Stock code：300759.SZ

Stock code：3759.HK

2022

Interim Results Announcement

康龙化成 PHARMARON

August, 2022

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2022H1 Performance Overview

2,000+

Customers served(1)

Over 90% of revenue

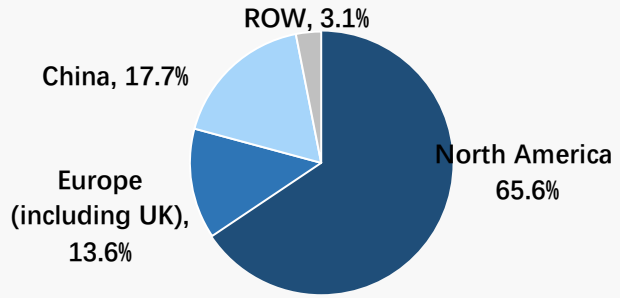
From repeat customers

400+

New Customers Addition

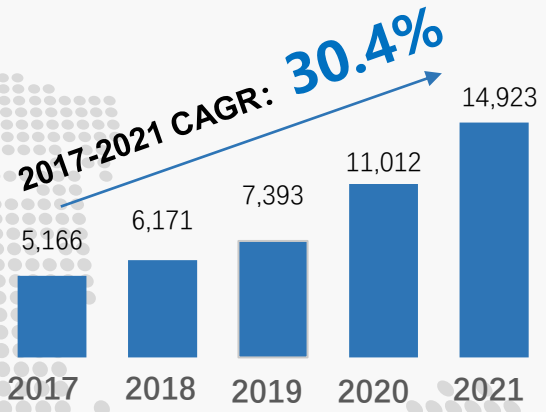
14.4%

TOP20 global pharmaceutical companies contributed



17,650

Employees (15,820 scientists & technicians) (1)



Source: Prospectus, 2019 Annual Report ,2020 Annual Report , 2021 Annual Report, 2022 Interim Report . 2021H1 2022H1 financials are unaudited.

1. As of June 30 ,2022;
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, convertible bonds related gains or losses, and realized/unrealized gains or losses from equity investments

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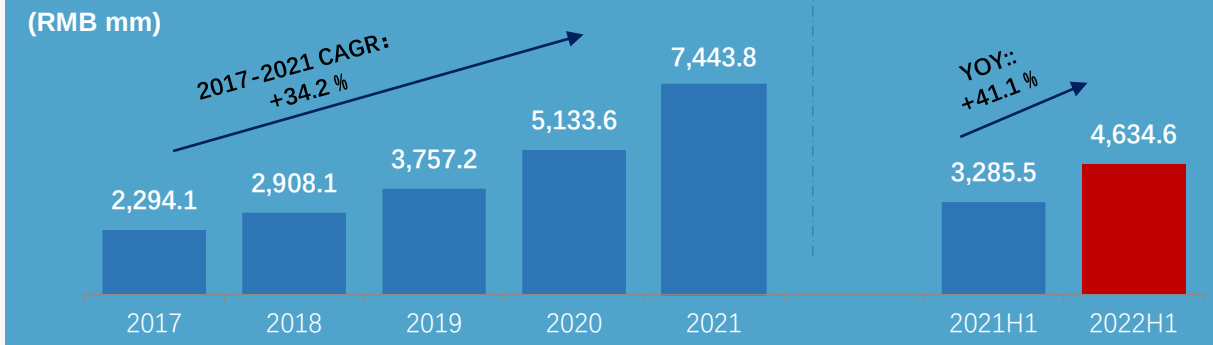
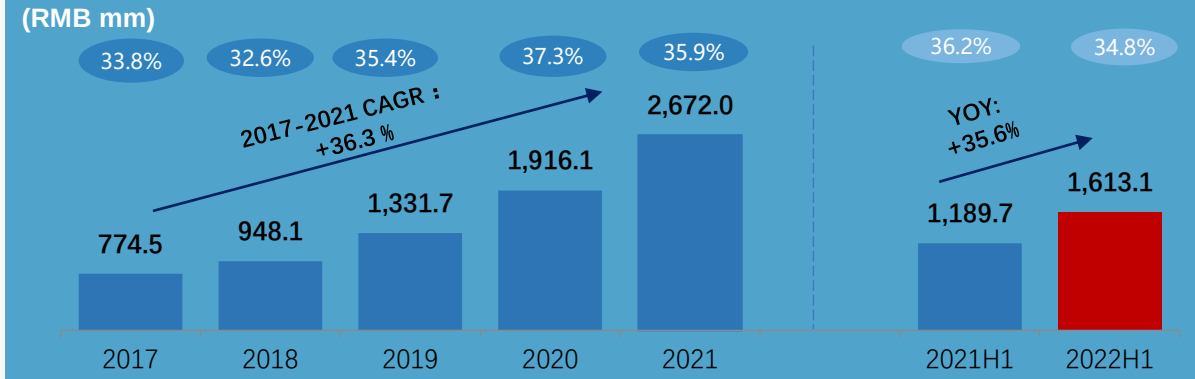
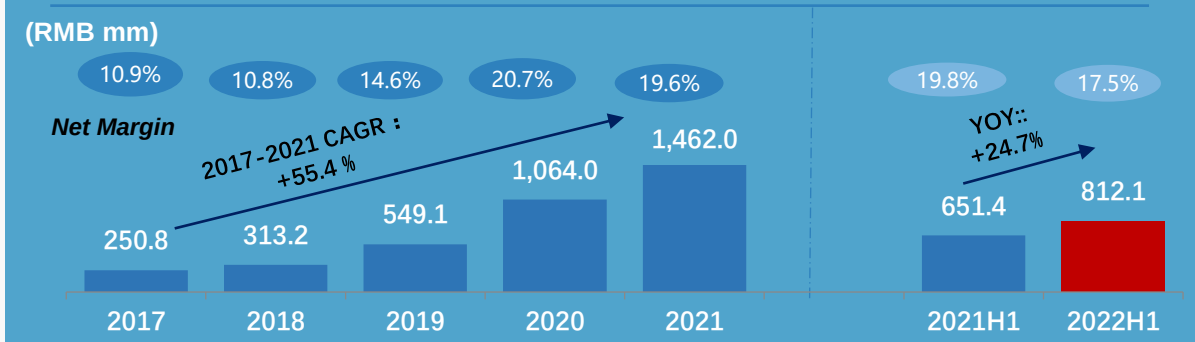
Revenue



Gross Profit



Non- IFRSs Net Profit(2)



Global Footprint

China

9

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 (Commercial)
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

Ningbo
Biologics CDMO
350,000 ft2 (Phase I)

U.S.

6

Baltimore, MD
Clinical development services
40,000 ft²

Germantown, MD
Clinical development services
16,000 ft²

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

San Diego, CA
Laboratory services & CGT Lab
96,500 ft²

Boston, MA
Biologics & CGT Lab
24,000 ft²

Coventry, RI
CMC (Commercial)
63,000 ft²

U.K.

5

Cardiff
Radiolabelled Sicience
48,000 ft²

Hoddesdon
Discovery & Early CMC
473,000 ft²

Rushden
Radiolabelled Chemistry & Metabolism
29,000 ft²

Liverpool
Gene Therapy CDMO
103,000 ft²

Cramlington
CMC (Commercial)
60,000 ft²

Promote sustainable development actively

2021-2025 Environmental Targets

/per RMB10,000 of output value

water consumption	Energy consumption	CO2 emissions
Reduce 10%	Reduce 10%	Reduce 10%

Maintaining 100% compliance in waste disposal

Launched the Science Based Targets Initiative (SBTi)
SBTi Commitment Letter

- Promote the decarbonization transformation of its supply chain and scientifically achieve the emission reduction and sustainability targets
- To curb global temperature rise in conjunction with the Paris Agreement
- Not only focuses on its own greenhouse gas emission management, but also encourages the sustainability evolution of its supply chain.

CONTENT

2022H1 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 2,860.1 mm
Gross Profit	RMB 1,242.7 mm

CMC (Small Molecule CDMO) Services

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

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

Revenue	RMB 1,084.6 mm
Gross Profit	RMB 356.9 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 584.5 mm
Gross Profit	RMB 29.9 mm

Biologics and CGT Services

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

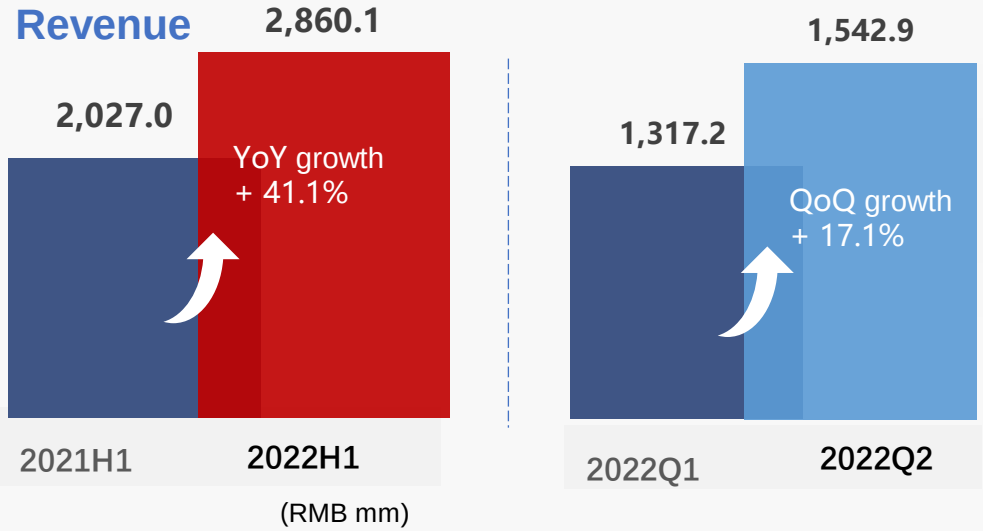
Location: China, U.S. and U.K.

Revenue	RMB 95.5 mm
Gross Profit	RMB -18.9 mm

Source: 2022 Interim Report, As of June 30, 2022

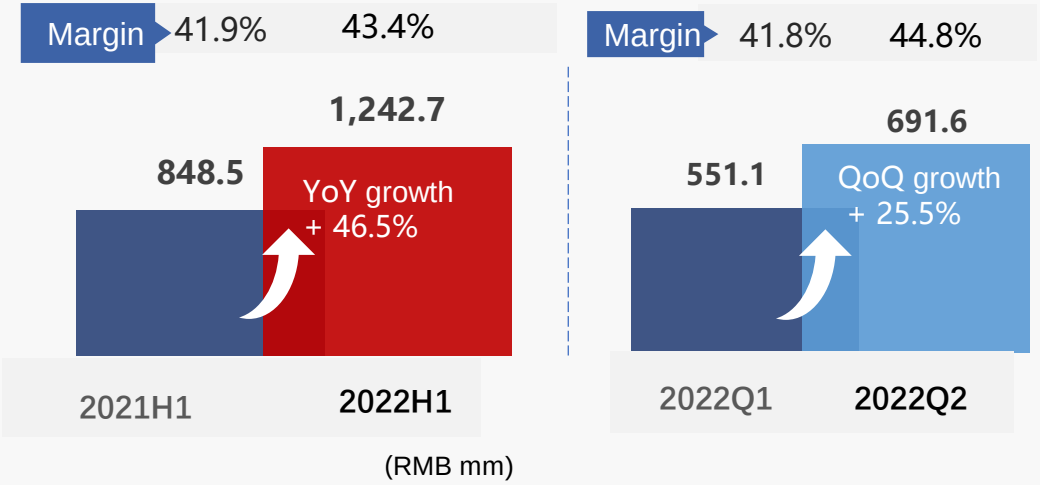
I Laboratory Services

Revenue



(RMB mm)

Gross Profit



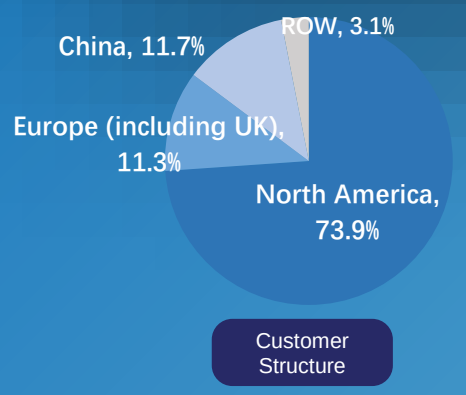
(RMB mm)

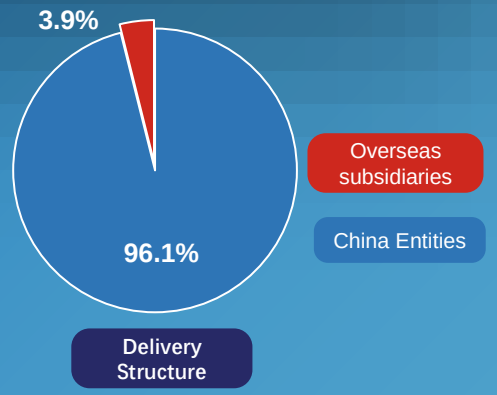
Source: 2022 First Quarterly Report, 2022 Interim Report, As of June 30, 2022

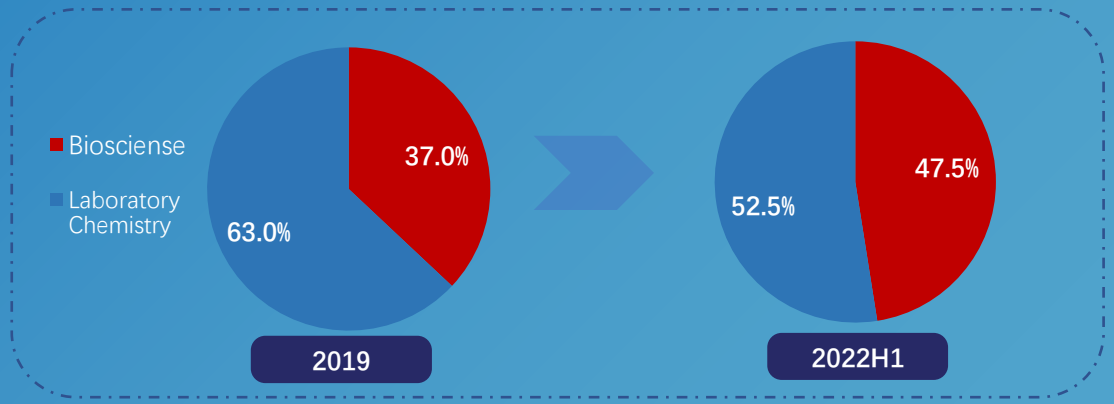
Operational Highlights

Maintain world leading position in laboratory chemistry, accelerate the growth in Bioscience and strengthen the global network

- Participating in **576** drug discovery projects and **52** IND or NDA filings, of which, **48** projects applied with multiple jurisdictions.
- **8,492** employees , nearly **5,800** laboratory chemists and technicians in laboratory chemistry .increased by **2,370** from June 30, 2021.







I Laboratory Services

Ningbo Campus I

Internal and M&A Expansion

Infrastructure construction:

- Phase II of the Ningbo Campus I, Remaining **42,000㎡** laboratory space was in the process of internal installation , part of them were gradually in operation.
- Commenced the construction of **140,000㎡** safety assessment and *in vivo* bioscience facility in Phase of Ningbo Campus III and expected to be in operation starting from the first half of 2024.
- Commenced the construction of over **105,000㎡** laboratory space in Xi'an, which is expected to be in operation starting from 2024.

M&A expansion

- Acquired **100%** equity interests in Beijing Anikeeper Biotech Co., Ltd. during the Reporting Period so as to optimize the quality control and supply chain system of the research animals

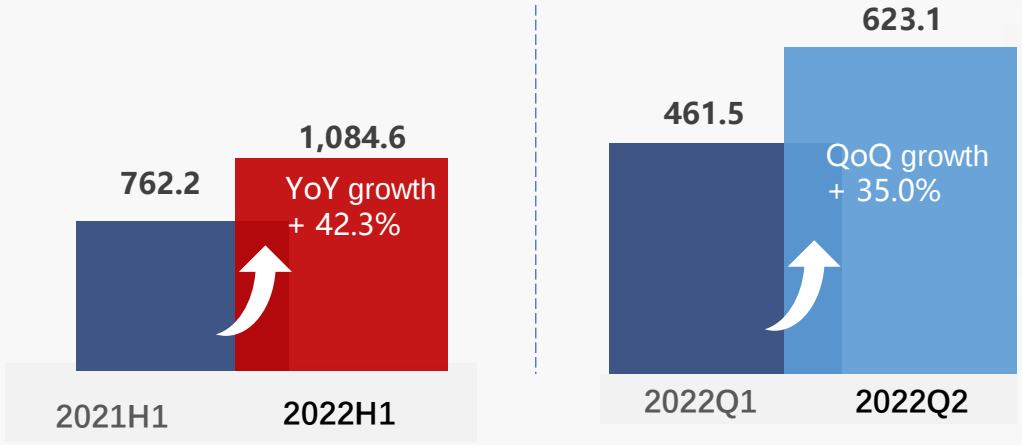
Ningbo Campus III (Design Plan)

Ningbo Campus III
(ongoing construction)

Source: 2022 Interim Report, As of June 30, 2022

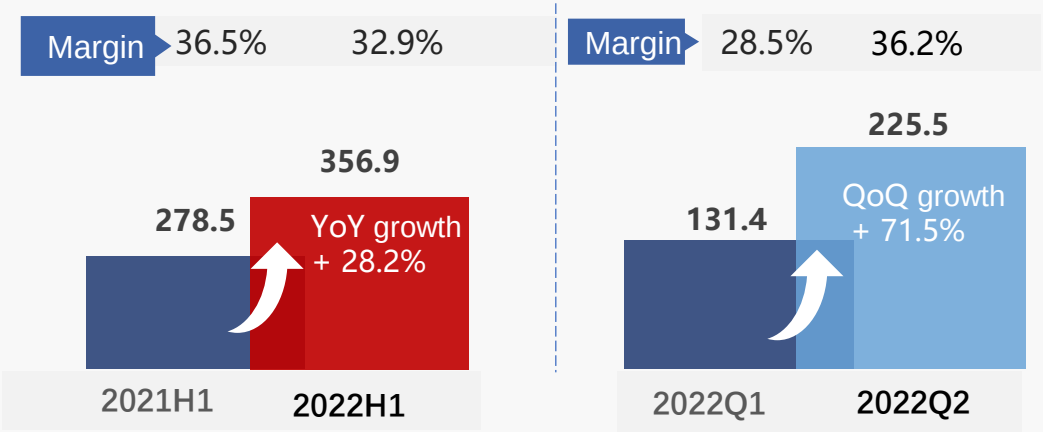
Ⅱ CMC (Small Molecule CDMO) Services

Revenue



(RMB mm)

Gross Profit



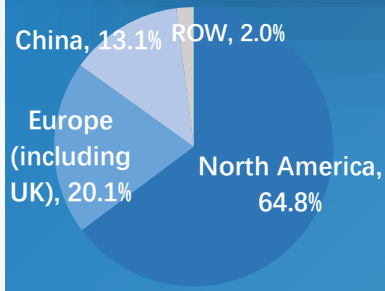
(RMB mm)

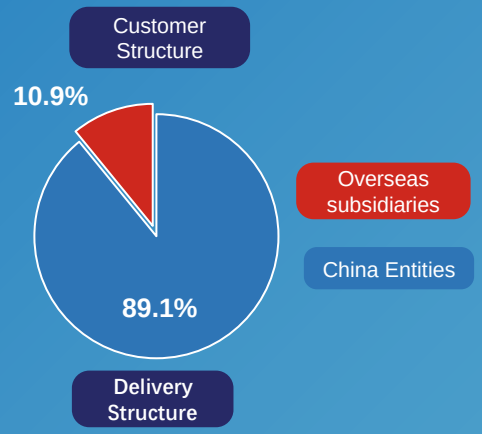
Source: 2022 First Quarterly Report, 2022 Interim Report, As of June 30, 2022

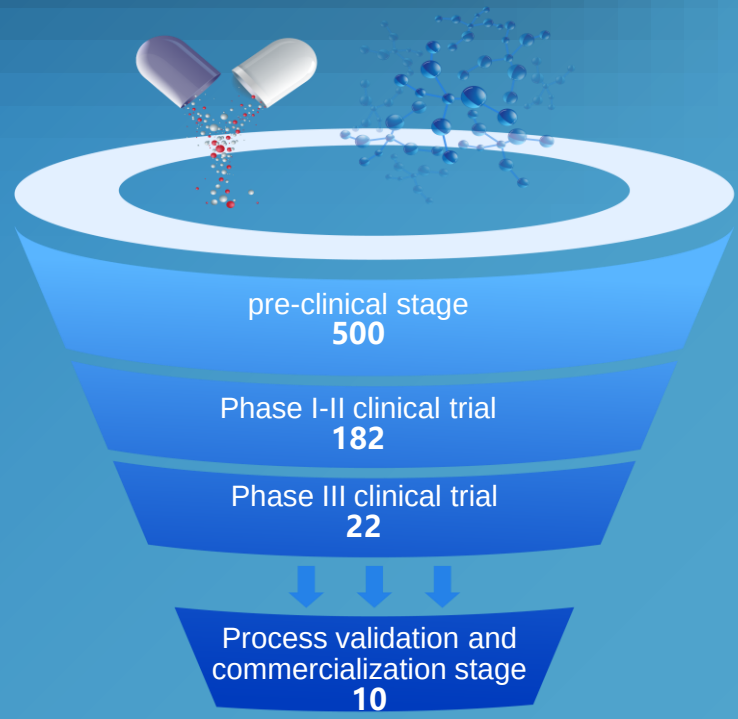
Operational Highlights

Maintain core competent on early-stage project, expand to late and commercial stage manufacturing services with our service networks in China, US and UK

- With the seamless integration of the Company's fully-integrated R&D service platform, **~76%** of CMC (Small molecule CDMO) revenue came from the drug discovery services customers.
- Conducting CDMO services for **714** APIs or intermediates
- **3,601** employees, increased by **1,441** from June 30, 2021







Ⅱ CMC (Small Molecule CDMO) Services

Shaoxing, China

Cramlington, UK

Coventry, US

Source: 2022 Interim Report，As of June 30, 2022

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 put into use in the second half of 2022.
- **M&A expansion**
  - Acquired **Cramlington** UK and API manufacturing facility in **Coventry,** U.S. These two facilities can provide cGMP API manufacturing services from pilot to commercial scale and have been inspected and approved by a number of regulatory agencies including the FDA.

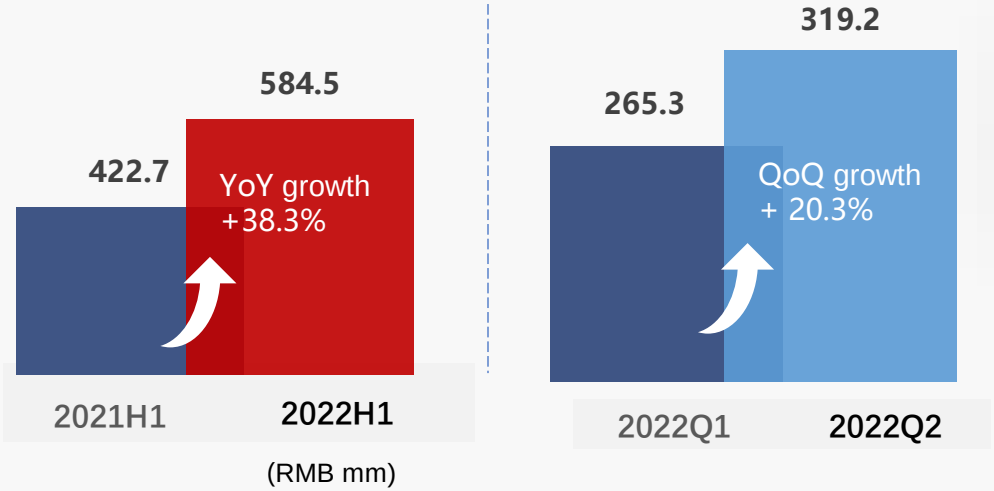
Manufacturing Capability

	IND-Enabling	Phase I & II	Phase III	Commercial
Beijing(China)		GMP intermediates, API		
Ningbo(China)		GMP intermediates, API		
Tianjin(China)		GMP intermediates, API		
		Non GMP Starting Material, Intermediates		
Shaoxing (China)		GMP intermediates, API		
		Non GMP Starting Material, Intermediates		
Coventry(US) Hoddesdon & Cramlington (UK)			GMP intermediates, API	
			GMP intermediates, API	



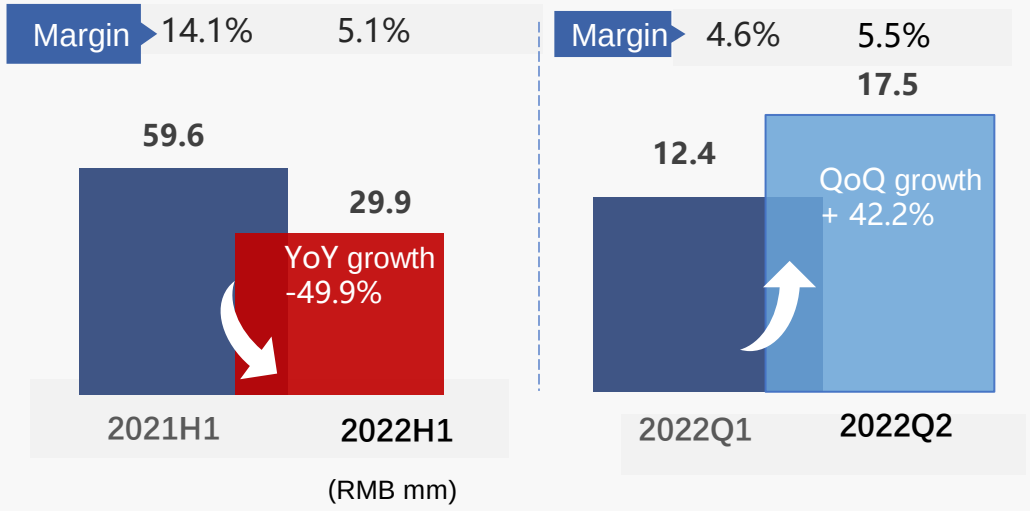

Ⅲ Clinical Development Services

Revenue



(RMB mm)

Gross Profit



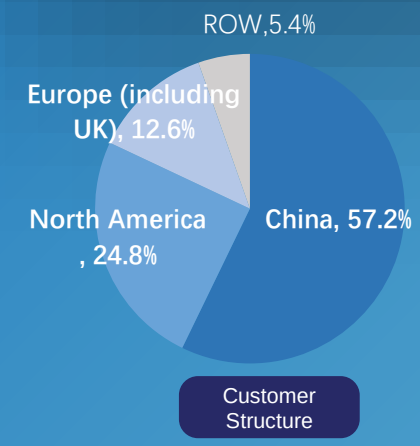
(RMB mm)

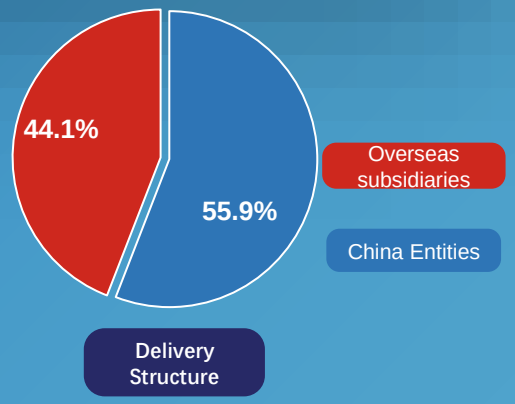
Source: 2022 First Quarterly Report, 2022 Interim Report, As of June 30, 2022

Operational Highlights

Fully-integrated clinical development services in China, assist domestic customers to launch their program abroad with our overseas service capabilities

- The on-site management team works with more than **600** hospitals and clinical trial centers across **140** cities in China. Clinical had more than **800** ongoing clinical trial service projects and approximately **1,100** ongoing clinical research site management service projects.
- During the Reporting Period, synergy and brand effect of the domestic business segments after integration gradually emerged. In the second quarter, when the operation was greatly affected by the domestic epidemic situation, the revenue growth rate of domestic clinical in the first half of 2022 reached **68.4%.**
- To support the expansion strategy, **3,329** employees in 2021, Clinical CRO **970**, SMO **1,997**. increased by **481** from June 30, 2021.





Ⅲ Clinical Development Services

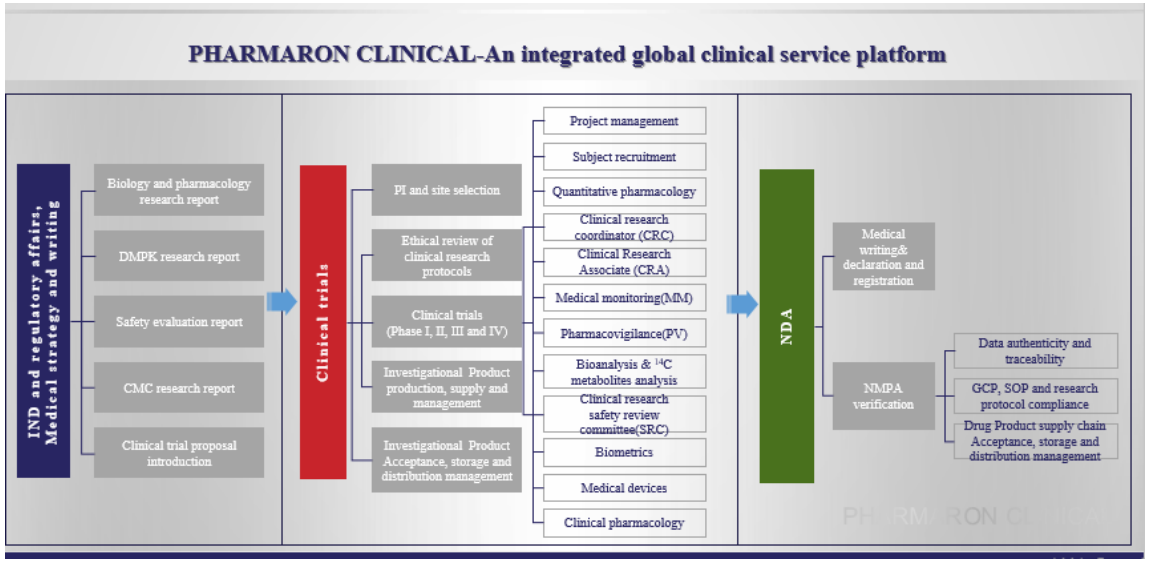
Chengdu, China

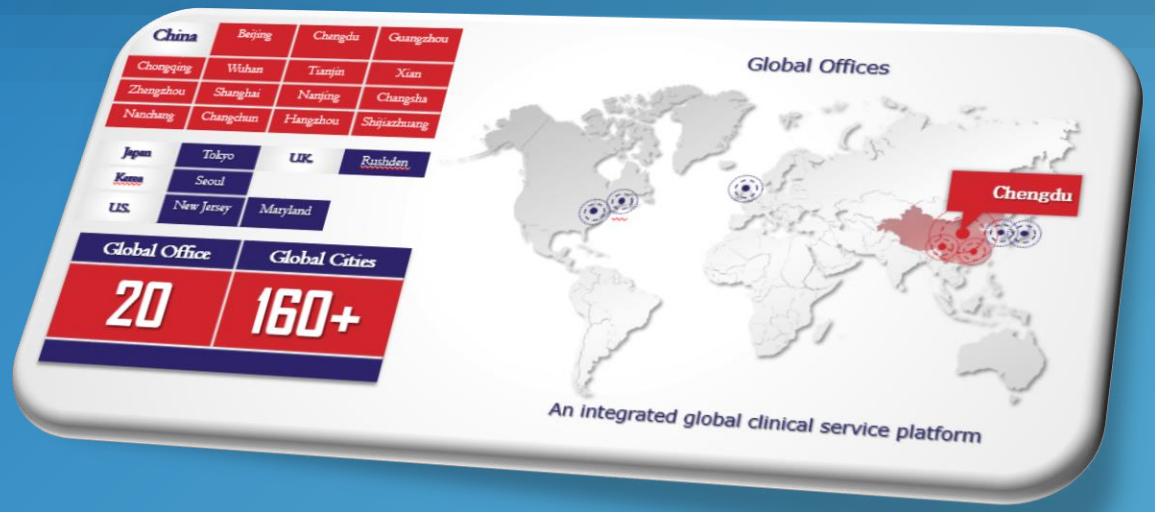
Baltimore, US

Rushden,UK

Internal and M&A Expansion

Pharmaron Clinical Services Platform in China

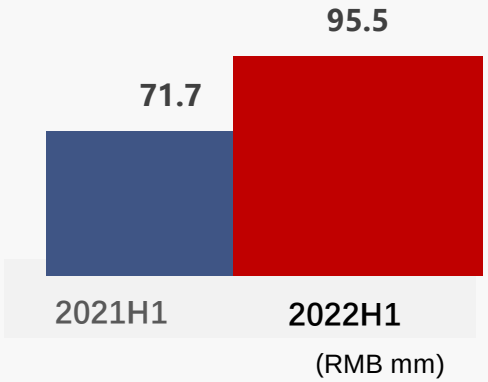




Source: 2022 Interim Report，As of June 30, 2022

IV Biologics and CGT Services

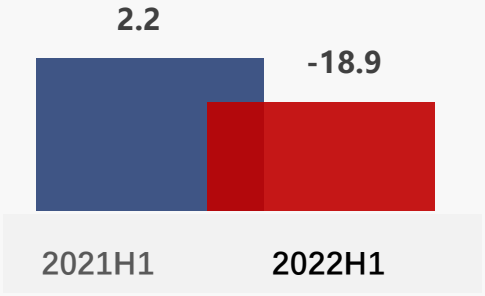
Revenue



(RMB mm)

Gross Profit

Margin	3.0%	-19.8%



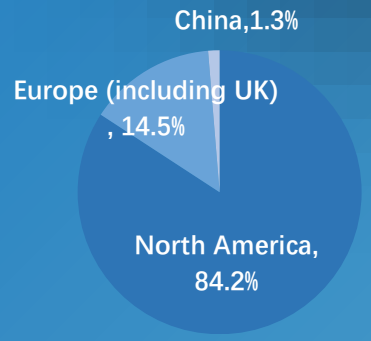
(RMB mm)

Source: 2022 Interim Report, As of June 30, 2022

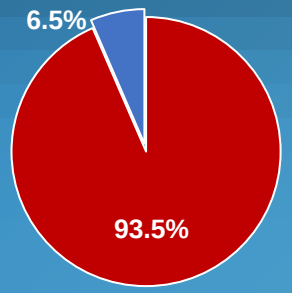
Operational Highlights

Establish world-leading end-to-end CGT services platform, continue to build the services capabilities in Biologics development and manufacturing

- Company has > **50** programs at various stages for analytical release testing, including **19** potency assays for clinical studies and **2** potency assays for commercial manufacture.
- For the safety assessment services, over **40** non-GLP and GLP toxicology studies for CGT products either have been completed or are in progress at the Company.
- CGT CDMO service began to take third-party customer orders by the end of 2021 and currently has around **20** gene therapy CDMO projects across different services offerings and R&D stages.
- **398** employees, increased by **128** from June 30, 2021.



Customer Structure



Overseas subsidiaries

China Entities

Delivery Structure

Registered Accredited In-house

MHRA 9001:2015 Certified Compliant Compliant

IV Biologics and CGT Services

Biologics CDMO in Ningbo

Gene Therapy CDMO in Liverpool

CGT Laboratory Services in the US

Internal and M&A Expansion

End-to-End Cell & Gene Therapy Services Overview

Discovery (Candidate Screening)	Proof-of-Concept (Non-GLP)	Preclinical - IND Enabling (GLP/Non-GLP)	Clinical Development (IND – BLA/MAA)
In Vivo Screening (In life: rodents)	Efficacy, PK/PD Studies (In life: rodents)	IND Enabling GLP Toxicology (Rodents and larger species)	Process Compatibility and Stability for Clinical Trial
Discovery Bioanalysis (Expression/Activity)	Preclinical PK/PD Bioanalysis	GLP Bioanalysis (Biodistribution, Shedding)	Clinical PK Sample Bioanalysis Clinical Shedding
Immunogenicity Humoral (ADA)	Immunogenicity Humoral (ADA, NAb)	Immunogenicity Cellular (ELISpot)	Clinical Sample Bioanalysis Immunogenicity, Biomarkers
In Vitro Screening (Cell Lines)	R&D/Working Cell Bank	GMP Cell Bank Production	Process Characterization and Validation
Analytical R&D Testing	Potency Assay R&D Development	Potency Assay Development & Qualification/Other analytical	Potency Assay GMP Qualification
Candidate Cloning	R&D Manufacturing (Plasmid, DS)	DS & DP Process/Formulation Development & Manufacturing	Clinical Batch Manufacturing
	For Gene Therapy Products		

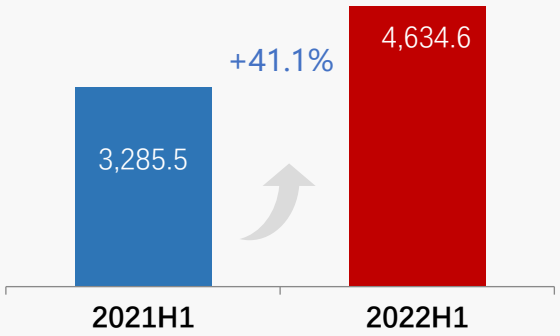
Source: 2022 Interim Report, As of June 30, 2022

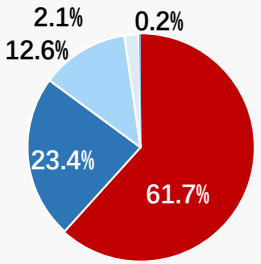
CONTENT

2022H1 Financial Performance

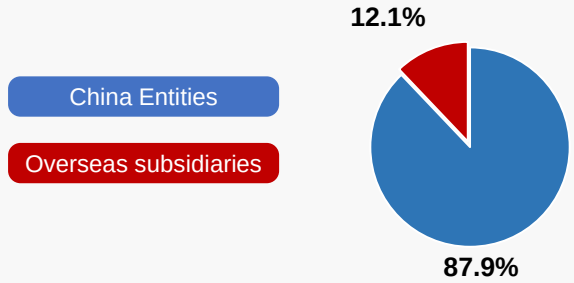
Revenue

RMB mm





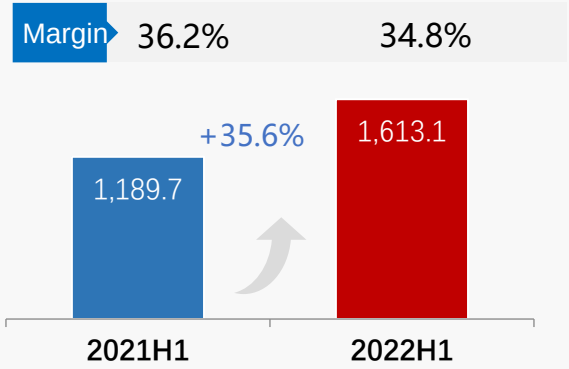
- Laboratory Services
- CMC (small molecule CDMO) Services
- Clinical Development Services
- Biologics and CGT Services
- Other



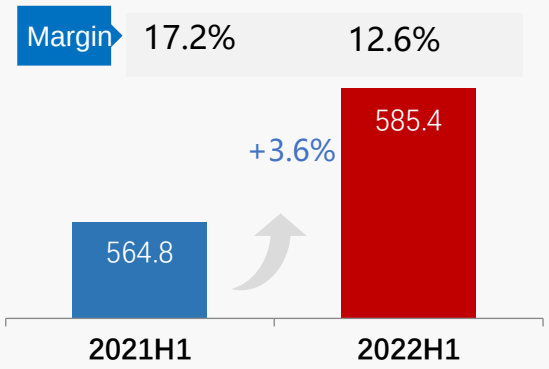
Gross and Net Profits

RMB mm

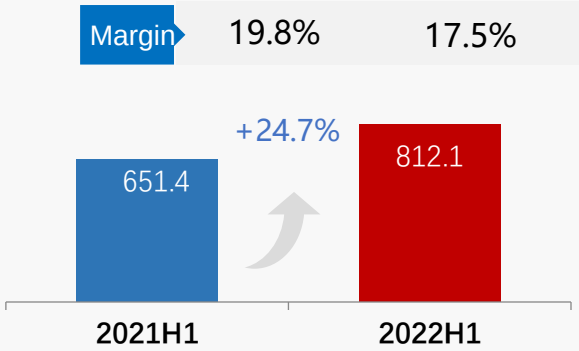
Gross Profit and Margin



Net Profit(1) and Margin

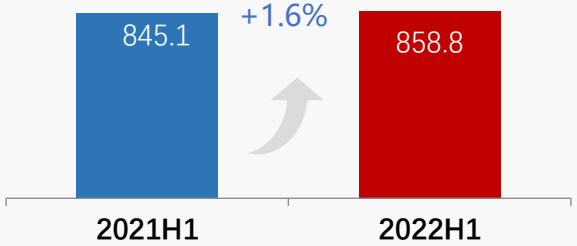


Non-IFRSs net profit attributable to owners of the company(2)



Net Cash Flows Generated from Operating Activities

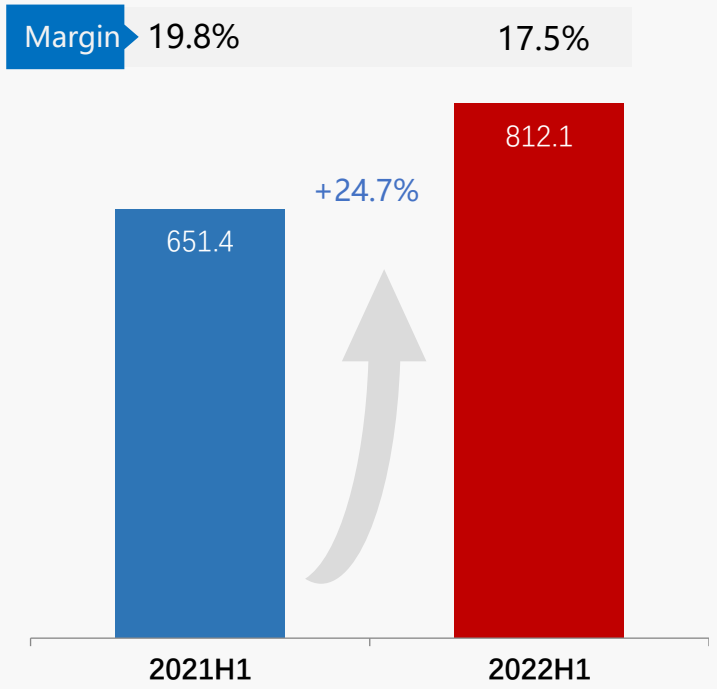
RMB mm



Source: 2022 Interim Results Announcement.
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, convertible bonds related gains or losses, and realized/unrealized gains or losses from equity investments

2022H1 Non-IFRS adjusted net profit attributable to owners of the parent

RMB mm	2021H1	2022H1
Profit attributable to owners of the parent	564.8	585.4
Add:		
Share-based compensation expenses	21.9	42.6
Convertible Bonds related gains or losses	106.8	65.5
Foreign exchange related gains or losses	(9.9)	32.4
Realized and unrealized gains or losses from equity investments	(32.2)	86.2
Non-IFRS adjusted net profit attributable to owners of the parent	**651.4**	**812.1**

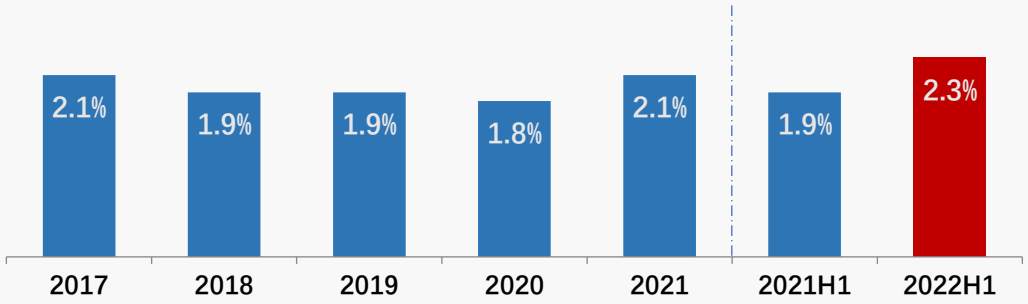


2022H1 Expenses for the Period

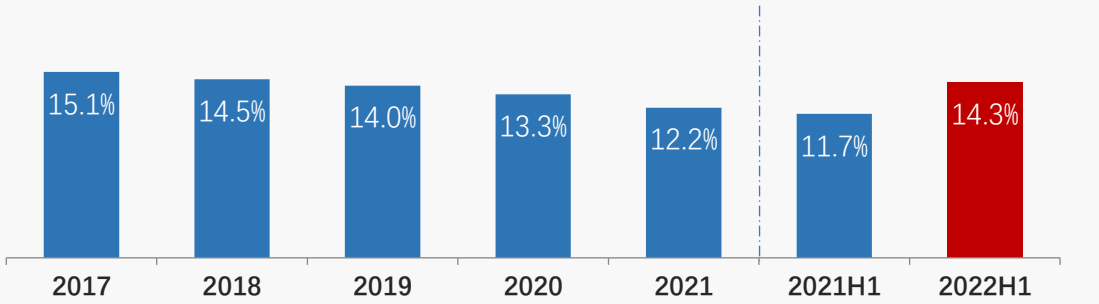
- Administrative expenses as % of Total Revenue: During the reporting period, the Company completed several overseas acquisitions. With the relatively low revenue in the integration stage, the administrative expenses as % of total revenue increased.

- Net finance costs as % of Total Revenue: During the reporting period, due to the macro environment changes, the returns on certain principal protected products dropped significantly. In addition, interest expenses on bank borrowings and lease liabilities increased as compare with 2021H1. As a result, the net finance costs as % of total revenue increased.

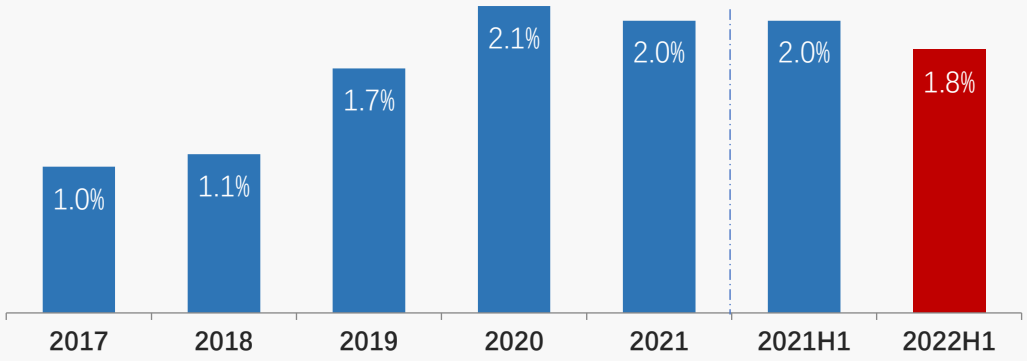
Selling and distribution expenses as % of Total Revenue



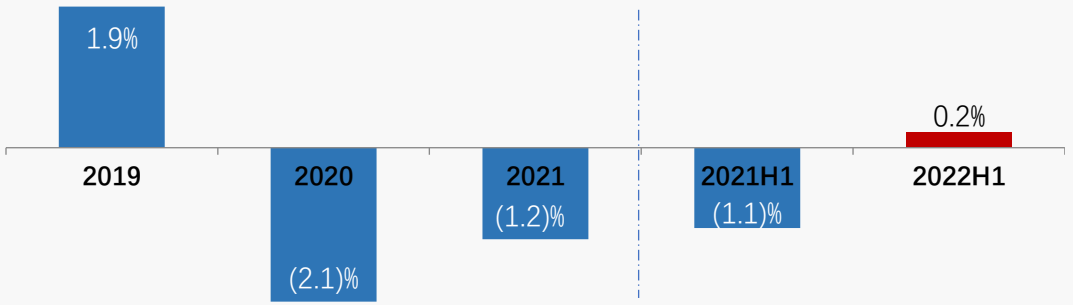
Administrative expenses as % of Total Revenue



Research and Development Cost as % of Total Revenue



Net finance costs as % of Total Revenue note

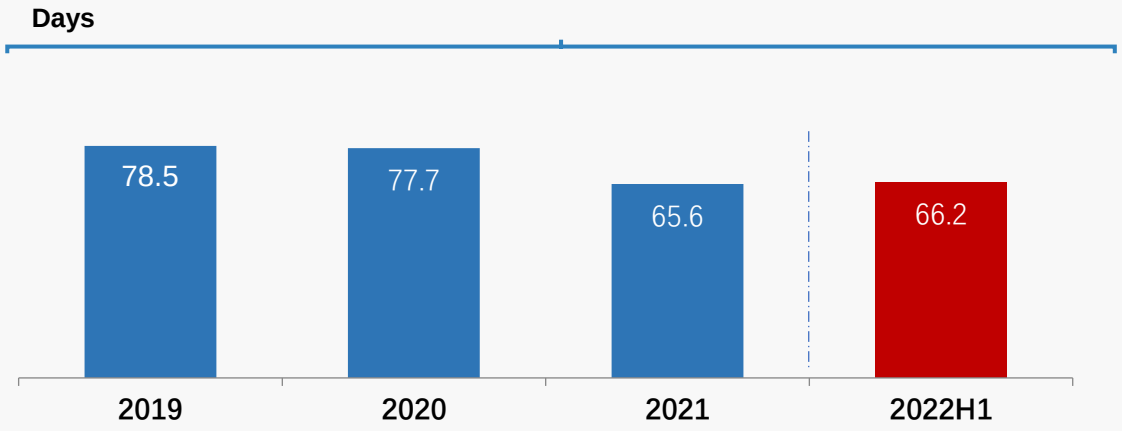


Source: 2019 Annual Report ,2020 Annual Report , 2021 Annual Report and 2022 Interim Results Announcement.

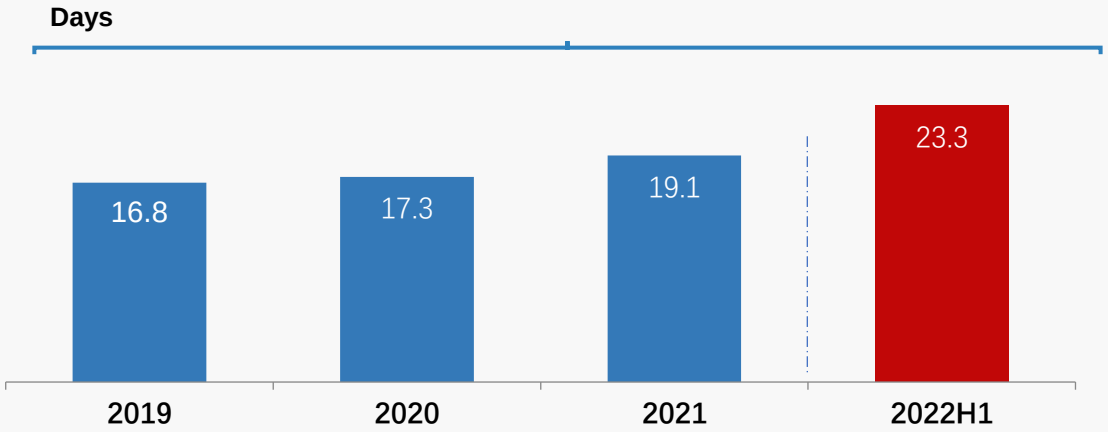
Note：Net finance costs including interest expenses on bank borrowings and lease liabilities, interest income and bank wealth management products related gains or losses

Working Capital Management Capabilities

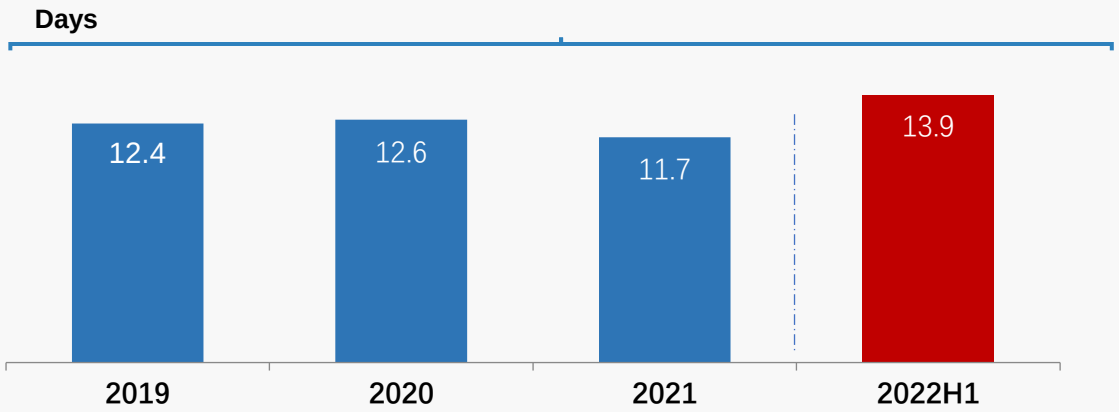
Trade Receivables and Contract Assets Turnover(1)



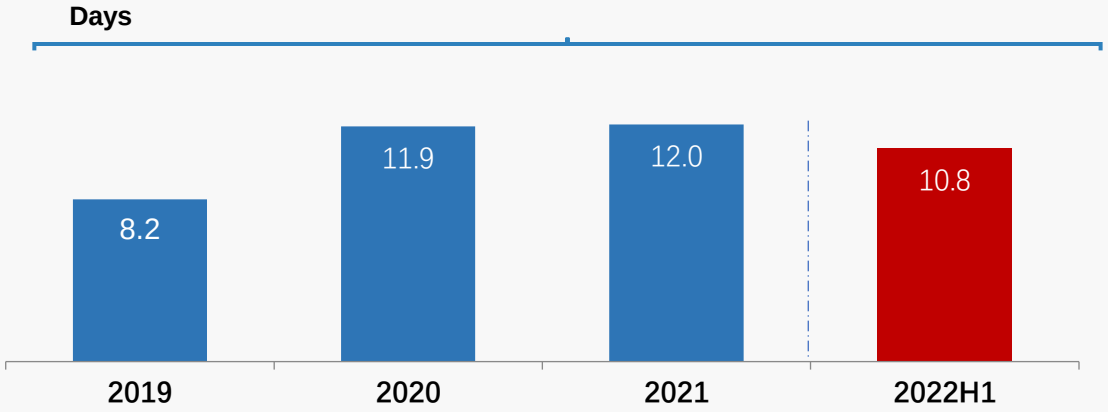
Trade Payables Turnover(2)



Inventories Turnover(2)



Contract Costs Turnover(2)

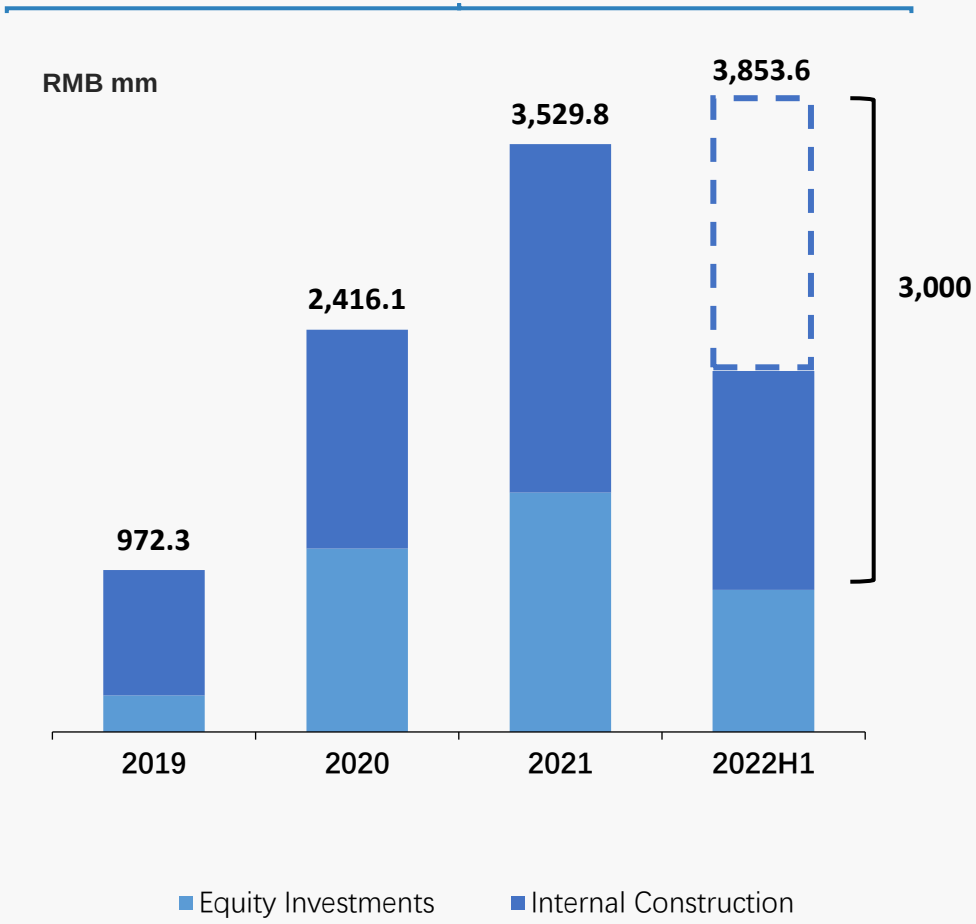


Source: 2019 Annual Report ,2020 Annual Report , 2021 Annual Report and 2022 Interim Results Announcement.

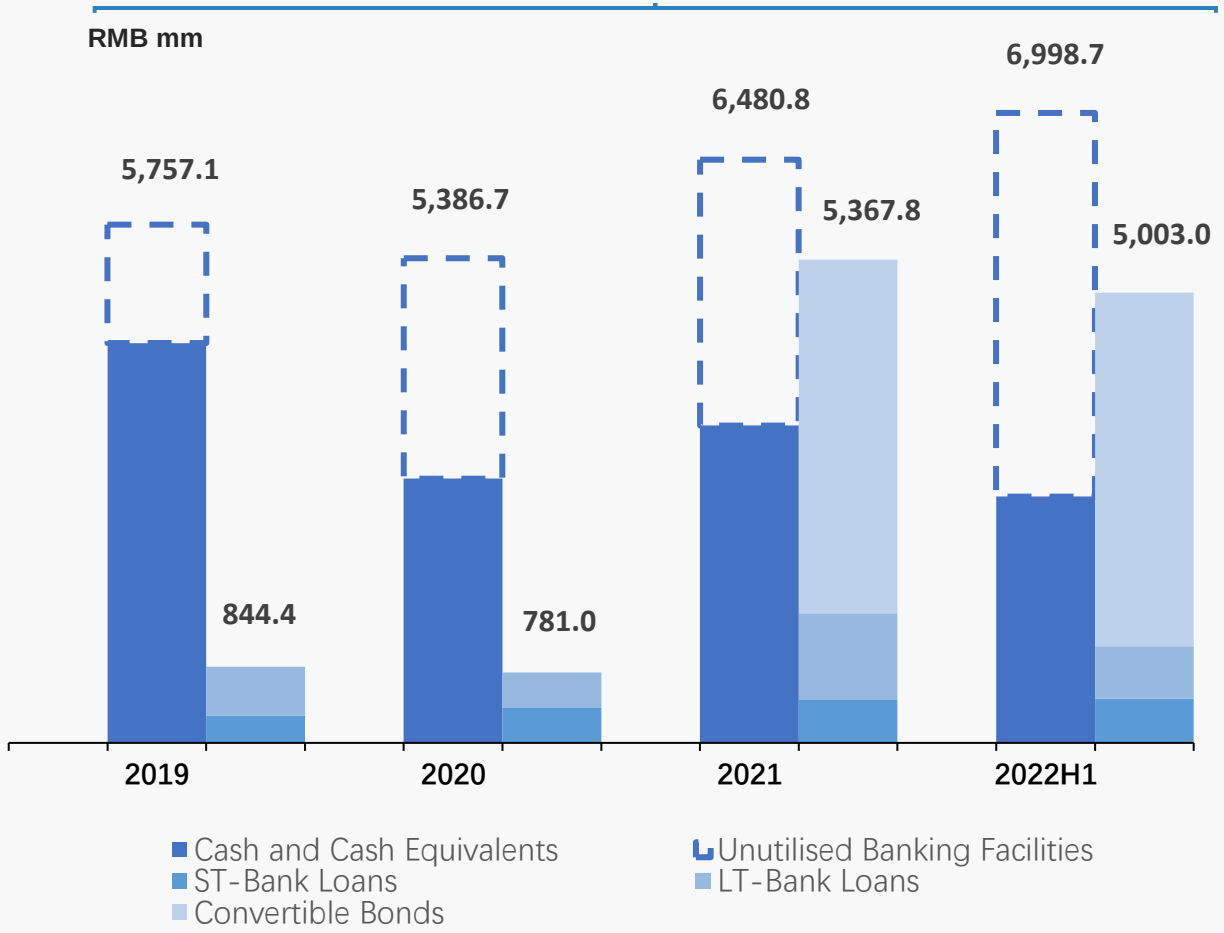
1. Calculated based on average of the opening and closing balances of sum of trade receivables (before adjustment of allowance for impairment) and contract assets (before adjustment of allowance for impairment) for the relevant year/period, divided by the corresponding revenue for the year/period, and then multiplied by 360 days for a year and 180 days for a six-month period.
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 and 180 days for a six-month period

Capital Expenditure, Cash, Bank Facilities and Liabilities

Capital Expenditure note1



Cash, Bank Facilities and Liabilities note 2



Notes:
1.Including:Internal construction and equity investments.
2.Including bank loans and convertible bonds, convertible bonds are listed at par value * exchange rate as at June 30, 2022

CONTENT

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 short and medium terms revenue and profit generating services and actively develop new services capabilities for the long term

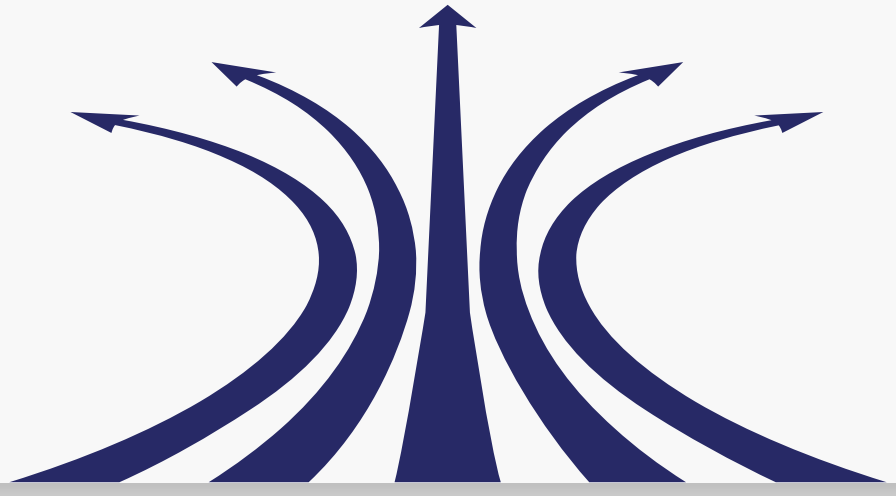
Continue to strengthen the fully integrated clinical development services platform

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


康龙化成
PHARMARON
Thank you