profitability Across All Business Segments: **Biologics and CGT Services**

- Biologics and CGT business segments began independent accounting during 2021.
- High operating cost for the newly acquired gene therapy CDMO services capabilities (Allergan Biologics Limited) in Liverpool.
- Services in the U.S. are gaining customer recognition with both rapid increase in revenue and margin which partially offset losses in other biologics and CGT services which were in the investment stage

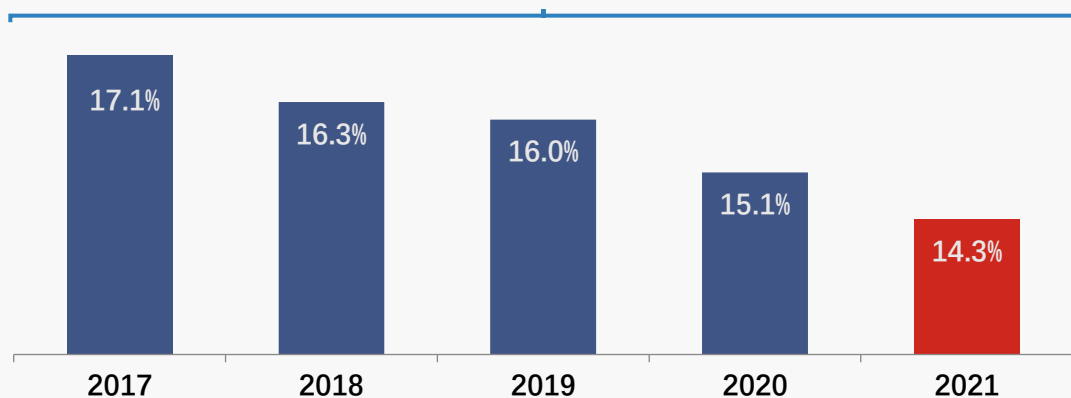
Biologics and CGT Services Revenue



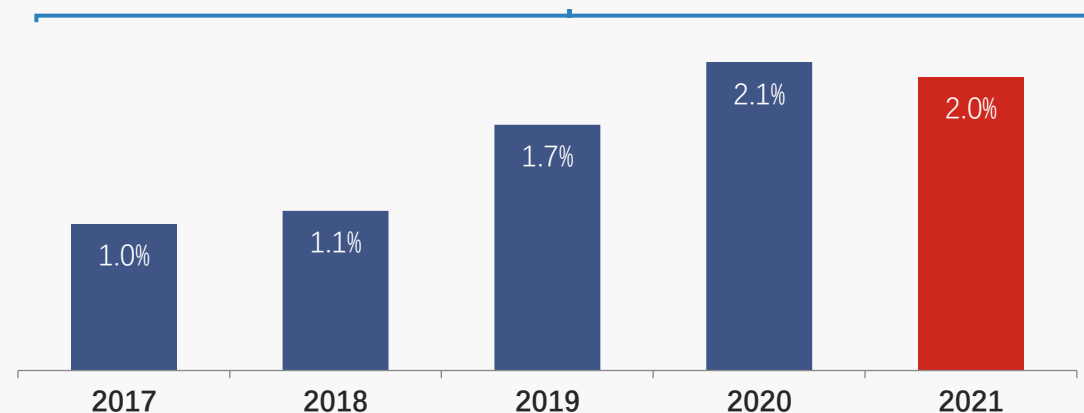
Biologics and CGT Services Gross Profit



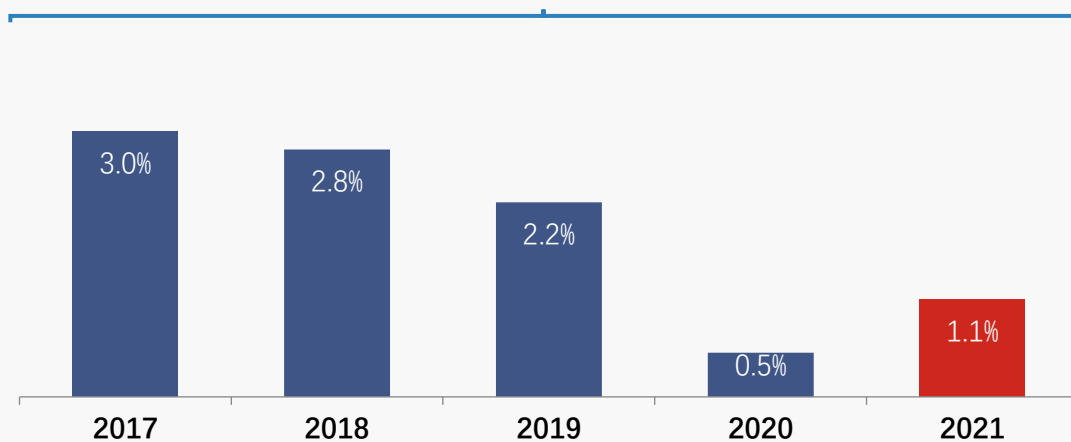
SG&A Expenses as % of Total Revenue



Research and Development Cost as % of Total Revenue



Finance Costs as % of Total Revenue

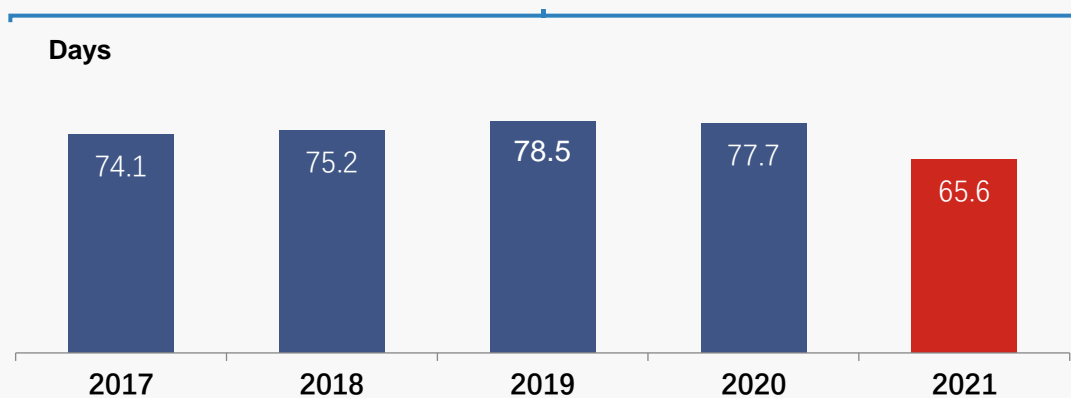


Non-IFRSs Net Profit Attributable to Owners of The Company

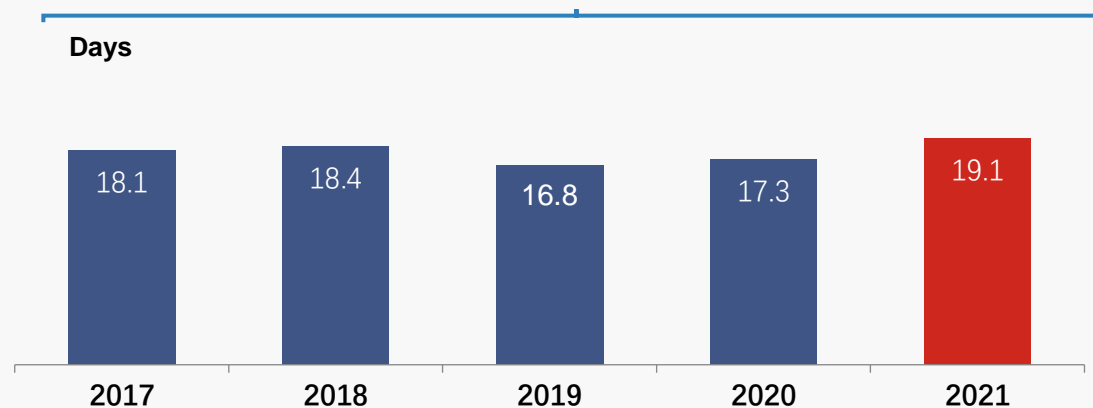


Source: Prospectus, 2019 Annual Report, 2020 Annual Report and 2021 Annual Report.
Note: Data are rounded to the nearest million.

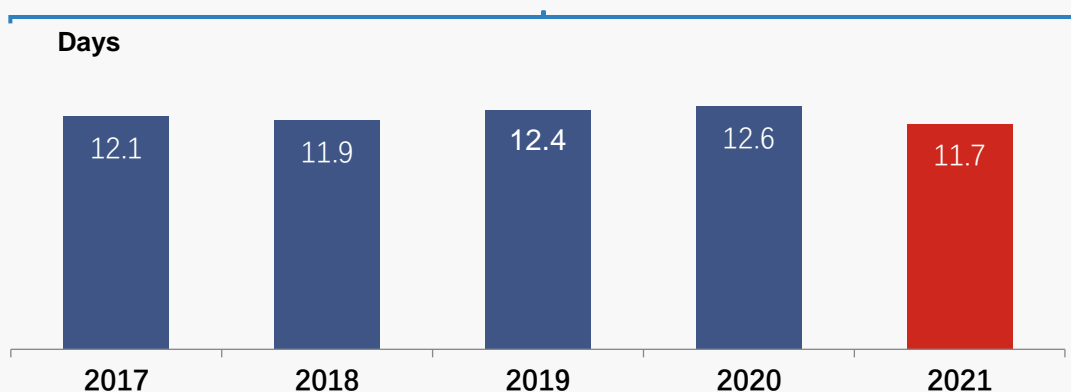
Trade Receivables and Contract Assets Turnover⁽¹⁾



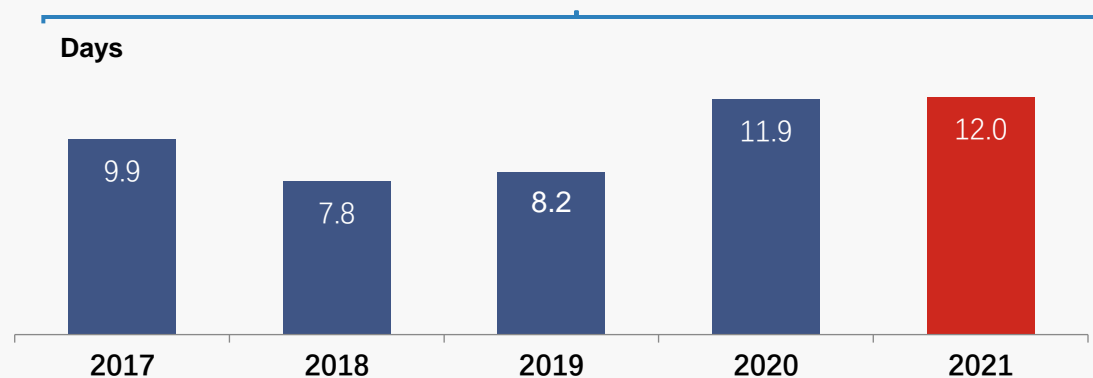
Trade Payables Turnover⁽²⁾



Inventories Turnover⁽²⁾



Contract Costs Turnover⁽²⁾

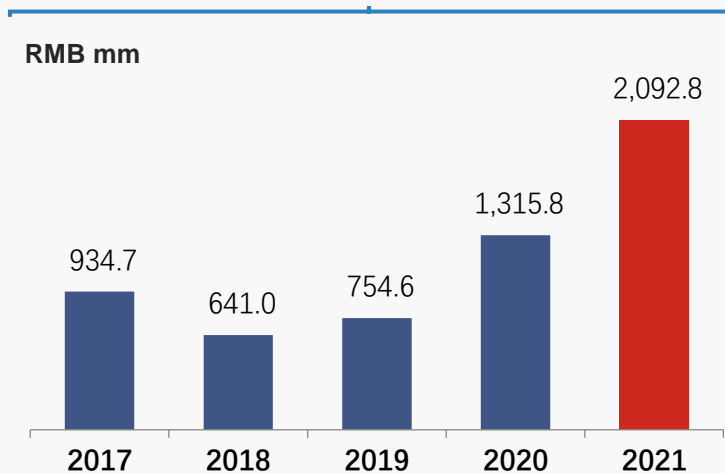


Source: 2018 Annual Report ,2019 Annual Report ,2020 Annual Report and 2021 Annual Report.

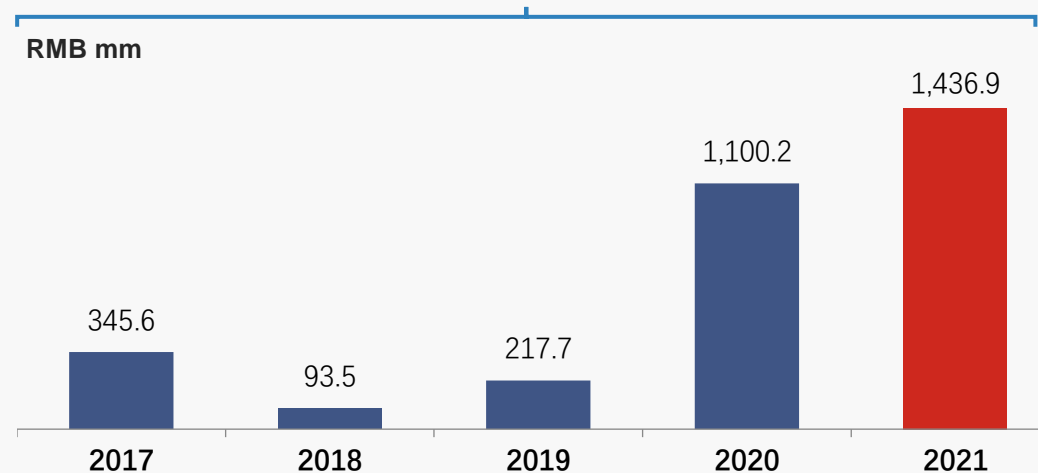
1. Calculated based on average of the opening and closing balances of sum of trade receivables (before adjustment of allowance for impairment) and contract assets (before adjustment of allowance for impairment) for the relevant year/period, divided by the corresponding revenue for the year/period, and then multiplied by 360 days for a year.

2. Calculated based on average of the opening and closing balances for the relevant year/period, divided by the corresponding cost of sales for the year/period, and then multiplied by 360 days for a year.

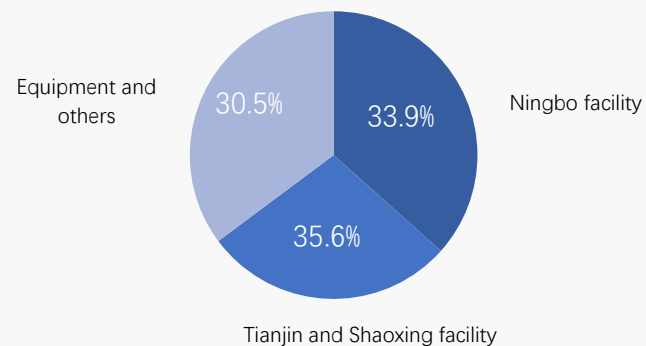
Capital Expenditure for Internal Construction



Equity Investments (M&A expansion) ^(note)



Capital Expenditure Distribution



Domestic Investments

- Biomedical Research (GZ), Ltd.
- Zhongke Lingrui (Zhanjiang) Biotechnology Co., Ltd.
- Enyuan Pharmaceutical Technology (Beijing) Co., Ltd.
- DeltaMed (Hangzhou) Co., Ltd

Overseas Investments



- Allergan Biologics Limited

- In June 2021, issued principal amount of US\$300 million zero coupon convertible bonds due 2026 and principal amount of RMB1,916 million zero coupon US\$-settled convertible bonds due 2026 (together, the “Convertible Bonds”).
- The net proceeds from the Convertible Bonds was approximately **RMB3,776.0 million**.



Highlight of the Issue

- The offering represented **the first** issuance of convertible bonds in both RMB and US dollars by a company listed on the Hong Kong Stock Exchange.
- **The first** convertible bond issued by A+H dual list company since September 2019.
- The USD tranche priced with a zero coupon and zero yield and **the highest conversion premium** for healthcare CB issuances in U.S. dollars.
- **The first** RMB-linked USD-settled convertible bond since 2016, reducing the Company’s exposure to mark-to-market volatility from accounting treatment.

Financial Impact



- Mark-to-market fair value adjustment for the derivative component of the USD tranche is required.
- Recognized **RMB72.9 million** non-cash fair value gain in 2021 due to the decrease of the company’s H-share stock price during the period.
- Non-IFRSs net profit excludes the impact from issuance expense on Convertible Bonds and fair value loss or gain from derivative component of Convertible Bonds.

“ CONTENT

01

Performance
Overview

02

Business
Highlights

03

Financial
Highlights

04

Growth
Strategy



Our Growth Strategies

- Continue to build and improve our “end-to-end, fully integrated and global” pharmaceutical R&D service platform

Continue to strengthen the fully integrated clinical development services platform

Strengthen the leading position in the small molecule R&D service area

Continue accelerating the build-up of biologics and CGT services platform

Continue to strengthen our talent pool to support our long-term and sustainable growth

Continue to expand domestic and overseas market shares

Further enhance management capabilities

Infrastructure development and capacity expansion



Thank You!