



2020 Annual Results

March 2021

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1 Company Update



2020 Snapshot



16 Years
In operation

16 Locations
Operation sites ⁽¹⁾ in China / U.S. / U.K.

>11,000
Employees (>9,800 scientists & technicians)⁽¹⁾

1 of Only 2
Platform with a fully integrated business model globally⁽²⁾

Top 3
Drug discovery service provider globally⁽²⁾

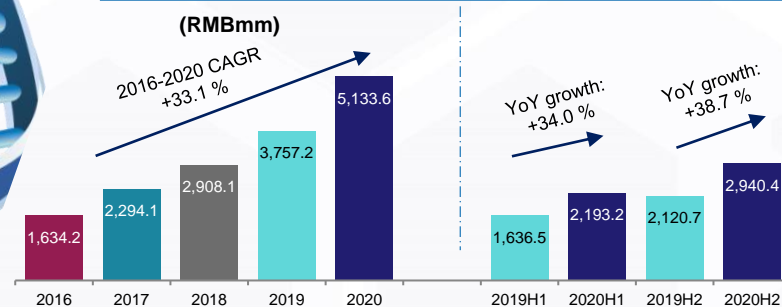
All Top 20
Global pharmaceutical companies are our customers⁽¹⁾

Over 1,500
Customers served in 2020

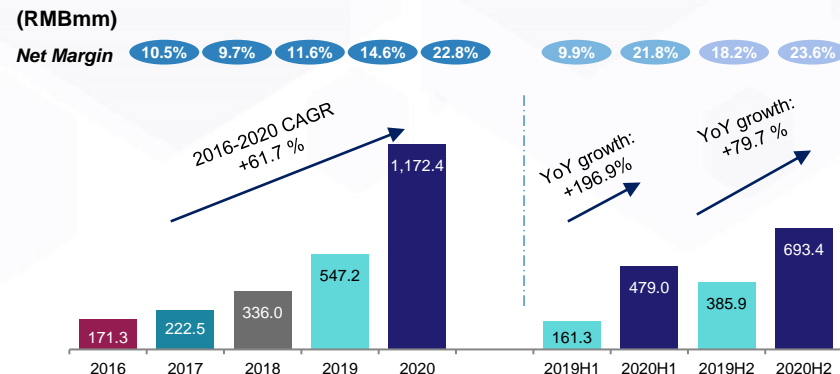
>90% of Revenue
From repeat customers⁽³⁾



Strong Revenue Growth



Robust Net Profit⁽⁴⁾ Growth and Margin Improvement



Source: Prospectus, 2020 Interim Report and 2020 Annual Report. H12019, H22019, H12020 and H22020 financials are unaudited

1. As of December 31, 2020

2. By 2019 revenue, Frost & Sullivan analysis

3. During FY2020

4. Net profit attributable to owners of the parent

Global Footprint



Our global presence combines our technical capabilities and efficient services enables us to provide customized solutions

China Sites

8



Beijing HQ
Drug R&D
1.2 million ft²



Ningbo
Drug R&D
850,000 ft²



Tianjin
Chemical Mfg.
Land: 538,195 ft²



Shaoxing
Commercial Mfg.
Land: 1,791,000 ft²



Beijing TSP
GLP Safety Assessment
215,000 ft²



Xi'an
Chemistry
172,000 ft²



Nanjing
Clinical Research
40,000 ft²



Shanghai
Chemistry
130,000 ft²

UK Sites

3



Cardiff
Radiolabelled Chemistry
48,000 ft²



Rushden
Radiolabelled Chemistry
& Metabolism 29,000 ft²



Hoddesdon
Discovery & Early
Development 473,000 ft²

US Sites

5



Baltimore, MD
Clinical Research
40,000 ft²



Germantown, MD
Bioanalytical Sciences
28,000 ft²



Exton, PA
DMPK, CGT
53,000 ft²



San Diego, CA
Ocular, Medical Devices
52,000 ft²



Boston, MA
Biologics, Bioanalysis
10,000 ft²



Our Core Competitiveness

- 

Leading fully-integrated pharmaceutical R&D service platform with strong capabilities and comprehensive service offerings across the globe
- 

Global operations, strong experience in pharmaceutical R&D and state-of-the-art technologies to provide customized solutions
- 

Committed to developing and applying innovative technologies to meet evolving R&D needs and increase efficiency
- 

Dedicated, stable and visionary management teams, experienced talent pool with progressive corporate culture
- 

Reputable, loyal and expanding customer base that contributes to our sustainable growth and business collaboration
- 

Insight into industry trends and well positioned to capture growth opportunities arising from industry evolution

Our Core Competitiveness

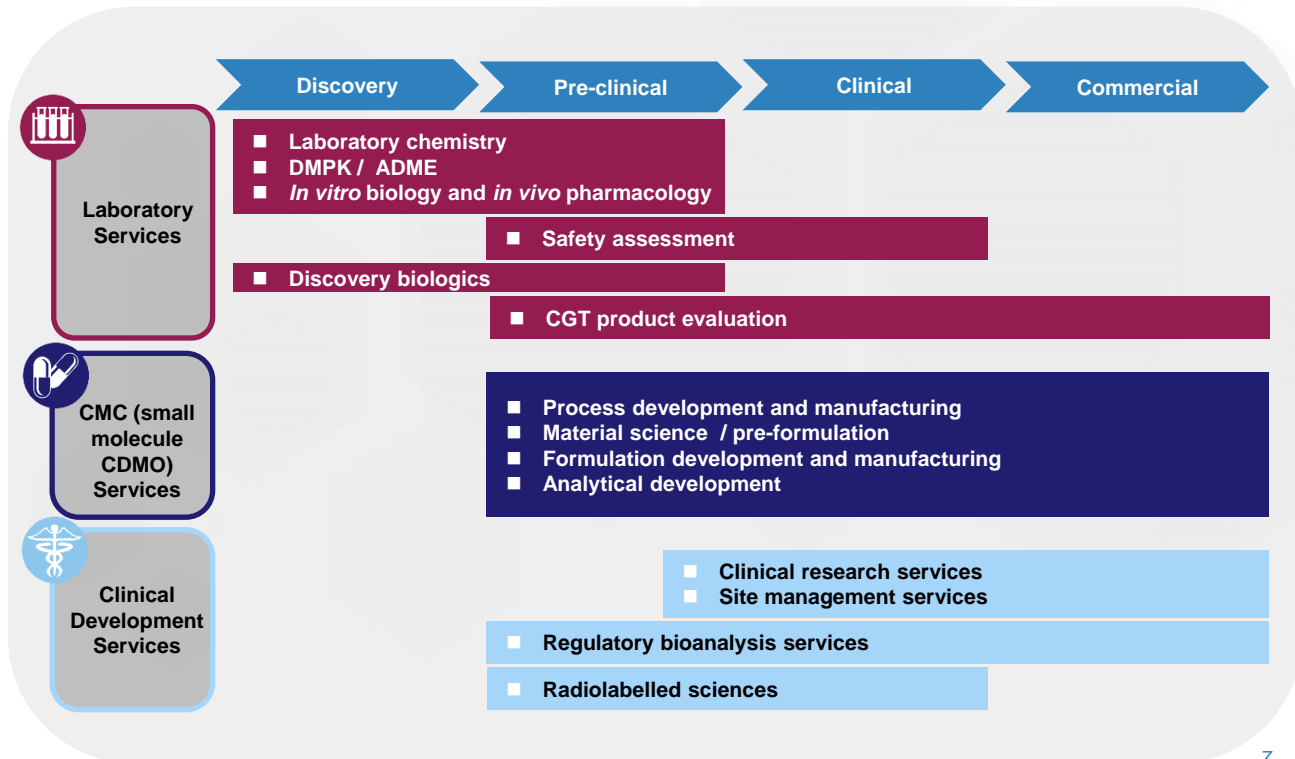
1 Leading fully-integrated pharmaceutical R&D service platform with strong capabilities and comprehensive service offerings across the globe

Our profound industry knowledge, strong execution capability and end-to-end solutions shorten the drug discovery and development cycle and create value for customers.

Comprehensive chemistry platform throughout the entire drug R&D and commercial stages

DMPK/ADME service platform throughout the entire drug R&D stages

Complete integrated platform from drug discovery to proof of concept ("POC")



Our Core Competitiveness

2

Global operations, strong experience in pharmaceutical R&D and state-of-the-art technologies to provide customized solutions

Global Operations

Our services network is strategically placed in global life science hubs, which enables us to offer a flexible and efficient model by balancing global resources and expertise

Integration

Effective integration of international acquisitions into our global services platform strengthens our service capabilities and expands our world-class talent and facilities

Customized Solutions

Strong experience in the global pharmaceutical R&D industry, together with world-class technical capabilities, allows us to offer our partners customized solutions



Global Project Example

- Our process chemistry and drug discovery teams in UK and China worked closely together to provide customized solutions with hybrid model
- Total solution approaches enable our customers to file investigational new drug (IND) applications for their drug candidates in China, the U.S. or Europe in parallel

Our Core Competitiveness

3 Committed to developing and applying innovative technologies to meet evolving R&D needs and increase efficiency

Biocatalysis Technology

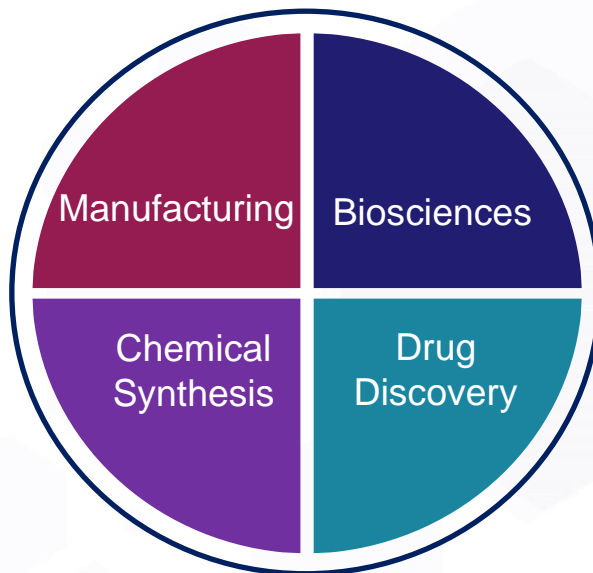
Enzyme screening platform for a wide range of organic transformations, including oxidation, reduction, transamination, esterification and ester hydrolysis

Flow Chemistry Technology

Applied to develop safer and more efficient chemical processes for manufacturing APIs for our customers

High Throughput Screening of Chemical Reactions

High throughput chemical reaction screening platform can assess hundreds of catalytic reaction conditions in a short time to identify optimal synthetic solutions



DNA-encoded Library (DEL)

Screening campaigns, using Pharmaron DELs with novel cores and drug-like features, against new biological targets of interest successfully identified novel hit compound series for our customers

3D Spheroids and Organoid Screening Platform

A screening platform that is more comparable to *in vivo* conditions, compared to traditional 2D culture, to investigate efficacy and safety of drugs with increased clinical significance.

In vivo Imaging Technology Platform

Provide valuable data to support evaluation with respect to the efficacy and safety of potential drugs, conduct isotopic tracing in a faster, more efficient and low-cost manner and expand its application into the early drug discovery space

Chemoproteomics Platform

A chemoproteomics platform using activity and reactivity-based probes together with proteomics profiling allows quick identification of interacting proteins and targets within the cells or tissues.

Our Core Competitiveness



4

Dedicated, stable and visionary management teams, experienced talent pool with progressive corporate culture



Dr. LOU Boliang *Co-Founder / Chairman / CEO*

Responsible for the overall management, strategic planning and corporate development; nearly 30 years of experience in the life sciences and biotech industry



LOU Xiaoqiang

Co-Founder / President / COO

Responsible for the execution of growth strategy both in China and globally



ZHENG Bei

Co-Founder / EVP

Responsible for administration and asset management in particular facility expansion



Dr. YANG Hua

CSO

Responsible for the overall research and scientific development strategy for the integrated services platform



LI Gilbert, AICPA, HKICPA, CFA

CFO / Board Secretary


Responsible for overall finance and M&A activities


- Committed to its corporate philosophy of “Employee First and Customer Centric” which puts strong emphasis on employee training and integrates their career development into the Company’s overall development strategy
- Open platform for talent development ensures that the Company will continuously attract exceptional talent from around the globe
- In-house training system includes Pharmaron College, Visiting Scholar Programs at renowned laboratories and institutions and regularly holding various seminars, forums and symposiums
- Established training programs with world renowned universities and research institutes for high-caliber scientific research talent
- Home-grown scientific team which enables us to form a cohesive and vibrant mid-level management team composed of nearly 2,000 technical supervisors and high-caliber scientific research talents
- Dedicated, stable and visionary management team has established a highly experienced and skilled talent pool with strong execution capabilities

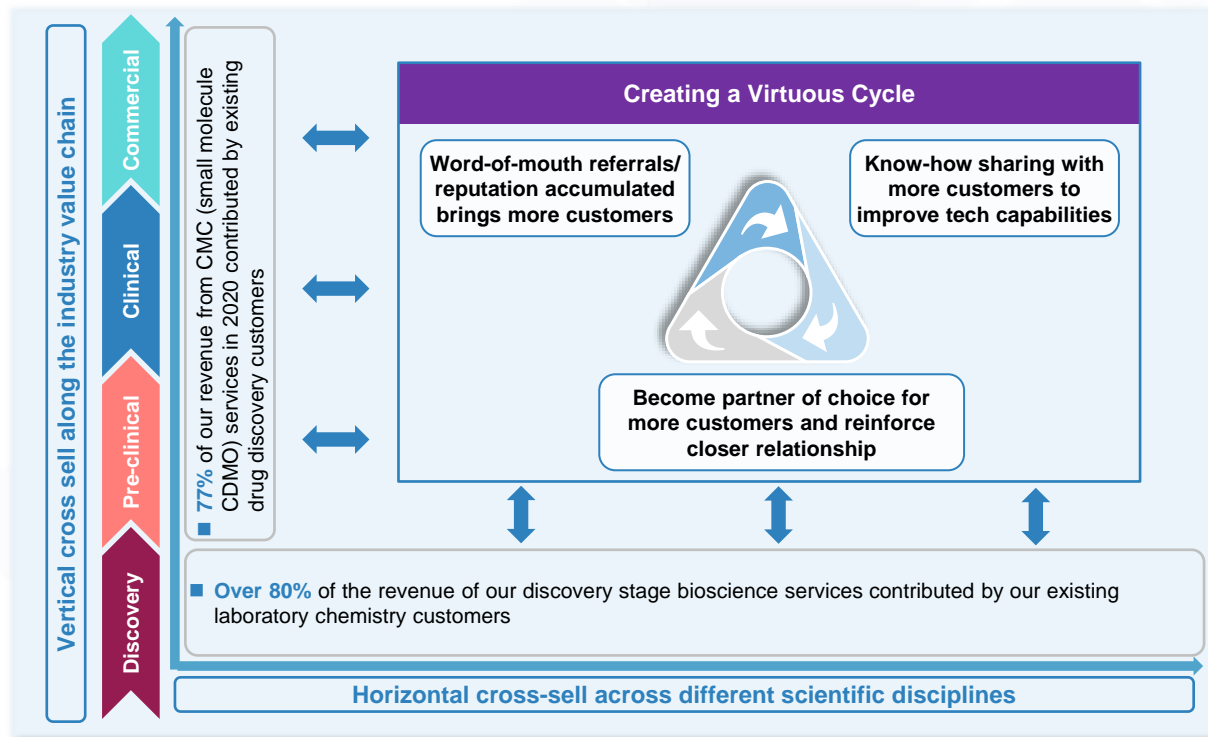
Our Core Competitiveness

5 Reputable, loyal and expanding customer base that contributes to our sustainable growth and business collaboration

 **1,500+** customers including **the top 20** global pharmaceutical companies and many reputable biotech clients⁽¹⁾

 In 2020, a total of **721** new customers.

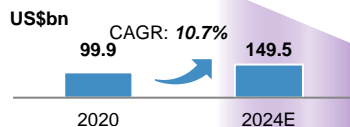
 In 2020, Over **90%** of revenue generated was from repeat customers



Our Core Competitiveness

- 6 Insight into industry trends and well positioned to capture growth opportunities arising from industry evolution

Global Pharma R&D Service Market



Global CRO Penetration

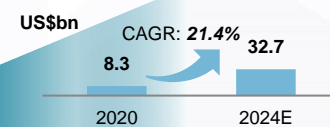


Trend for pharmaceutical R&D companies to deepen collaboration with external services providers and increase outsourcing during the pharmaceutical R&D lifecycle

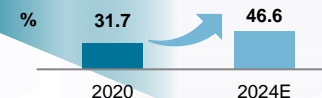
Accumulated through our global operations over the years, we are well positioned to capitalize on strong industry growth drivers in China

Our strong awareness and understanding of evolving R&D needs allow us to be adaptive and expand into new emerging fields and implement innovative technologies

China Pharma R&D Service Market



China CRO Penetration



2

2020 Business Highlights

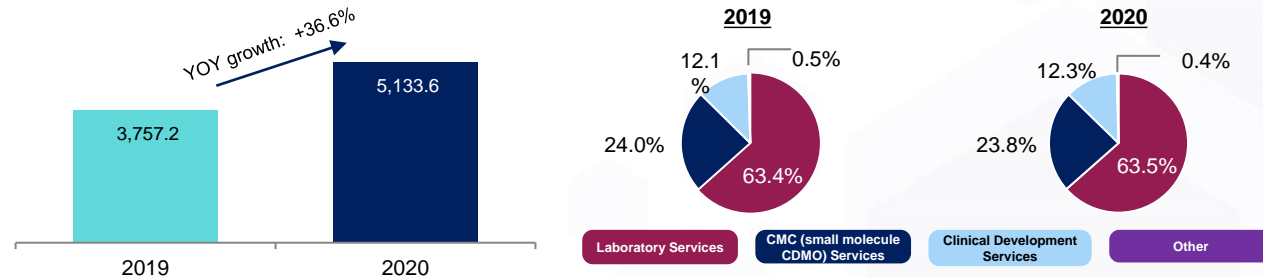


2020 Financial Overview



RMBmm

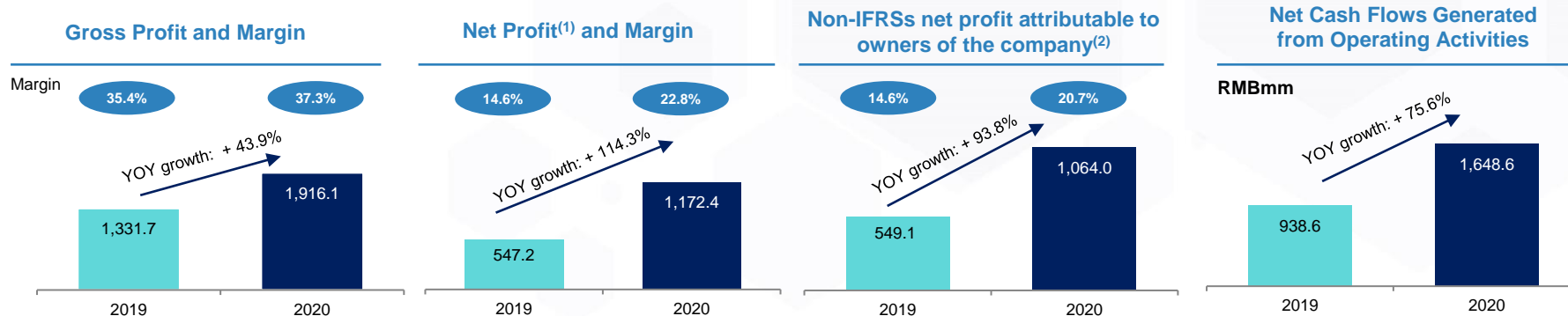
Robust Revenue Growth



- Despite the COVID-19 pandemic, achieved the development and business targets set out in early 2020
- Revenue of each services segment continued to grow, and the profitability further benefited from the economy of scales
- All major operating and financial indicators saw significant improvement

RMBmm

Steady Margin Improvement



Source: 2020 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, gains or losses on derivative financial instruments related to foreign exchange and realized/unrealized gains or losses from equity investments.

2020 Business Segment Highlights



We operate our integrated pharmaceutical R&D services platform through three main business segments, namely, *laboratory services*, *CMC services* and *clinical development services* in China, the U.S. and the U.K.



Laboratory Services

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

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

2020 Revenue: RMB 3,262.7 mm
2020 Gross Profit: RMB 1,389.1 mm



CMC (Small Molecule CDMO) Services

Process development and manufacturing, material science / pre-formulation, formulation development and manufacturing and analytical development

Location: sites in China and U.K.

2020 Revenue: RMB 1222.0 mm
2020 Gross Profit: RMB 398.0 mm



Clinical Development Services

Clinical research services, site management services, regulatory bioanalysis services and radiolabeled sciences

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

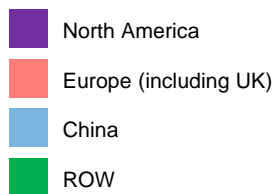
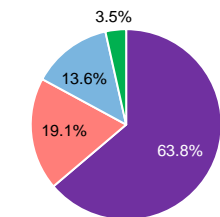
2020 Revenue: RMB 629.4 mm
2020 Gross Profit: RMB 118.2 mm



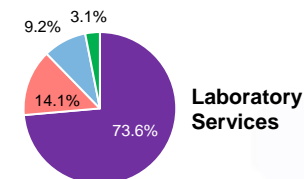
2020 Customer Analysis

Geographic Locations of Customers

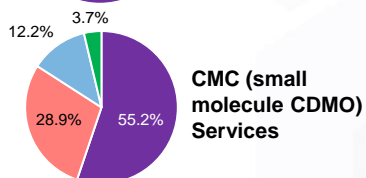
Group



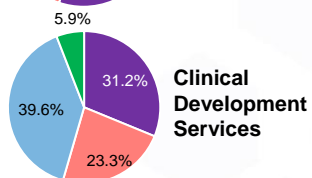
Business Segment



Laboratory Services



CMC (small molecule CDMO) Services



Clinical Development Services

China-based customers revenue growth in 2020: **46.4%**

Overseas customers revenue growth in 2020: **35.2%**

Long-term Customer Relationship



Over 1,500 customers globally (including Top 20 global pharmaceutical companies) with **721** new customers introduced in 2020

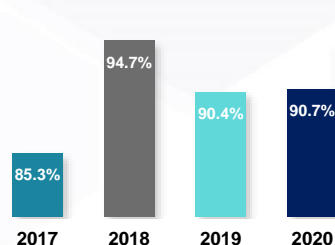


Top 20 global pharmaceutical companies contributed to **23.7%** of revenue in 2020.



5 largest customers in 2020 had a minimum of **6** years relationships with us

% of Revenue from Repeat Customers



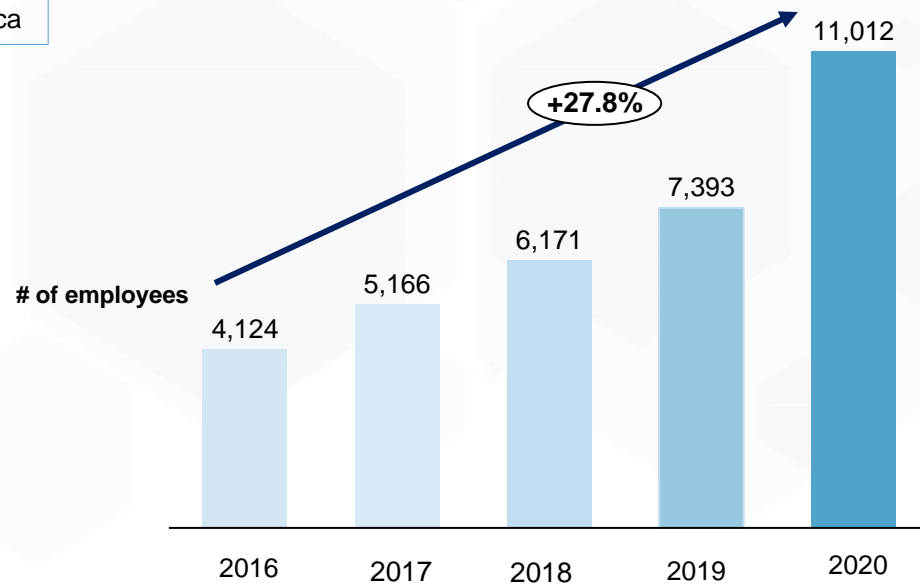
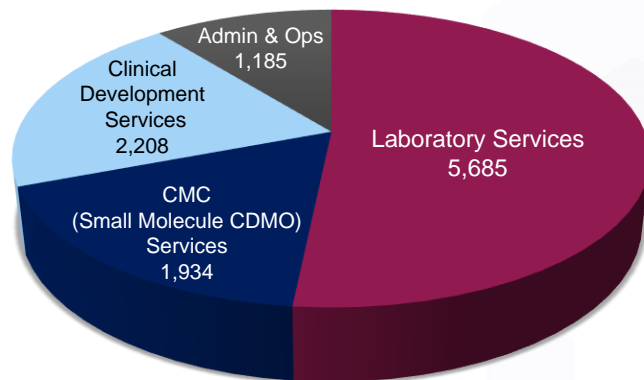
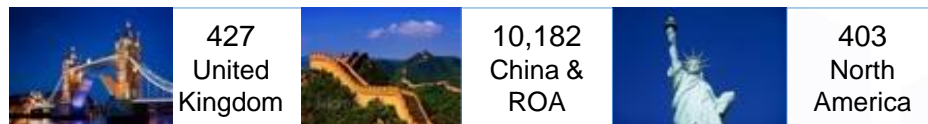
100%
retention

Achieved **100% retention** of our top 10 customers in 2020

Global Operation with Fast-growing Team



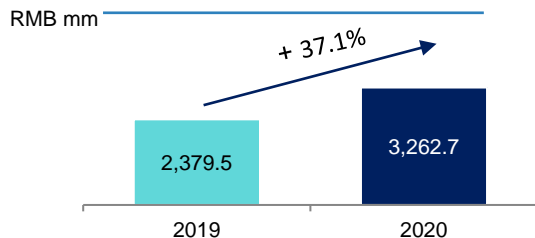
Employee Total: 11,012



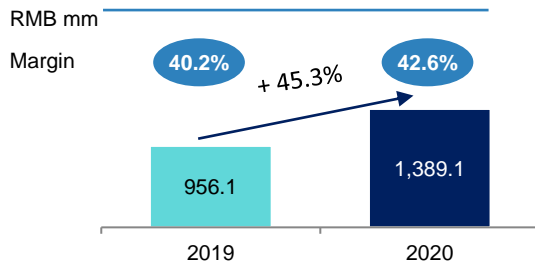
Laboratory Services

Revenue and Margin

Revenue



Gross Profit



Operational Highlights

- Laboratory chemistry continuously achieved steady growth with over **4,000** scientists, which is **one of the largest** chemistry groups globally
- Bioscience services entered the fast lane of development with revenue contribution to the laboratory service increased to **41.3%** in 2020 (2019: approx. 37.7%)
- Conducted studies for **58 IND or new drug applications filing** for our Chinese customers, of which, **46** projects applied with **multiple jurisdictions** in parallel (including China, the US and Europe)
- **5,685** scientists and technicians⁽¹⁾, increased by **1,384** from 2019



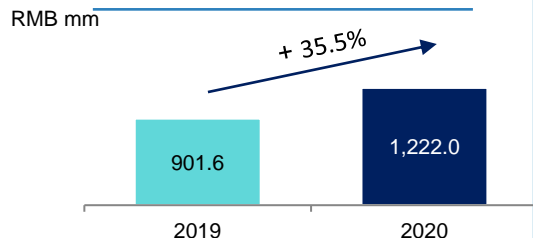
Internal and External Expansion

- Acquired **Absorption Systems** in **Nov 2020** and launched U.S. laboratory services in DMPK/ADME and bioanalysis for both small and large molecules
 - Strengthen our leading position in global discovery and development DMPK platform
 - Added service in drug evaluation for CGT products and laboratory services for ophthalmology and medical devices
- Added **22,500 m²** of laboratory spaces in the Beijing
- First stage of Phase II construction in Ningbo Hangzhou Bay R&D Campus, **120,000 m²** of laboratory spaces, was about to completed and scheduled to be operational in **2021Q1**

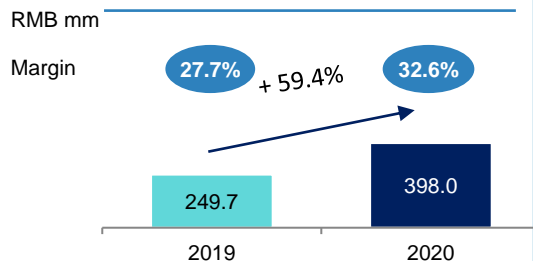
CMC (Small Molecule CDMO) Services

Revenue and Margin

Revenue



Gross Profit



Operational Highlights

- Worked on **739** APIs or intermediates in 2020, including **487** in preclinical stage, **202** in Phase I-II clinical stage, **47** in Phase III clinical stage and **3** in commercial stage
- Strengthened our full service through collaboration among process chemistry, material science, crystallization R&D and formulation team
- Provided **customized solutions** to customers by utilizing both our UK and China team
- Continued to develop capabilities for our drug product development and manufacturing services which completed **26** GMP projects in 2020
- Successfully completed and passed a total of **55** audits including audits from the world's top 20 pharmaceutical companies
- **1,934** scientists and technicians⁽¹⁾, increased by **390** from 2019



Internal and External Expansion

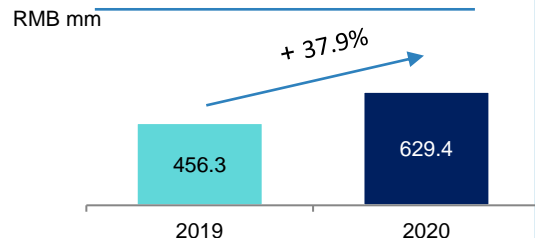
- Phase III construction in Tianjin manufacturing site, **40,000 m²** of process development spaces, was about to completed and scheduled to be operational in **2021Q1**
- Phase I construction in Shaoxing manufacturing site with an area of **81,000 m²** and reactor volume of **600 m³**, of which, reactor volume of **200 m³** is expected to be operational in **2021H2** and the remaining **400 m³** will be completed in **2022**

Clinical Development Services

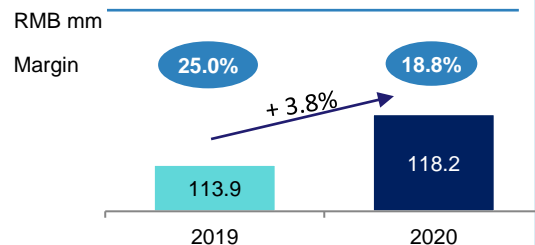


Revenue and Margin

Revenue



Gross Profit



Operational Highlights

- Our overseas clinical development services achieved steady growth despite the fact that the operation of our clinical center in the US was significantly affected by the pandemic. Our China-based operations gradually recovered since 2020Q2.
- Established an integrated clinical development services platform in China **with comprehensive offering for both CRO and SMO services**
- **Increased customers recognition** for our unique integrated synthesis-clinical- analysis radiolabeled services for human ADME studies
- **2,208** scientists and technicians⁽¹⁾, increased by **1,652** from 2019

Internal and External Expansion

- Completed acquisition of Beijing Linkstart in **June 2020**
- Bolt-on acquisitions of Beijing S&Q Healthcare Co., Ltd and RAMED (Beijing) Medical Technology Co., Ltd. to strengthen the service offering in **site management, recruitment and medical device regulatory and clinical services**

Development of our Biologics Services Platform



Our Goal

- Committed to becoming a global leader in R&D services for biologics and advanced therapeutic products

Development in 2020

- Continued to develop the discovery biologics service capabilities
- Started the construction of 70,000 m² of our biologics product development and manufacturing facility in Ningbo
 - Expected to become operational for GMP production in 2022H2
- Entered into definitive agreement to acquire Allergan Biologics Limited in Liverpool, UK, from AbbVie (expected to close in 2021Q2) and this future Liverpool site will be highly synergistic to our recently acquired US company, Absorption Systems, for building an integrated CGT services platform



Discovery biologics labs in Beijing



Biologics R&D services and manufacturing facility in Ningbo



Allergan Biologics Limited in Liverpool, UK

3

2020 Financial Highlights

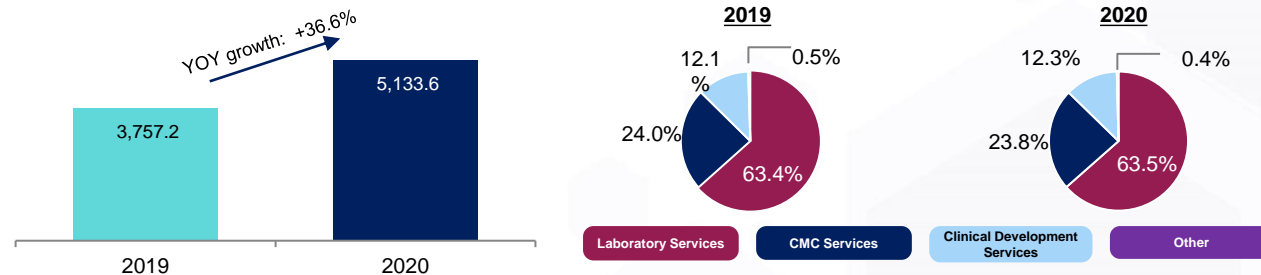


2020 Financial Performance



RMBmm

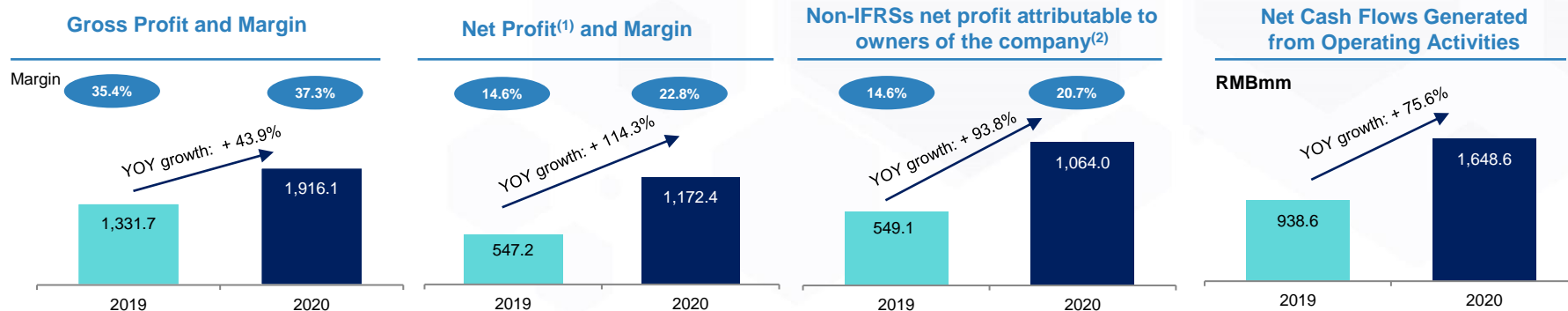
Robust Revenue Growth



- Despite the COVID-19 pandemic, the overall business of the Company maintained a stable and sound development trend
- Revenue of each services segment continued to grow, and the profitability further benefited from the economy of scales
- All major operating and financial indicators saw significantly improvement

RMBmm

Steady Margin Improvement



Source: 2020 Annual Report

Note: Data are rounded to the nearest million.

1. Net profit attributable to owners of the parent

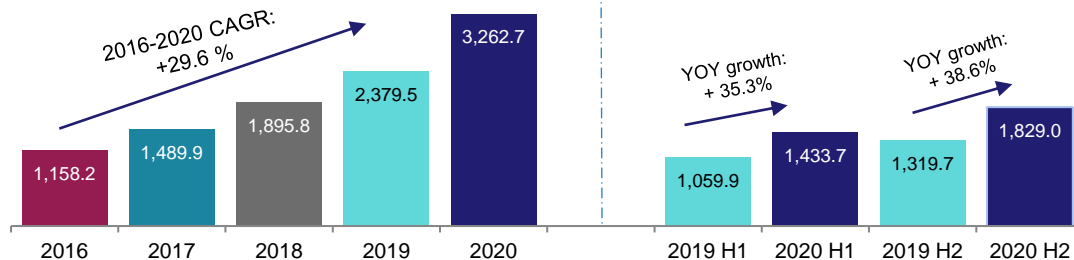
2. Non-IFRSs net profit for the period excludes the impact from certain expense such as share-based compensation expenses, foreign exchange related gains or losses, gains or losses on derivative financial instruments related to foreign exchange and realized/unrealized gains or losses from equity investments.

Robust Growth and Profitability Across All Business Segments

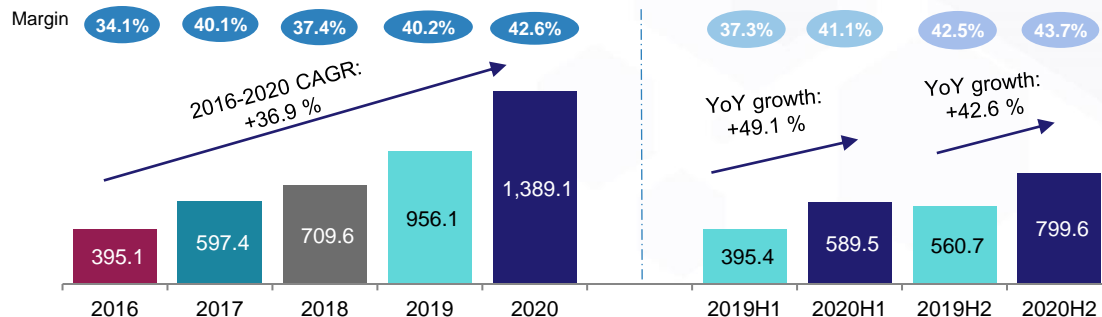


Laboratory Services

RMBmm Laboratory Services Revenue



RMBmm Laboratory Services Gross Profit



2020 Highlights

■ Revenue growth drivers:

- Increased demand for our services from existing customers
- 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

Source: Prospectus, 2019 Annual Report, 2020 Interim Report and 2020 Annual Report.

Note: Data are rounded to the nearest million. 2019H1, 2019H2, 2020H1 and 2020H2 financials are unaudited.

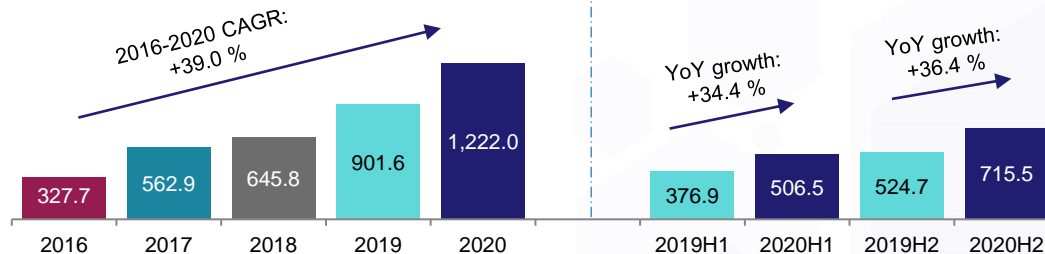
Robust Growth and Profitability Across All Business Segments



CMC Services

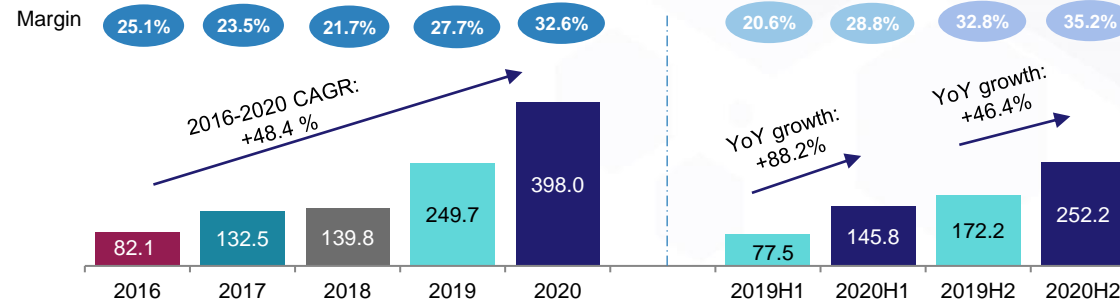
CMC Services Revenue

RMBmm



CMC Services Gross Profit

RMBmm



Source: Prospectus, 2019 Annual Report, 2020 Interim Report and 2020 Annual Report.

Note: Data are rounded to the nearest million 2019H1, 2019H2, 2020H1 and 2020H2 financials are unaudited.

2020 Highlights

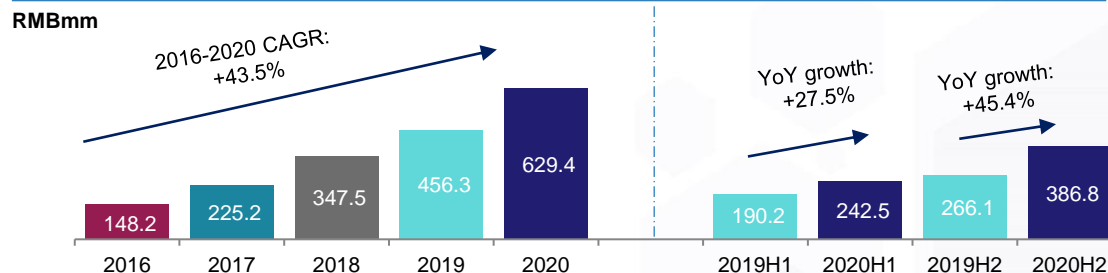
- Revenue growth drivers:
 - Strong demand for our CMC services with increased number of projects and strengthened pipeline
 - Successful integration of our CMC operations in China and UK
- Gross margin drivers:
 - Higher operating efficiency due to economies of scale
 - Successful ramped up of production from second quarter

Robust Growth and Profitability Across All Business Segments

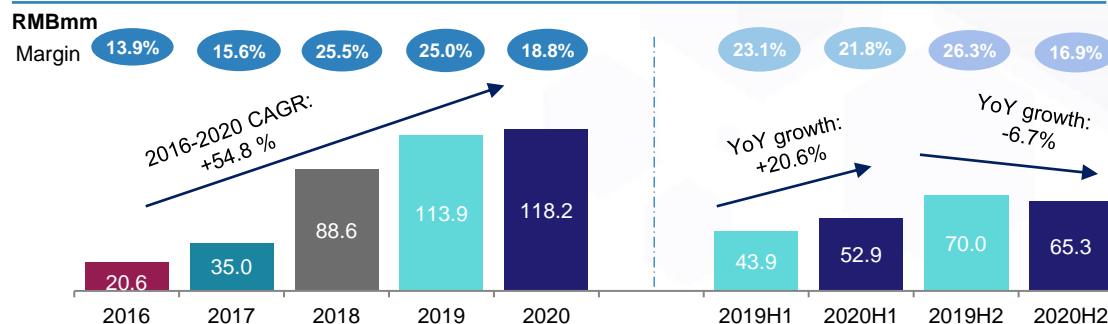
Clinical Development Services



Clinical Development Services Revenue



Clinical Development Services Gross Profit



Source: Prospectus, 2019 Annual Report, 2020 Interim Report and 2020 Annual Report.

Note: Data are rounded to the nearest million 2019H1, 2019H2, 2020H1 and 2020H2 financials are unaudited.

2020 Highlights

■ Revenue growth drivers:

- Overseas operations achieved steady growth due to the unique integrated service platform of “radioisotope compound synthesis-clinical-analysis”
- Efforts in cross-selling to existing customers from overseas and China
- Full period impact from CR Medicon, which was acquired in May 2019
- Impact from LinkStart, which was acquired in June 2020
- Overseas clinical services greatly affected by the COVID-19 pandemic

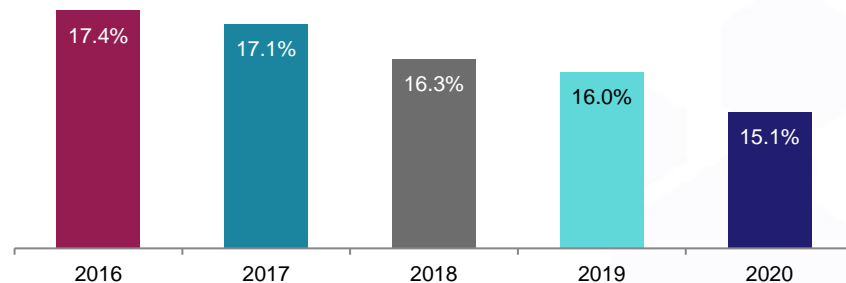
■ Gross margin drivers:

- Decrease compared with the same period last year

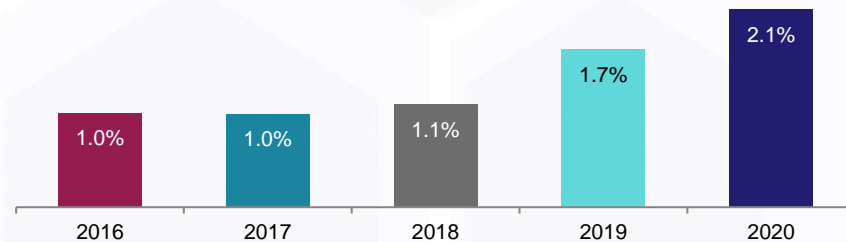
Operational Efficiency Contributing to Steady Margin Improvement



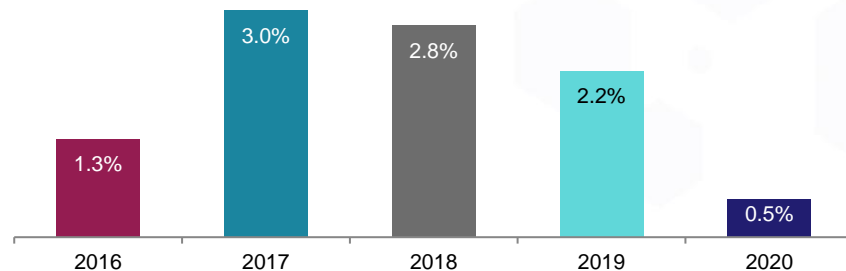
SG&A Expenses as % of Total Revenue



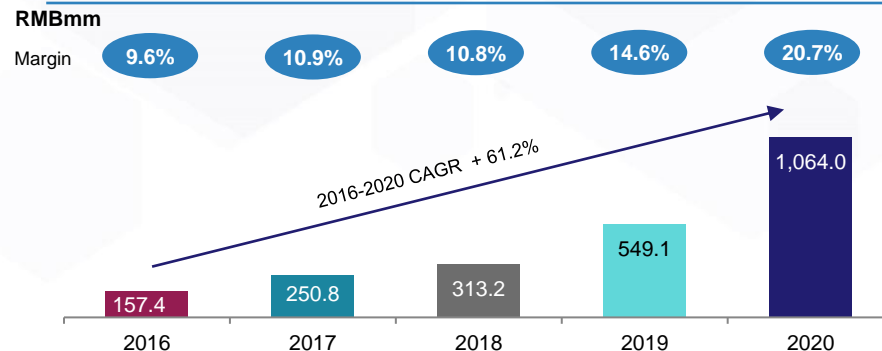
Research and Development Cost as % of Total Revenue



Finance Costs as % of Total Revenue



Non-IFRSs Net Profit Attributable to Owners of The Company



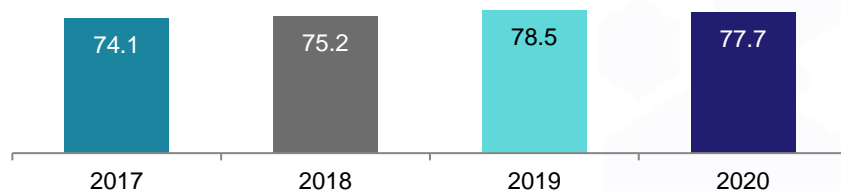
Source: Prospectus, 2019 Annual Report, 2020 Interim Report and 2020 Annual Report.
Note: Data are rounded to the nearest million.

Outstanding Working Capital Management Capabilities



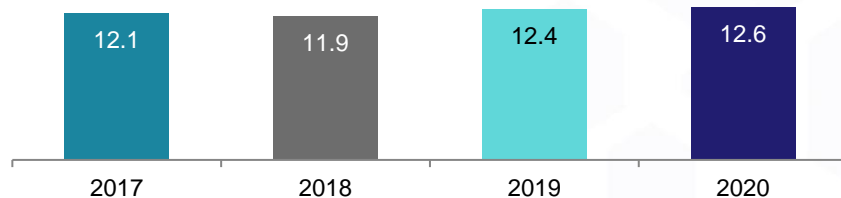
Trade Receivables and Contract Assets Turnover⁽¹⁾

Days



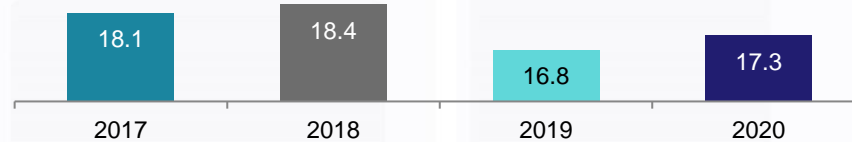
Inventories Turnover⁽²⁾

Days



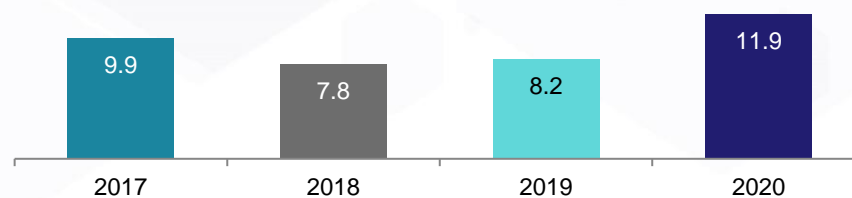
Trade Payables Turnover⁽²⁾

Days



Contract Costs Turnover⁽²⁾

Days



Source: Prospectus and 2020 Annual Report.

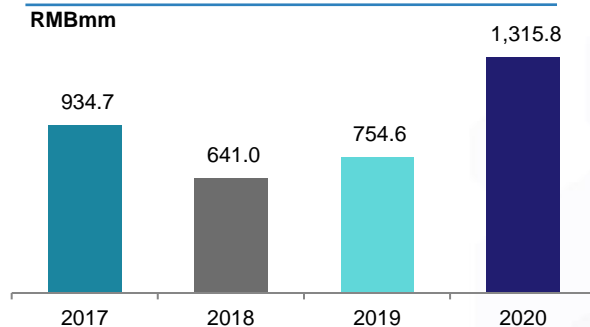
1. Calculated based on average of the opening and closing balances of sum of trade receivables (before adjustment of allowance for impairment) and contract assets (before adjustment of allowance for impairment) for the relevant year, divided by the corresponding revenue for the year, and then multiplied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

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

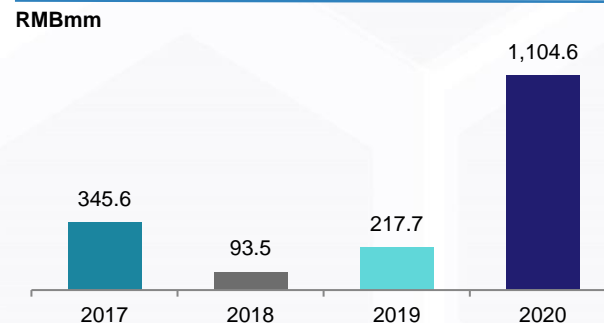
Continued Capital Expenditure and Equity Investments



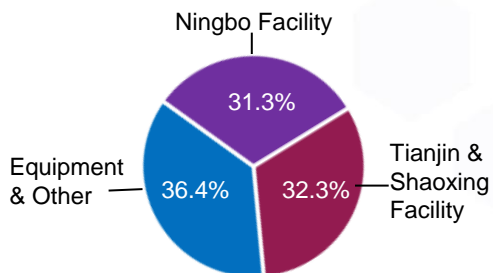
Capital Expenditure



Equity Investments



2020 Capital Expenditure Distribution



4 Growth Strategy



Our Growth Strategies

Continue to build and improve our fully-integrated international pharmaceutical R&D service platform

