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Annual Results



March, 2024



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Future
Outlook

Solid Growth of Revenue & Profit

RMB11.538 bn in revenue, YoY growth of **12.4%**

RMB1.601 bn in net profit, YoY growth of **16.5%**

RMB1.903 bn in non-IFRSs adjusted net profit, YoY growth of **3.8%**

Excluding the impact of fair value change of biological assets, non-IFRSs adjusted net profit increased by **11.4%** YoY

Global Platform & Customers

800+ new customers, **2,800+** active customers, including all of the **TOP 20** global pharmas

21 R&D & manufacturing facilities across **China, UK & US**, providing fully-integrated services for **SM, LM & CGT**

20,295 employees, including **1,600+** overseas employees. **18,239** scientists & technicians, representing **~90%** of total employees

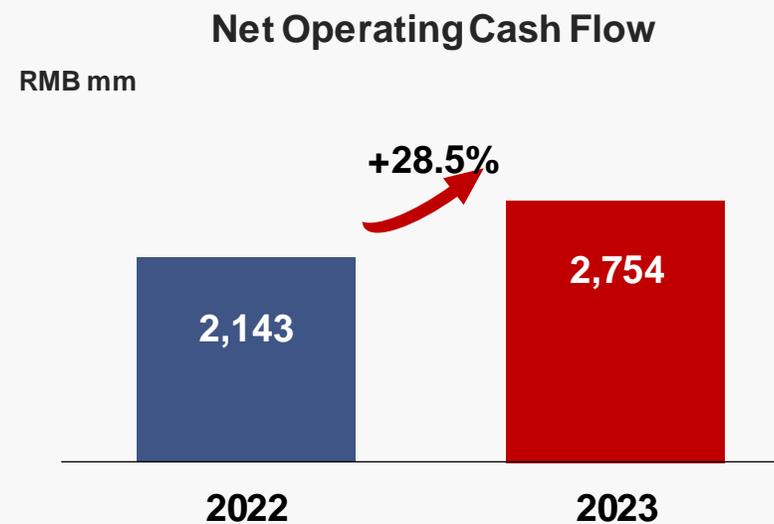
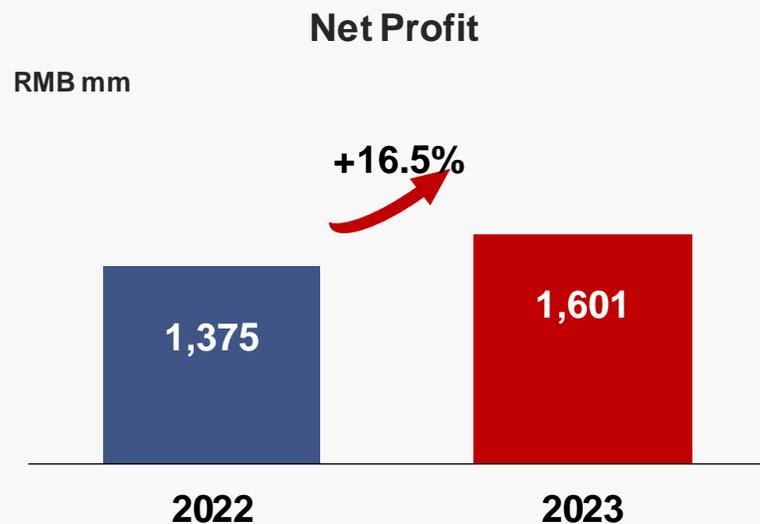
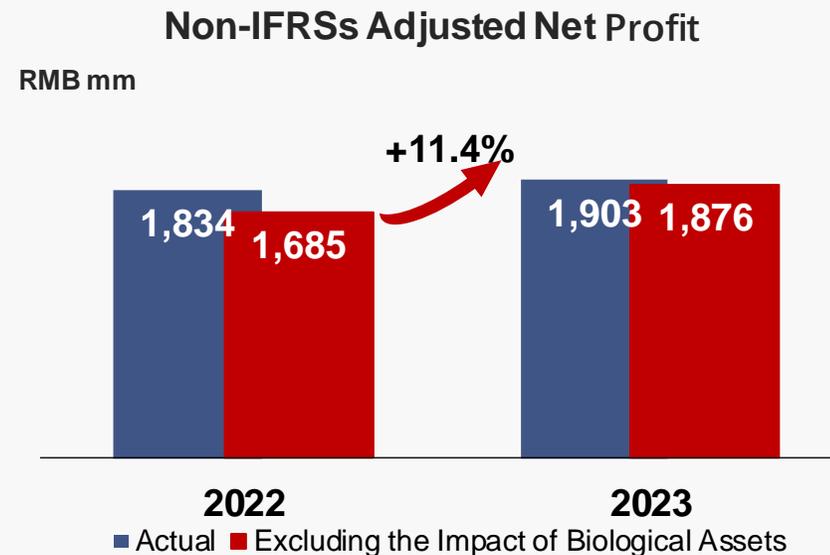
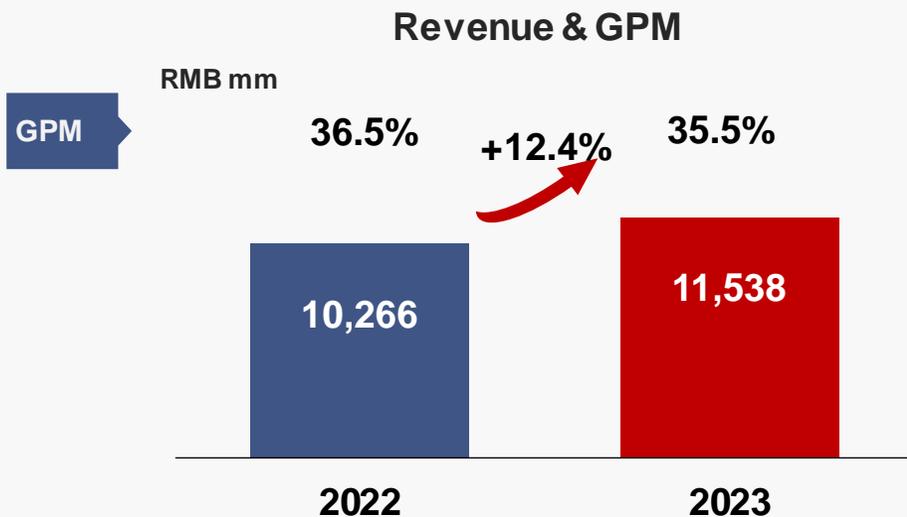
Rich Pipeline to Fuel Future Growth

Discovery projects: **764** drug discovery projects, increased by **17%** YoY

CMC projects: **29** in validation & commercial, **27** in PhIII, **170** in PhI/II, **659** in preclinical

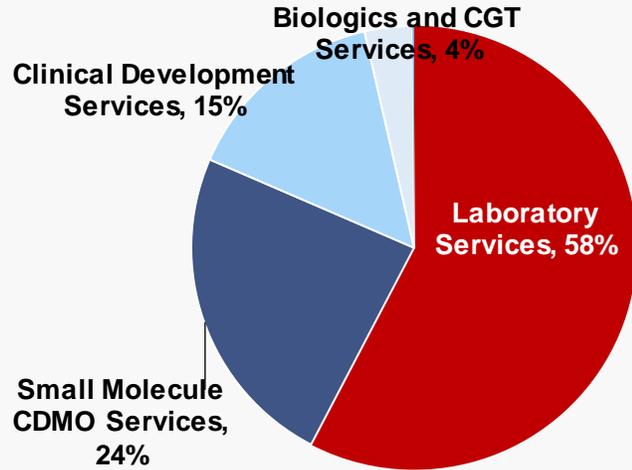
Clinical projects: **1,035** CRO projects, including **83** in PhIII. **1,450+** SMO projects, CRC team covers **600+** hospitals & clinical trial centers in **120+** cities

CGT projects: **26** release testing projects, including **2** commercial projects. **13** gene therapy CDMO projects, including **2** in PhIII, **7** in PhI/II, **4** in preclinical



Segments

Revenue Composition



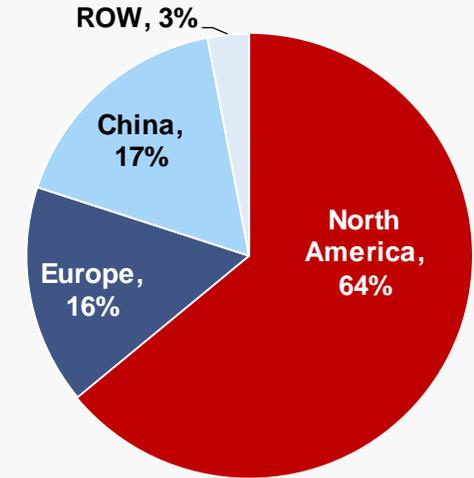
Global Customers

NA Revenue Grew **11.4%**

EU Revenue Grew **24.4%**

CN Revenue Grew **5.0%**

Revenue Composition

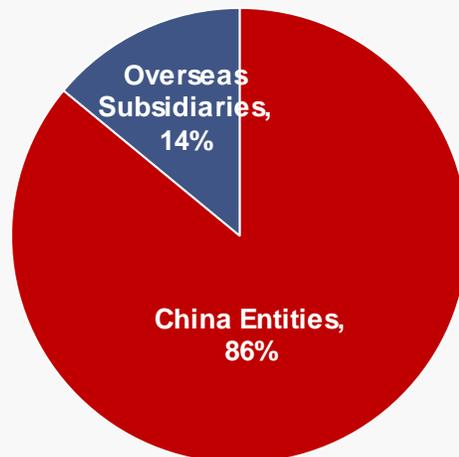


China/Overseas Entities

Revenue Composition

China Entities Revenue Grew **10.3%**

Overseas Subsidiaries Revenue Grew **27.5%**

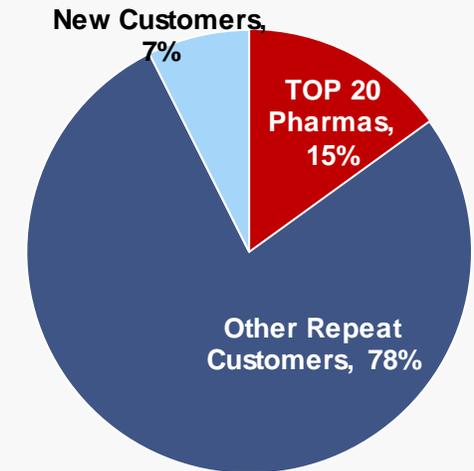


Diversified Customer Base

TOP 20 Pharmas Revenue Grew **14.9%**

Other Customers Revenue Grew **12.0%**

Revenue Composition



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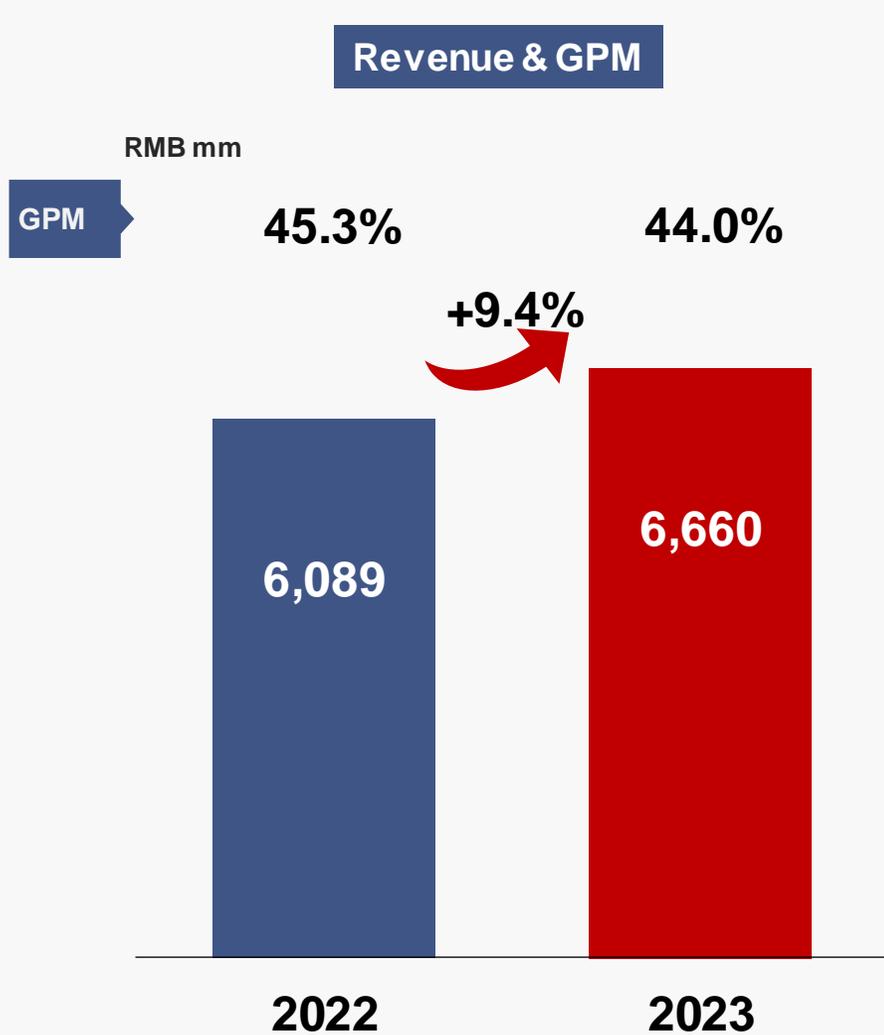
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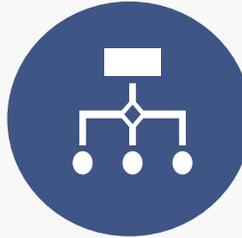
2023 Lab Services Maintained Steady Growth & Expanded into New Modalities



Continued to gain market share. Explored business opportunities in oligos, peptides, antibodies, ADCs, CGTs. Bioscience services accounting for **51%+** of the segment revenue



Continued to contribute to the global innovative drug R&D & participated in **764** drug discovery projects, a YoY increase of **17%**

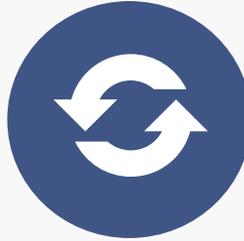
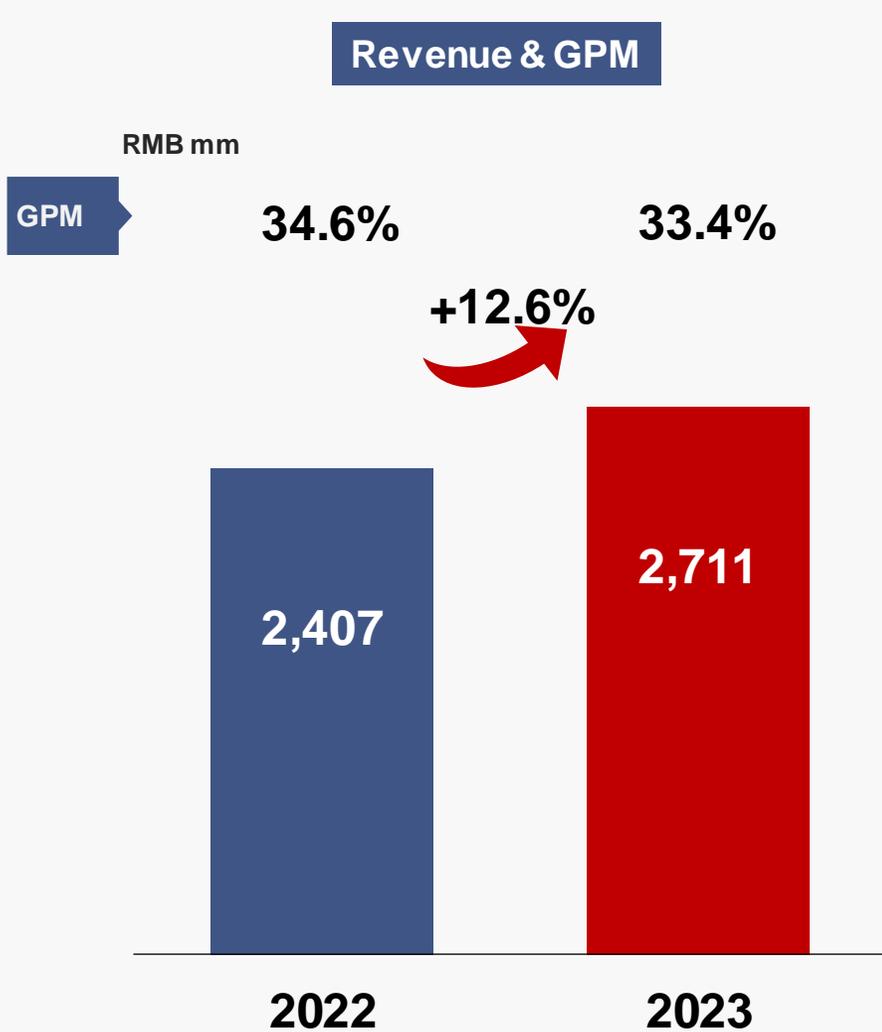


Invest in new capabilities to meet the dynamic needs of customers: small molecules + new modalities + biologics & CGTs



Campus III in Ningbo will begin operation in 2024 and will increase our capacities in safety assessment, DMPK and *in vivo* pharmacology

2023 CMC Services Maintained Steady Growth & the 1st DP Project Approved



~85% of CMC services revenue came from the existing customers of lab services

Shaoxing facility began operation in 2022 and were headwinds for the GPM in 2023



World leading PD team: ~2,000 process chemists in CN & 200+ process chemists in UK

Global capacities: CN+UK+US provided customers with flexible and efficient integrated solutions

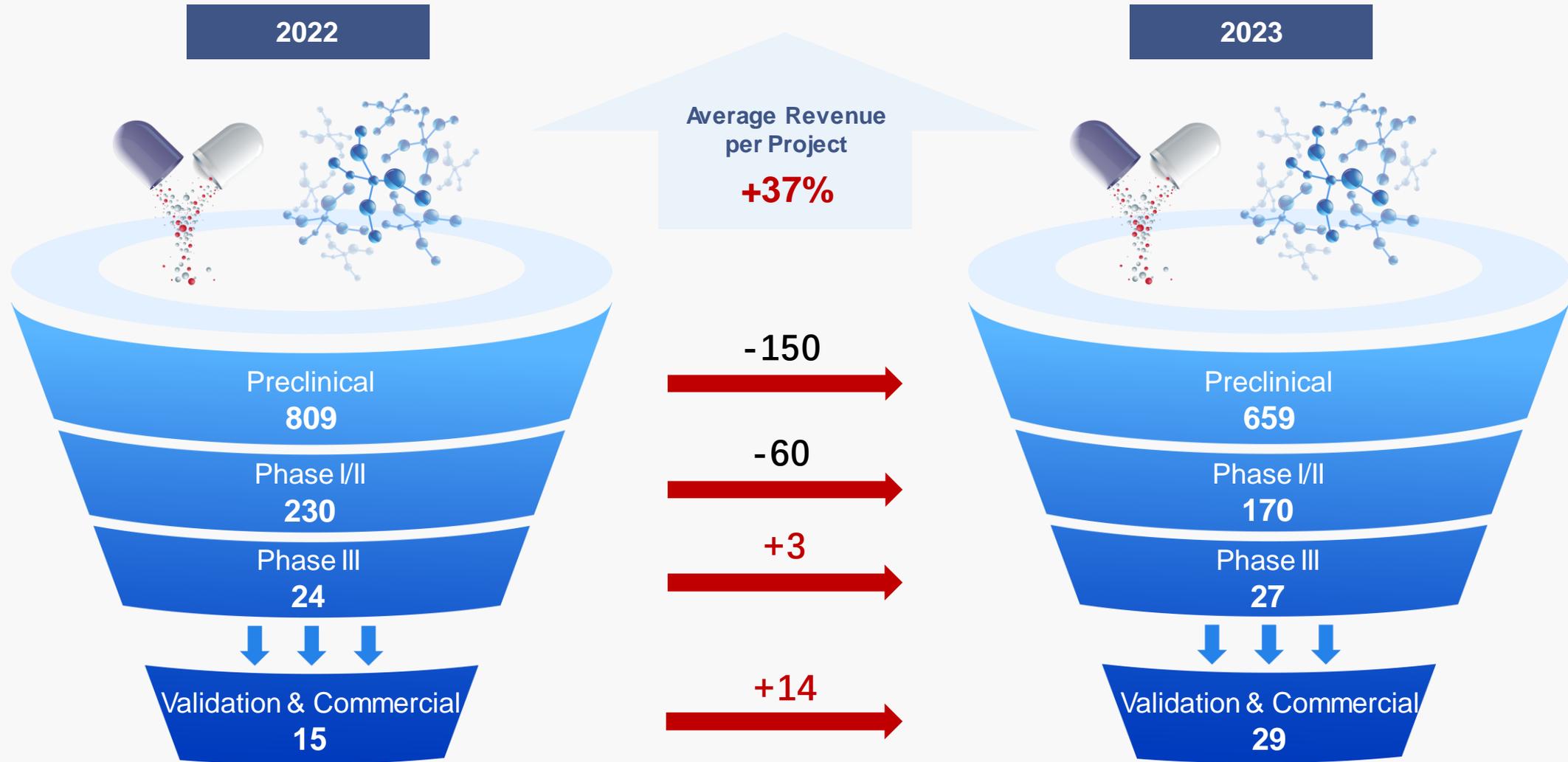


CMC services covered 885 projects, including 29 in validation & commercial, 27 in PhIII, 170 in PhI/II & 659 in preclinical

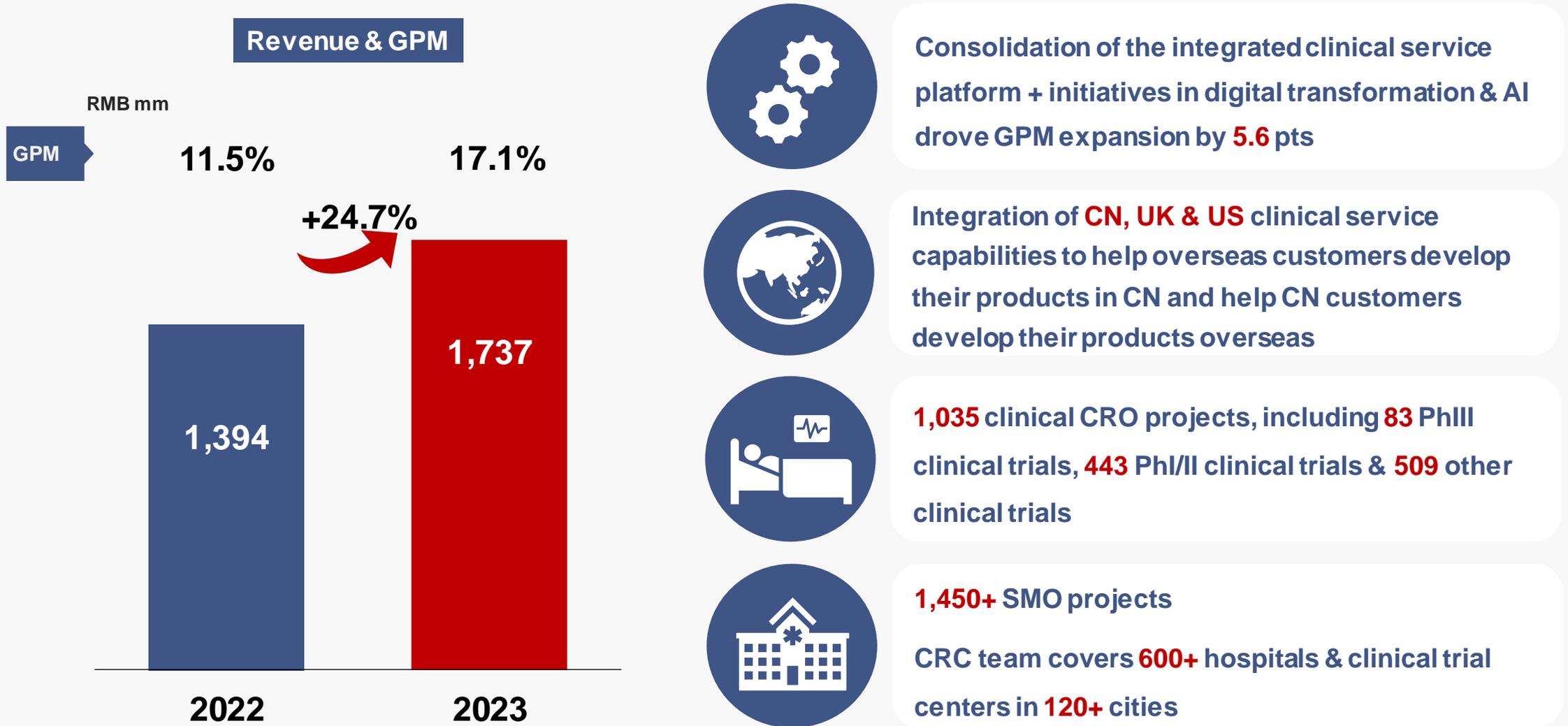


Drug product manufacturing facility in Ningbo passed China NMPA new drug PAI & GMP compliance pre-market inspections. The inspected product was approved in 1Q2024

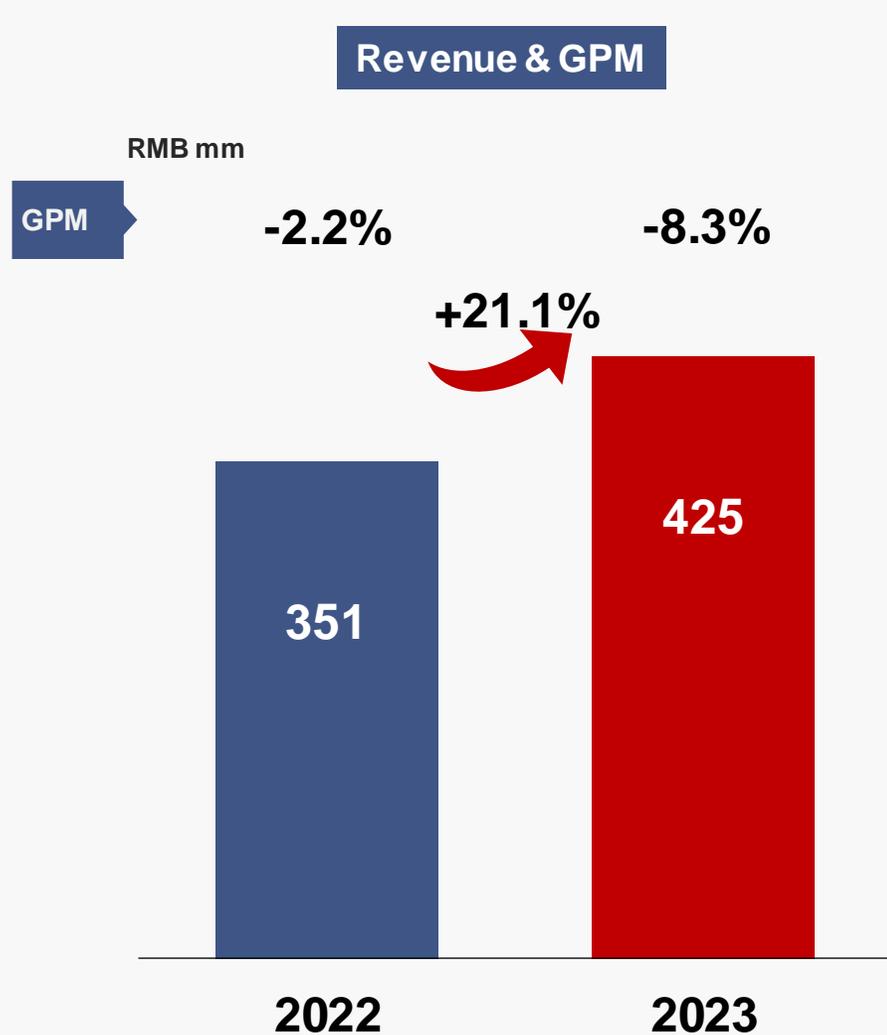
2023 CMC Projects Continued to Advance to Late Stage



2023 Clinical Development Services Delivered Robust Growth & Margin Expansion



2023 Pharmaron Biologics Delivered Robust Growth & Valuation of ~RMB8.55 bn



Entered into an equity financing agreement of **~RMB950 mm**, with a post-investment valuation of **~RMB8.55 bn**

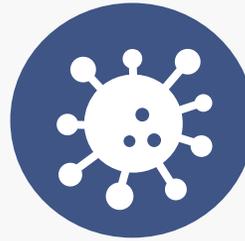


26 CGT analytical release testing projects, including **2** commercial projects

21 GLP & non-GLP tox studies for CGT products either had been completed or are in progress



13 gene therapy CDMO projects, including **2** in PhIII, **7** in PhI/II & **4** in preclinical



Providing process development services to a global customer's **innovative bispecific antibody** in IND enabling stage & plans to start to provide GMP manufacturing services in 2024

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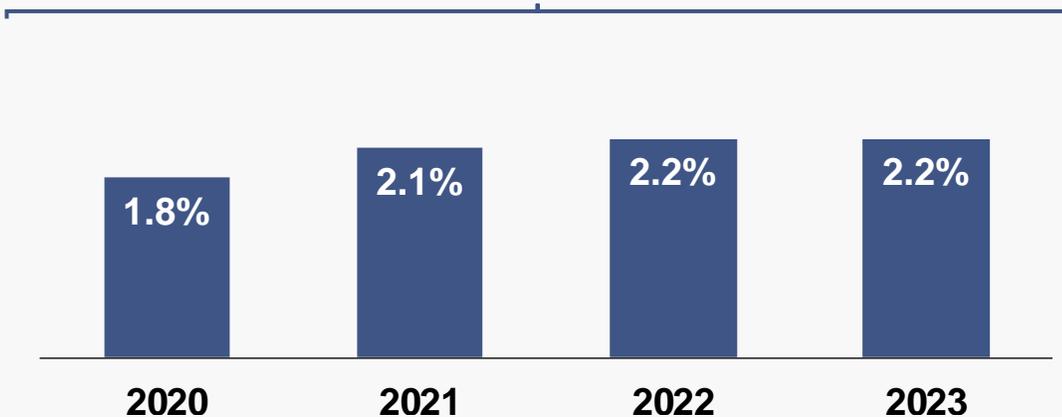
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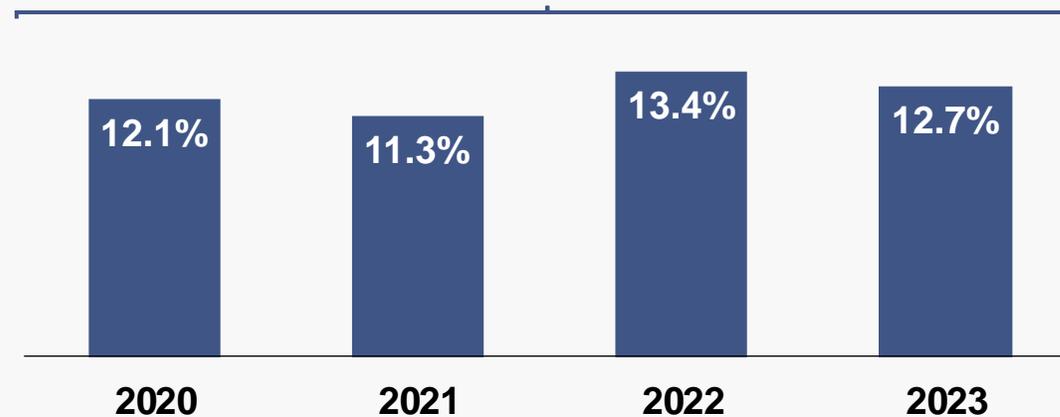
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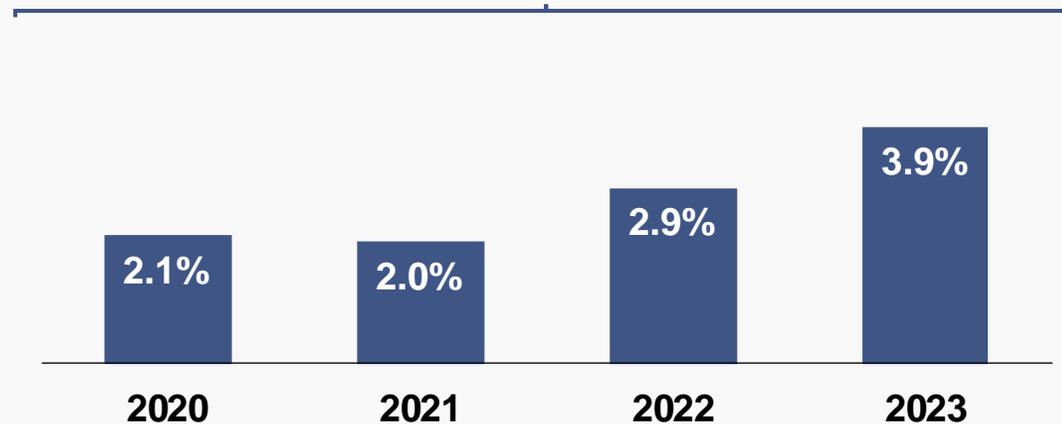
Selling and Distribution Expenses as % of Total Revenue



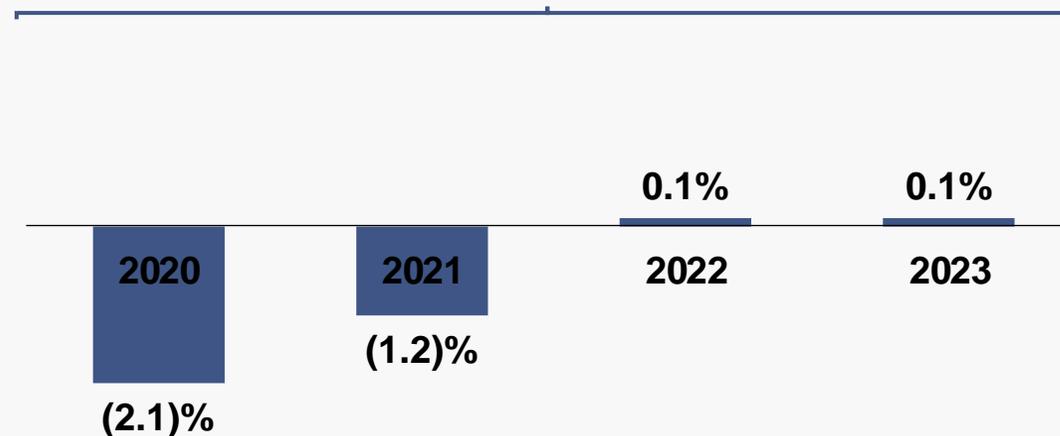
Administrative Expenses as % of Total Revenue ⁽¹⁾



R&D Costs as % of Total Revenue



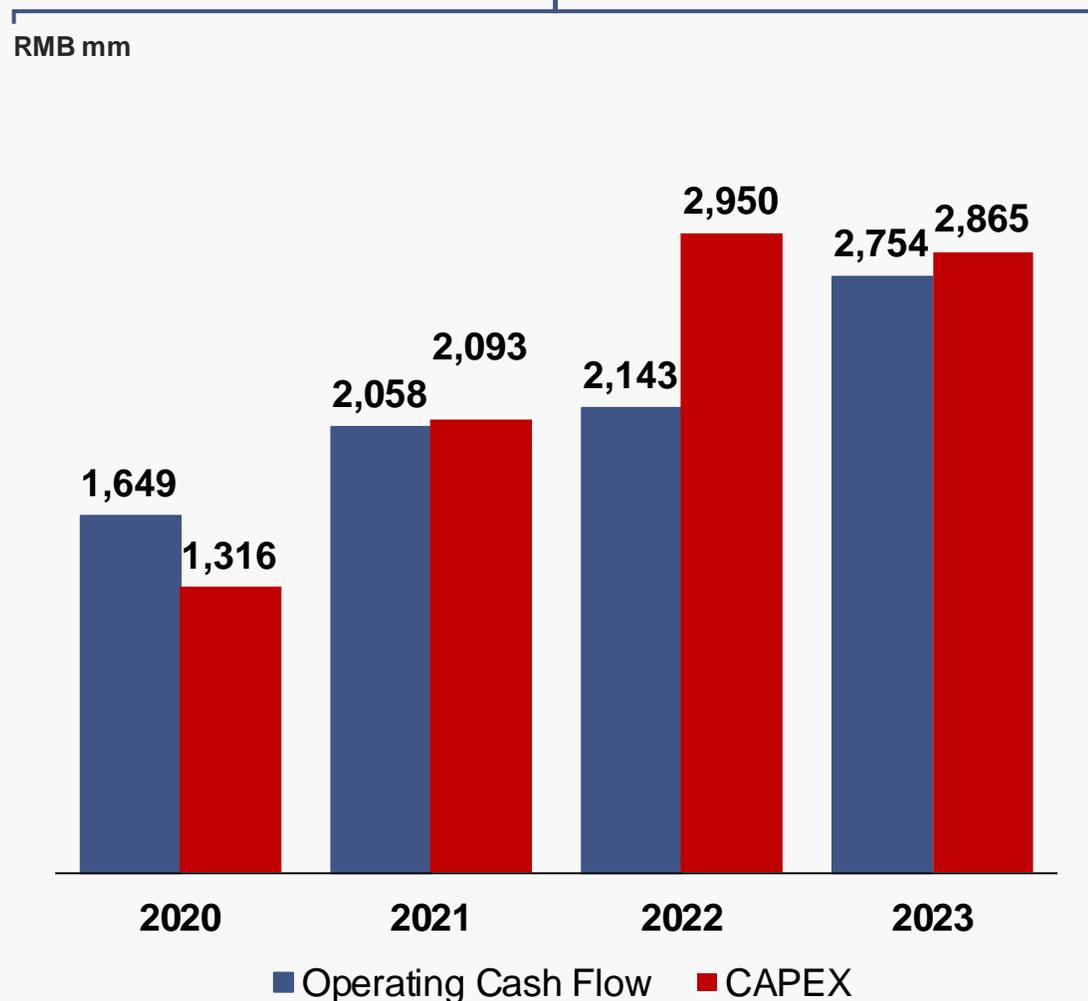
Net Finance Costs as % of Total Revenue ⁽²⁾



1. Excluding share-based compensation expenses recognized in administrative expenses

2. Net finance costs including interest expenses on bank borrowings and lease liabilities, interest income and bank wealth management products related gains or losses

Expect to Achieve Positive Free Cash Flow in 2024



Bank-related Assets, Bank Facilities and Loans

Strong Bank-related Assets & Bank Facilities

- Bank-related assets: RMB6.693 billion
- Unutilized bank facilities: RMB6.761 billion

Enough Cash on Hand to Cover CB

- Completed a three-year syndicated loan of RMB3.47 billion in December 2023
- Issued a CB of USD300 million and RMB1.916 billion in June, 2021, with a put option in June, 2024

2023 Non-IFRSs Adjusted Net Profit Attributable to Owners of the Company

RMB mm	2022	2023
Profit attributable to owners of the Company	1,375	1,601
Add:		
Share-based compensation expenses	157	185
Convertible Bonds related losses	142	123
Foreign exchange related losses/ (gains)	78	(6)
Realized and unrealized losses from equity investments	83	0
Non-IFRSs adjusted net profit attributable to owners of the Company	1,834	1,903

2023 MSCI ESG Rating of BBB



**Carbon Disclosure Project
Rating of B**



**Sustainalytics: “2023 ESG
Industry Top Related Company”,
and “low risk” Company**

ESG Awards



**2023 “ESG Best
Practice Case of Listed
Companies” of China
Association for Public
Companies**



**ESG Top50 of
China's Listed
Companies in 2023**



**17th Green Low
Carbon Outstanding
Contribution Award
of China's Listed
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The pursuit of health and longevity is eternal, and the long-term industry fundamentals remain intact. Seeing early signs of customer demand recovery



Fully integrated service platforms can meet the needs of different kinds of customers, improving efficiency, reducing cost and providing flexibility



Expect to deliver 10%+ revenue growth in 2024



THANK YOU