

2023 Interim Results Announcement Corporate Presentation

August 2023



Results Snapshot

Financial Highlights

Business Review

R & D

Outlook & Strategies

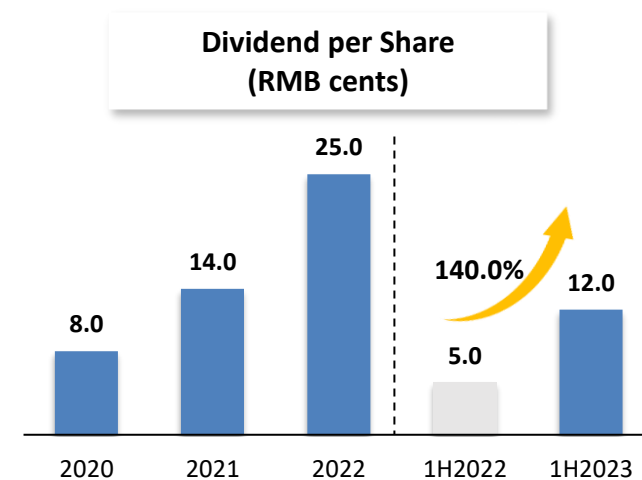
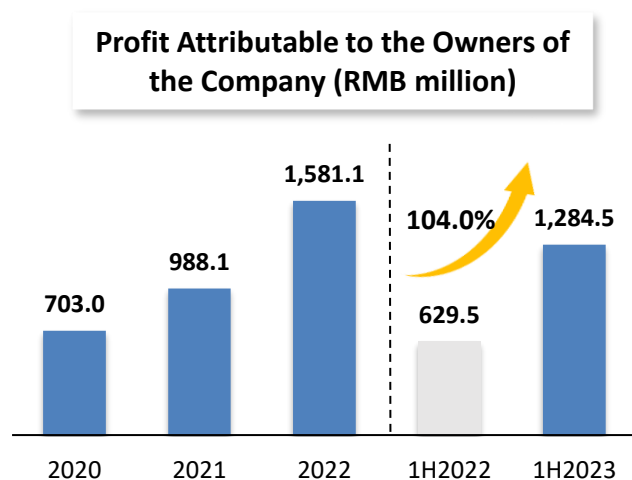
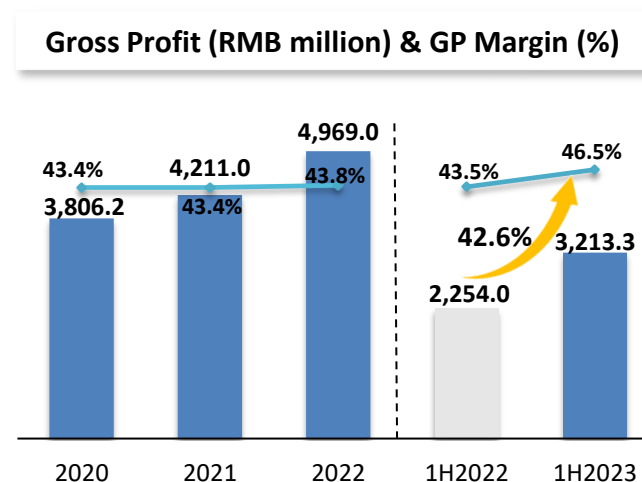
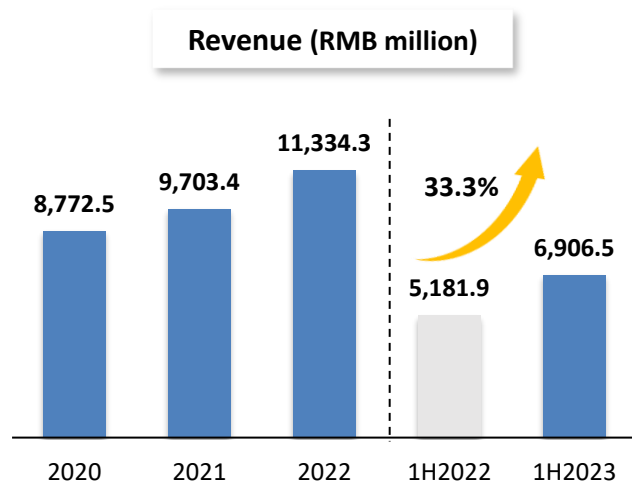


Section 1

Results Snapshot



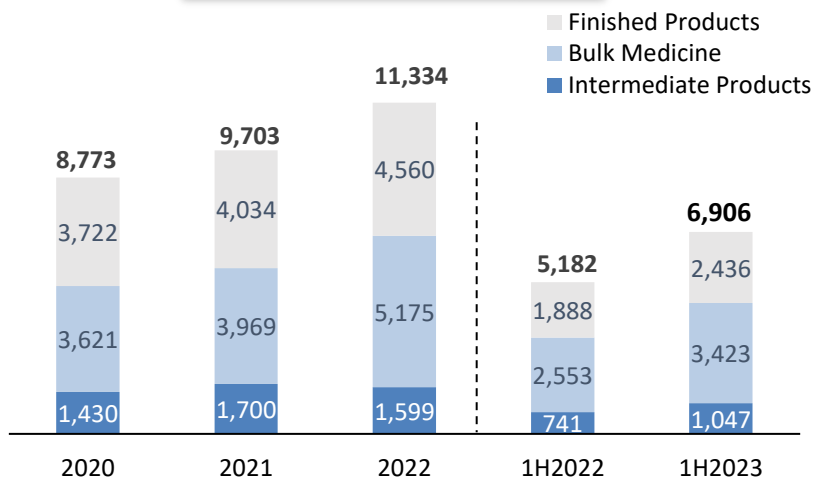
2023 Interim Results Snapshot



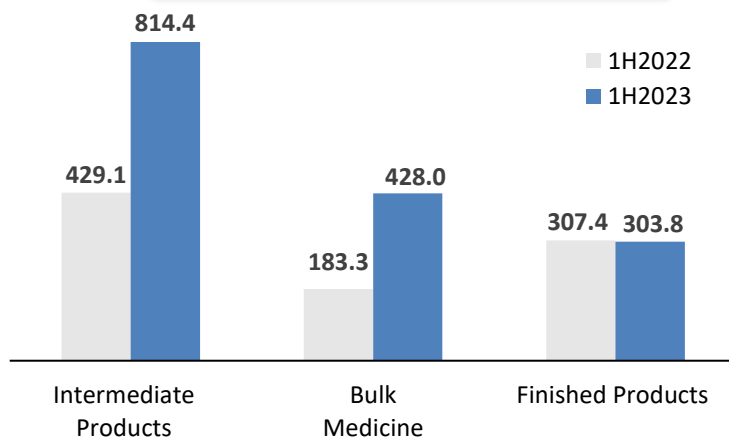
2023 Interim Results Snapshot



Revenue (RMB million)



Segment Results (RMB million)



Intermediate Products & Bulk Medicine

- Intermediate products: +41.4% to RMB1,047.4 million with segment margin of 30.3%
- Bulk medicine: +34.1% to RMB3,423.0 million with segment margin of 11.1%
- Overseas sales: +29.4% to RMB1,362.4 million, accounting for 19.7% of total sales

Finished Products

- Finished products: +29.1% to RMB2,436.1 million with segment margin of 12.5%
- Insulin Series: -19.6% to RMB498.0 million[#]
- Animal healthcare: +158.6% to RMB534.3 million

Major Progress

- Semaglutide Injection received clinical trial approval for weight management indication in Apr 2023 and completed subject enrollment in phase III clinical trial of T2DM indication in Jul 2023
- UBT251 Injection (triple agonist of GLP-1/GIP/GCG) received clinical trial approval for T2DM in Aug 2023
- The Board proposes to adopt the 2023 Share Award Scheme to encourage and retain key employees

[#] Sales revenue denotes gross sales including sales discounts.



Section 2

Financial Highlights



Financial Overview



RMB million	1H2023	1H2022	y-o-y change	2H2022	1H23 vs 2H22 change
Revenue	6,906.5	5,181.9	+33.3%	6,152.4	+12.3%
Gross Profit	3,213.3	2,254.0	+42.6%	2,715.0	+18.4%
EBITDA	1,953.8	1,141.0	+71.2%	1,499.8	+30.3%
Profit attributable to the owners of the Company	1,284.5	629.5	+104.0%	951.6	+35.0%
Earnings per share (RMB cents)					
- Basic	70.69	34.55	+104.6%	52.34	+35.1%
Interim dividend per share (RMB cents)	12.0	5.0	+140.0%	--	--
Dividend payout ratio for interim results	17.0%	14.5%	+2.5p.p	--	--

Other Key Financial Indicators



	As at 30 Jun 2023	As at 31 Dec 2022
Current ratio	1.87	1.78
Net current assets (RMB million)	6,148.4	5,481.9
Net cash position[#] (RMB million)	1,579.9	1,394.6
Cash and cash equivalents (RMB million)	4,744.8	4,743.1
Total assets (RMB million)	19,770.0	18,979.6

[#] Net cash position denotes the Group's net cash and bank balances after deducting borrowings and trade payables under supplier finance arrangement (mainly refer to bills payables).

	1H2023	1H2022
Net cash from operating activities (RMB million)	1,197.5	659.6



Section 3

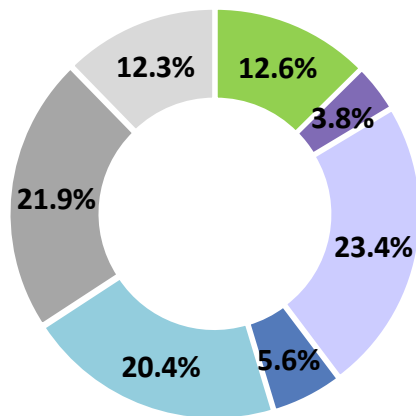
Business Review





Finished Products – Revenue Breakdown

In 1H2023, sales revenue of finished products increased by 29.1% to RMB2,436.1 million, accounting for 35.3% of the Group's total external sales



- Semi-synthetic penicillins antibiotics: +12.1% to RMB306.5 million
- Cephalosporins antibiotics: +43.4% to RMB92.5 million
- β -lactamase inhibitors antibiotics: +21.5% to RMB569.0 million
- Carbapenems antibiotics: +128.8% to RMB136.6 million
- Insulin Series: -19.6% to RMB498.0 million[#]
- Animal Healthcare: +158.6% to RMB534.3 million
- Others: +52.9% to RMB299.2 million

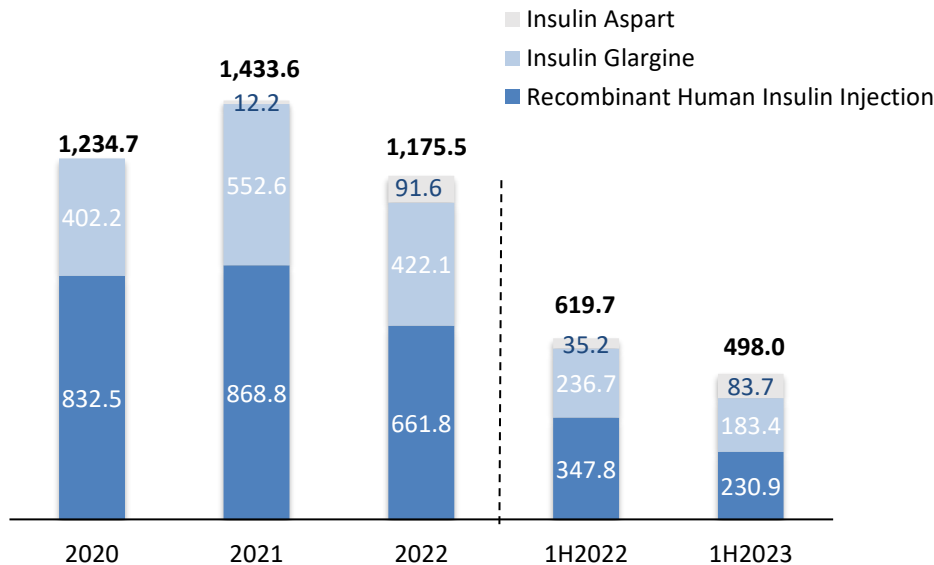
Revenue Breakdown of Finished Products in 1H2023

[#] Sales revenue denotes gross sales including sales discounts.



Finished Products – Insulin Series

Sales Revenue of Insulin (RMB million)



USLIN

Recombinant Human Insulin Injection



- Launched in 2009
- Including four specifications: N, R, 30R and 50R
- Sales revenue was RMB230.9 million[#] and sales volume decreased by 18.3%

USLEN

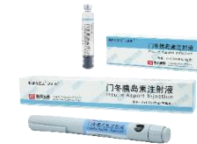
Insulin Glargine Injection



- Launched in 2016
- Long-acting insulin with steady blood glucose control
- Sales revenue was RMB183.4 million[#] and sales volume increased by 13.8%

UBLIN

Insulin Aspart /30 Injection



- Launched in 2021
- Insulin at meals characterized by rapid onset of action
- Sales revenue was RMB83.7 million[#] and sales volume increased by 160.4%

[#] Sales revenue denotes gross sales including sales discounts.



Finished Products – Antibiotics

- ✓ Including oral and injectable antibiotic products of penicillins, cephalosporins, β -lactamase inhibitors and carbapenems
- ✓ Sales revenue of antibiotic products (including Animal Healthcare) increased by 50.5% to RMB1,725.0 million in 1H2023



他唑仙

Piperacillin Sodium and Tazobactam Sodium for Injection

Sales revenue increased by 22.7% to RMB386.6 million

阿莫仙

Amoxicillin Capsules

Sales revenue increased by 17.7% to RMB247.1 million

强力阿莫仙

Amoxicillin Clavulanate Potassium Series

Sales revenue increased by 16.3% to RMB160.0 million

倍能安

Imipenem and Cilastatin Sodium for Injection

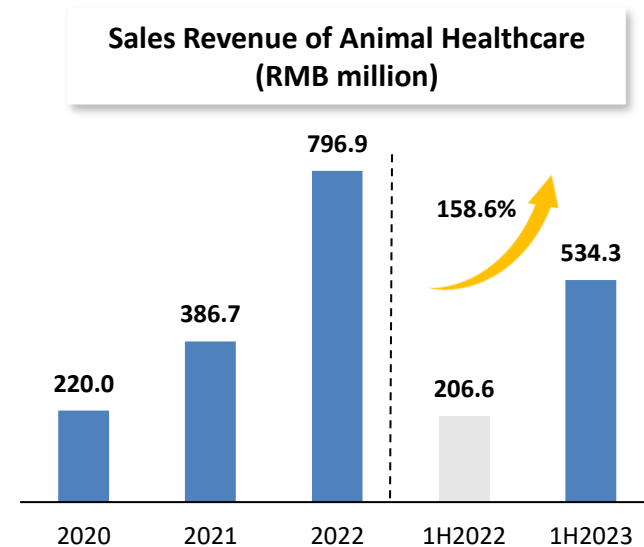
Sales revenue increased by 286.5% to RMB133.3 million



Finished Products – Animal Healthcare

- ✓ Mainly engaged in the R&D, production and sales of veterinary drugs used in economic animal and companion animal
- ✓ Leveraging TUL's brand reputation, technology and advantages in upstream industry
- ✓ A leader in producing the penicillin-based veterinary drugs
- ✓ Established a joint venture with Muyuan Foods Co., Ltd. for cooperation in the field of veterinary medicine
- ✓ Sales revenue of Animal Healthcare increased by 158.6% to RMB534.3 million in 1H2023

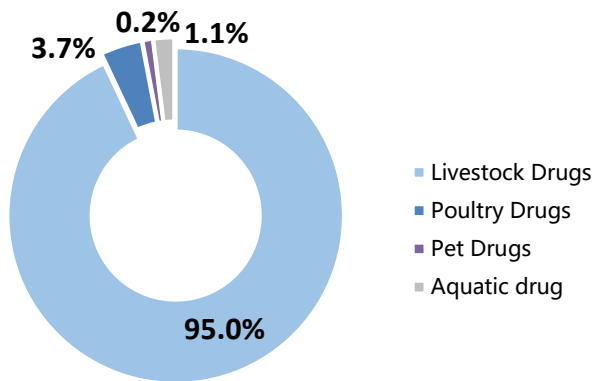
Part of Our Partners



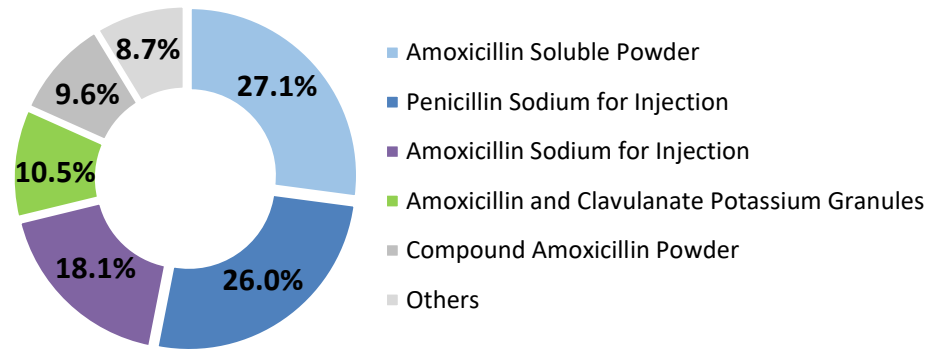
Finished Products – Animal Healthcare



- ✓ Totaled 100+ veterinary drugs that meet national standards
- ✓ Totaled 30+ feed additives and premixtures
- ✓ In possession of 4 Class II new veterinary drug certificates and 2 Class IV new veterinary drug certificates
- ✓ In possession of multiple invention patents



Revenue Breakdown of Animal Healthcare in 1H2023 (By Category)



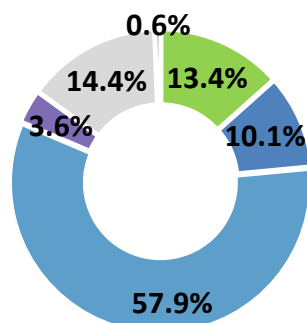
Revenue Breakdown of Animal Healthcare in 1H2023 (By Products)

Intermediate Products & Bulk Medicine



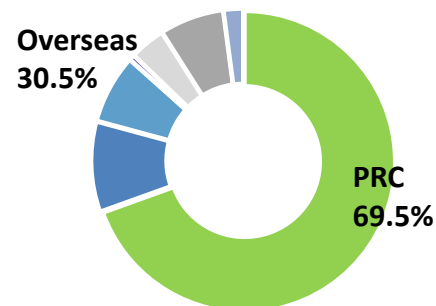
– Revenue Breakdown

In 1H2023, sales revenue of intermediate products increased by 41.4% to RMB1,047.4 million and bulk medicine increased by 34.1% to RMB3,423.0 million, accounting for 15.2% and 49.5% of the Group's total external sales, respectively



Revenue breakdown of intermediate products & bulk medicine in 1H2023 (By Products)

- 6-APA: RMB598.3 million
- Penicillin G Potassium First Crystal: RMB449.1 million
- Semi-synthetic penicillins type: RMB2,586.8 million
- Cephalosporins type: RMB162.5 million
- β-lactamase inhibitors type: RMB644.8 million
- Carbapenems type: RMB28.9 million



Revenue breakdown of intermediate products & bulk medicine in 1H2023 (By Markets)

- PRC: RMB3,108.0 million
- Europe: RMB431.5 million
- India: RMB331.8 million
- Middle East: RMB26.0 million
- South America: RMB170.3 million
- Other Asian Regions: RMB308.1 million
- Other Regions: RMB94.6 million

Intermediate Products & Bulk Medicine

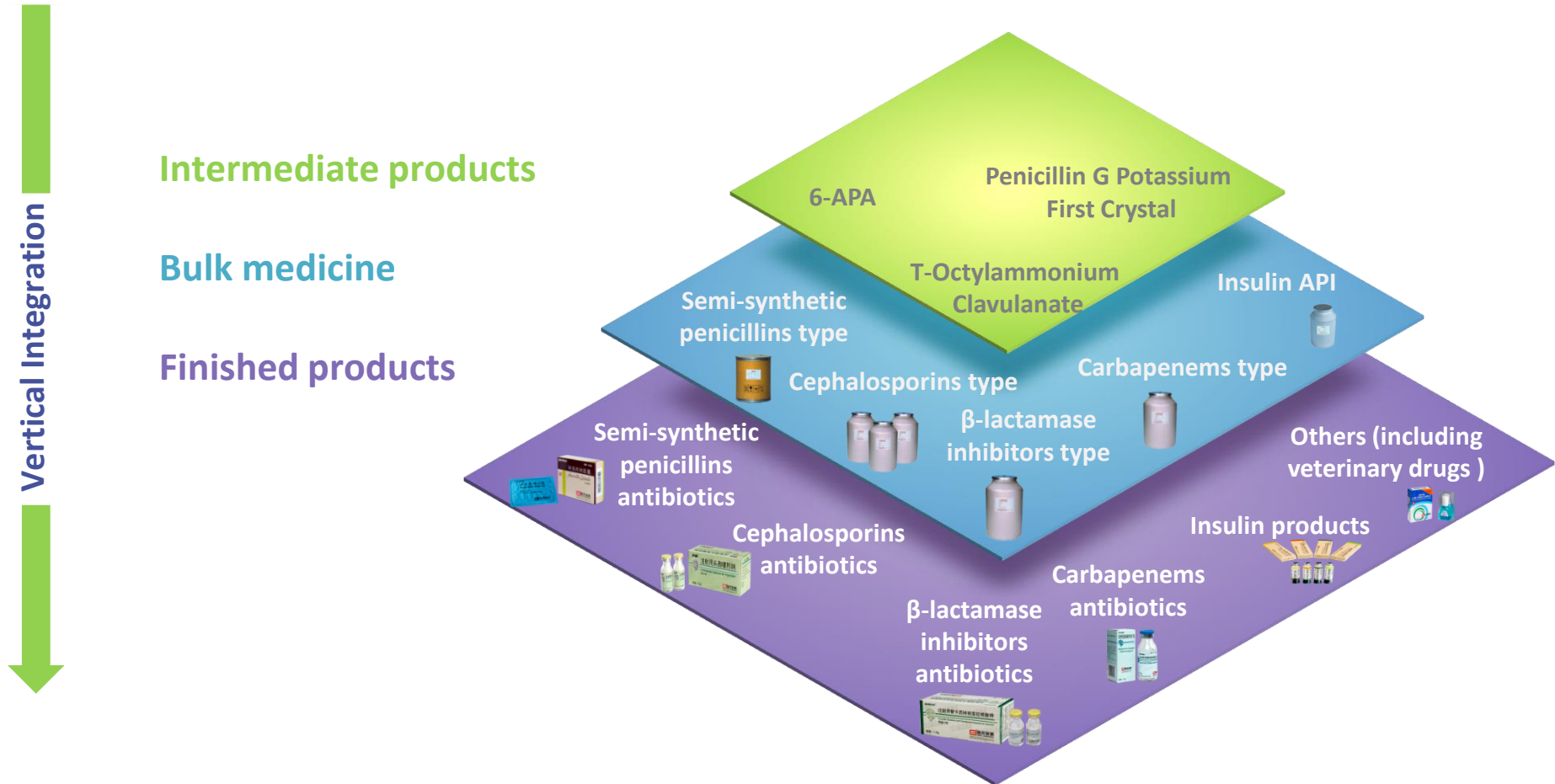
– Production Capacity



Types	Products	1H Designed Capacity (tonnes)	Utilization Rate	External Sales
Intermediate Products	6-APA	9,000	100.0%	26%#
	Penicillin G Potassium First Crystal	2,500	85.3%	100%
	T-Octylammonium Clavulanate	400	100.0%	N/A
Bulk Medicine	Semi-synthetic penicillins type	10,000	100.0%	90%
	Cephalosporins type	600	62.7%	90%
	β-lactamase inhibitors type	784	92.8%	90%

Opening inventory is not included in calculating the percentage of external sales.

Business Model



Production Bases



Hong Kong	Zhongshan	Zhuhai	Inner Mongolia ¹	Inner Mongolia ²	Kaiping
					
Finished products	Finished products	Bulk medicines, biological and finished products	Intermediate products and bulk medicines	Veterinary drugs and feed additives	Empty capsule casings

Currently, the production bases of Zhuhai United Animal Healthcare & Henan Lianmu Veterinary Medicine are under construction.



Overseas Markets

- A global sales network of intermediates products and bulk medicine
- Selling products to Europe, India, the Middle East, South America, Southeast Asia and other regions
- Obtained official approvals and certifications including EDQM, US FDA, Germany, India, Japan, Brazil and Mexico, etc.

Domestic Market

- Currently, the Group focuses on China market for the sales of finished products
- Around 3,700 sales staff in 28 sales offices of finished products in China
- Penetrated into hospital, essential drugs market, OTC and rural areas



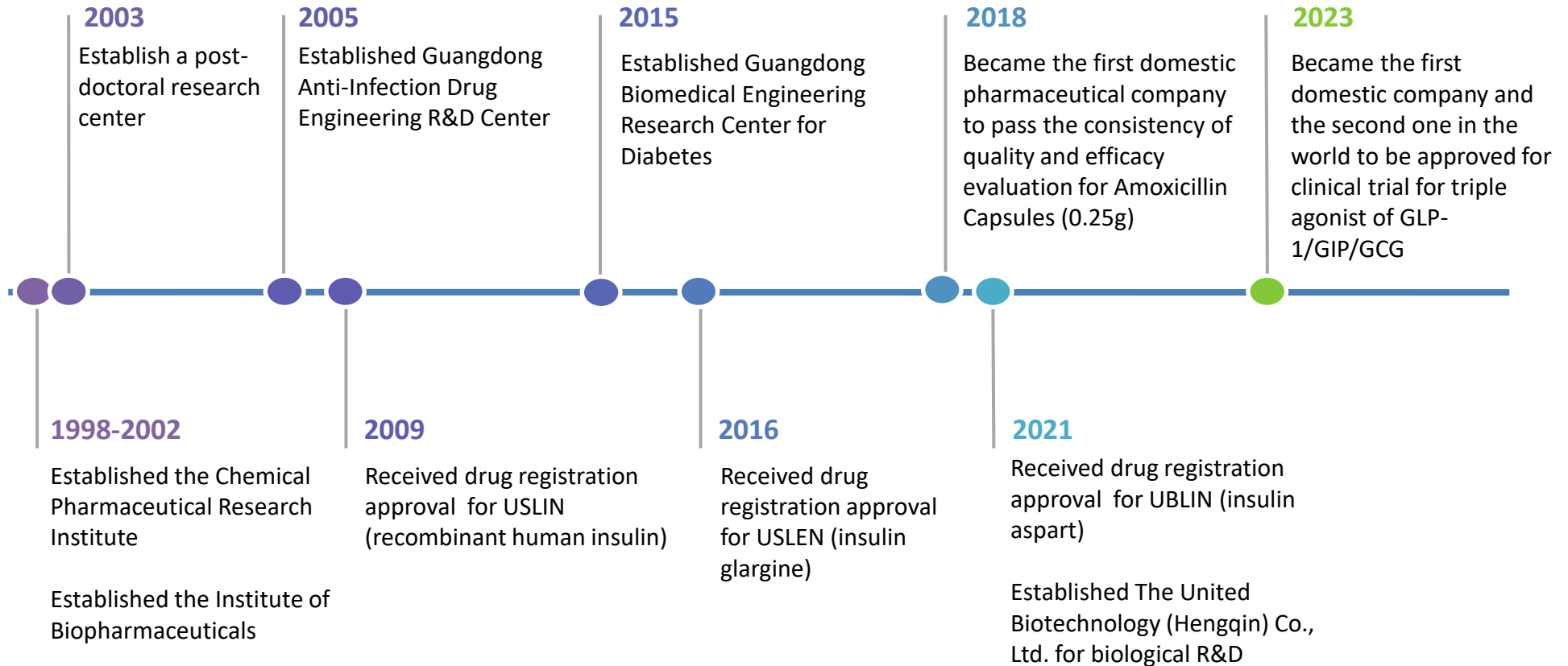
Section 4

R & D





R&D Milestones





Investment & Achievements in 1H2023

Clinical Trial

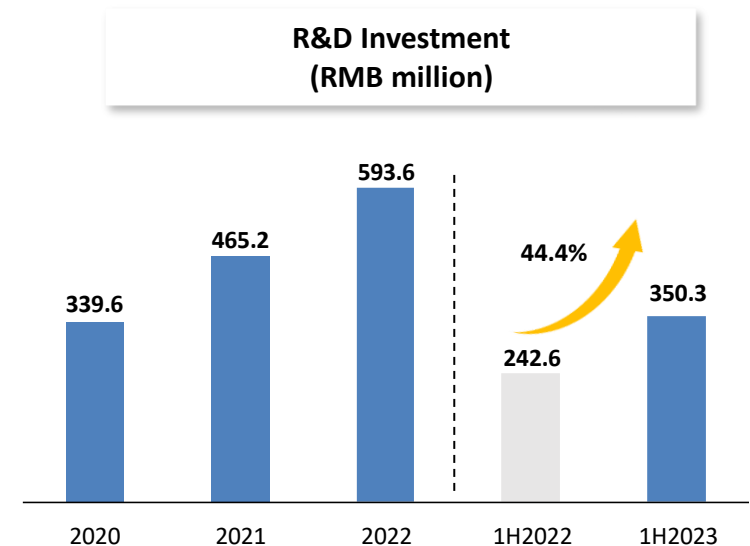
- ✓ Received clinical trial approval for TUL12101 Eye Drops in March 2023
- ✓ Received clinical trial approval for the Insulin Degludec and Liraglutide Injection in April 2023
- ✓ Received clinical trial approval for Semaglutide Injection (weight management indication) in April 2023

Clinical Trial Application

- ✓ Applied for clinical trial for UBT251 Injection (triple agonist of GLP-1/GIP/GCG) in June 2023

Consistency Evaluation of Generic Drugs

- ✓ Amoxicillin capsule (0.5g) passed consistency evaluation in March 2023





A Comprehensive R&D System with Multiple Platforms

Biological Drug	Chemical Drug	Innovative (Chemical) Drug	Clinical Research Center	External Cooperation
<ul style="list-style-type: none"> • 15 human drugs under research, including 7 Class I new drugs • 6 veterinary drugs and pharmaceutical excipients, including 4 Class I new veterinary drugs • Approx. 610 R&D and technical personnel • Post-doctoral research station • Guangdong Biomedical Engineering Research Center for Diabetes 	<ul style="list-style-type: none"> • 19 chemical drugs under research • 13 generic drugs passed and other 13 generic drugs in the process of the Consistency Evaluation • Approx. 150 R&D personnel • Post-doctoral research station 	<ul style="list-style-type: none"> • Cooperation and development of small molecule innovative drug projects • 9 Class I innovative drugs • 19 partner institutes • 68% of researchers have master's or doctoral degree 	<ul style="list-style-type: none"> • Work closely with more than 100 authoritative institutes in China that are qualified to conduct national drug clinical trials • Clinical trials of 80 drug have been completed 	<ul style="list-style-type: none"> • Cooperate with well-known universities, research institutes and laboratories at home and abroad



R&D Pipeline – Biological Drugs

Focus on endocrinology and autoimmunity, with a well-developed pipeline of diabetes drugs

Project	Indication	Pre-Clinical	Clinical Trial Application	Clinical Trial	Production Application	Expected Time to Market	
Liraglutide Injection						2024	
Insulin Degludec Injection	Diabetes					Clinical Phase III	2025
Insulin Degludec/Insulin Aspart							2027
Insulin Degludec/Liraglutide							2027
Semaglutide Injection		Diabetes					2025
	Obesity					2027	
UBT251 Injection*	Diabetes					2029	
	Obesity & NASH					2030	
Second-generation GI Hormones*	Diabetes, Obesity & NASH					2032	
Anti-osteoporosis Peptides	Osteoporosis					2029	
Osteoporosis Monoclonal Antibody						2030	
Anti-IL-4R monoclonal antibody	Eczema & Asthma					2031	
Ultra-long-acting Insulin analogue*	Diabetes					2030	
GLP-1 Oral Preparation*						2032	
Dual Target Hypolipidemic Drugs*		Hyperlipidemia					2031
Interleukin-2 Fusion Protein*	SLE & other Autoimmune Disease					2033	
Novel Recombinant Urate Oxidase*	Hyperuricemia & Gout					2033	

*Class I new drug



R&D Pipeline – Chemical Drugs

A comprehensive approach to autoimmunity, ophthalmology and anti-infection

Project	Indication	Pre-Clinical	Clinical Trial Application	Clinical Trial	Production Application	Expected Time to Market
TUL01101 Tablets*	Rheumatoid Arthritis			Clinical Phase Ib		2029
	Atopic Dermatitis					2030
TUL01101 Ointment*	Atopic Dermatitis			Clinical Phase I		2030
LB1091*	Inflammatory Bowel Diseases					--
LB2012*	Inflammatory Diseases					--
LB2023*	IgA Nephritis					--
TUL12101 Eye Drops*	Xerophthalmia			Clinical Phase I		2030
LB2132*	Xerophthalmia					--
LB2311*	Bacterial Infection					2033
LB2332*	Fungal Infection					--
Mupirocin Ointment	Dermatosis					2024
Sodium Hyaluronate Eye Drops	Xerophthalmia					2024
Polyvinyl Alcohol Eye Drops	Xerophthalmia					2024
Moxifloxacin Eye Drops	Conjunctivitis					2024
Olotadine Hydrochloride Eye Drops	Conjunctivitis					2025
Levofloxacin Eye Drops	Conjunctivitis					--
Acetylcysteine Effervescent Tablets	Respiratory Infection					--
Alendronate Sodium Vitamin D3 Tablets	Osteoporosis					--

*Class I new drug



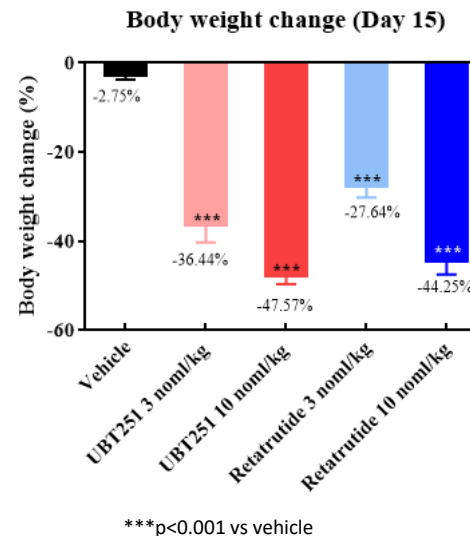
Semaglutide Injection

- GLP-1 analogue
- Once-a-week injection
- Safe, convenient, effective
- Completed subject enrollment in phase III clinical trial of T2DM indication in Jul 2023
- Received clinical trial approval for weight management indication in Apr 2023
- **The first domestic enterprise to be approved for the clinical trial of Semaglutide for weight management**

UBT251 Injection

- Class 1 innovative drug
- **GI hormone analogue with multi-target (GLP-1/GCG/GIP) effect**
- Better efficacy than existing GLP-1 analogues
- IND application for indications of diabetes, weight management and NASH has been accepted in Jun 2023
- **The first enterprise in China and the second in the world** to be approved for clinical trial of such analogue prepared by chemical synthetic polypeptide
- **Received clinical trial approval for T2DM in Aug 2023**
- Preparing for clinical trial application in the US

UBT251 vs Lilly’s Triple Agonist Retatrutide in Diet-Induced Obesity (DIO) Mice



- UBT251 shows more potent effect quicker response on body weight reduction compared with Retatrutide at the low dosage.
- Generally speaking, UBT251 is not inferior to Retatrutide in DIO mice

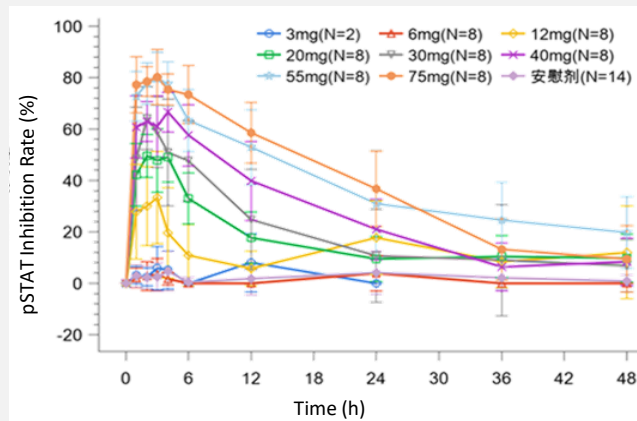


TUL01101 Tablets & TUL01101 Ointment

TUL12101 Eye Drops

- Class 1 innovative drug
- Selective JAK1 inhibitor
- **Phase Ia clinical trial for the treatment of rheumatoid arthritis finished**
- **Completed first subject enrollment in phase I clinical trial of topical preparation for atopic dermatitis indication in Apr 2023**
- Application for indication of moderate-to-severe atopic dermatitis has been accepted in Jun 2023

Study on Safety and Tolerance of TUL01101 Tablets



pSTAT1 Inhibition Rate - Time Plot (Mean ± SD) (PDOS)



Comparison of drug efficacy between before and after 96 days of medication in a subject in 70mg group of TUL01101 Tablets

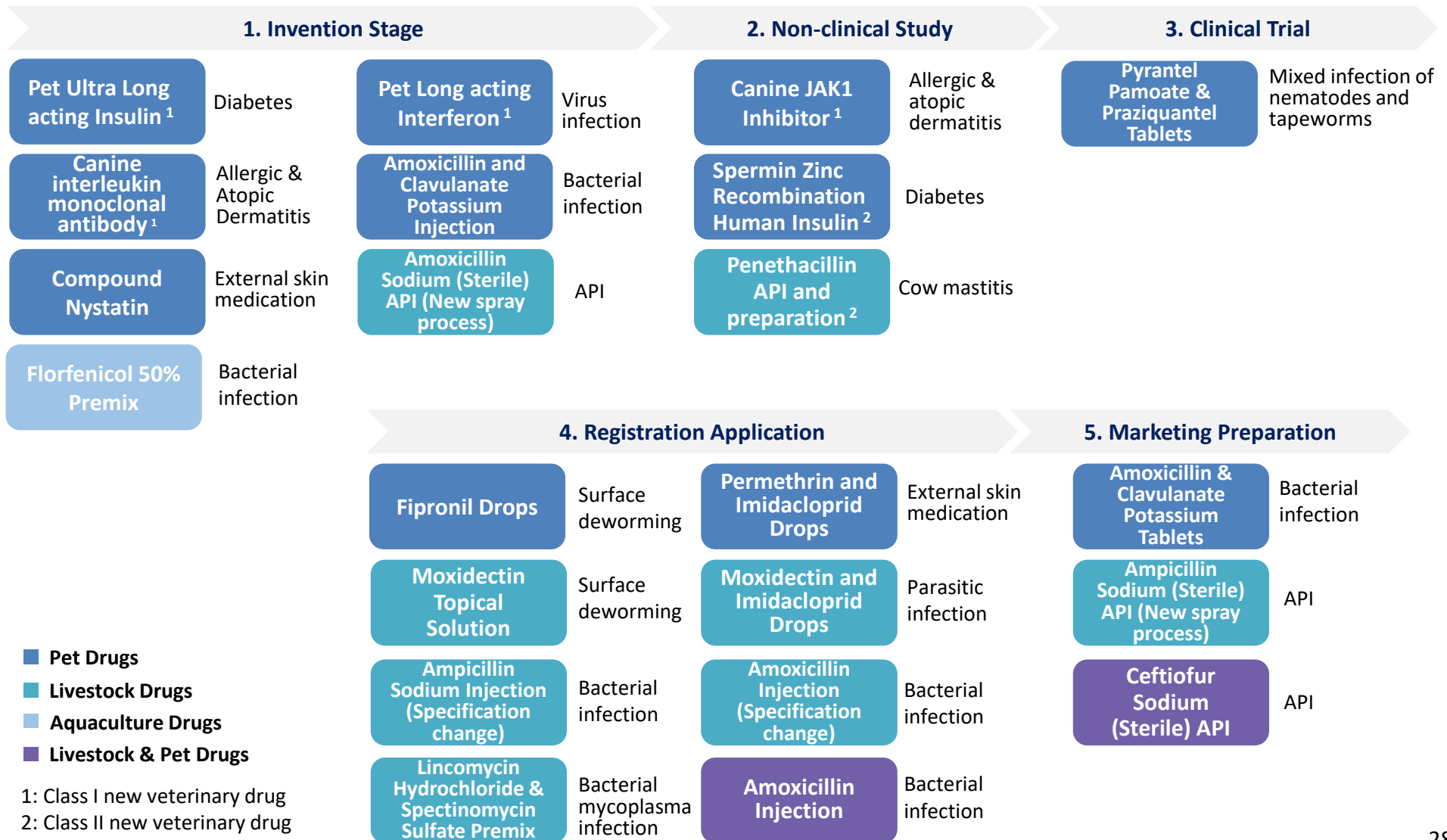
- Clinical results from Phase Ia & Ib clinical trials demonstrate a favorable dose-response relationship of TUL01101 in human subjects, with significant efficacy and good safety profile observed among patients.

- Class 1 innovative drug
- Novel Small Molecule RASP (Reactive Aldehyde) Inhibitors
- Eye drops for the treatment of dry eye syndrome
- Precise therapeutic mechanism and is safe and comfortable to use
- **No other products with the same mechanism on the market in China or abroad at present**
- IND application approved in Mar 2023
- **Completed first subject enrollment in phase I clinical trial in Aug 2023**



R&D Pipeline – Animal Healthcare

22 In-house R&D Projects

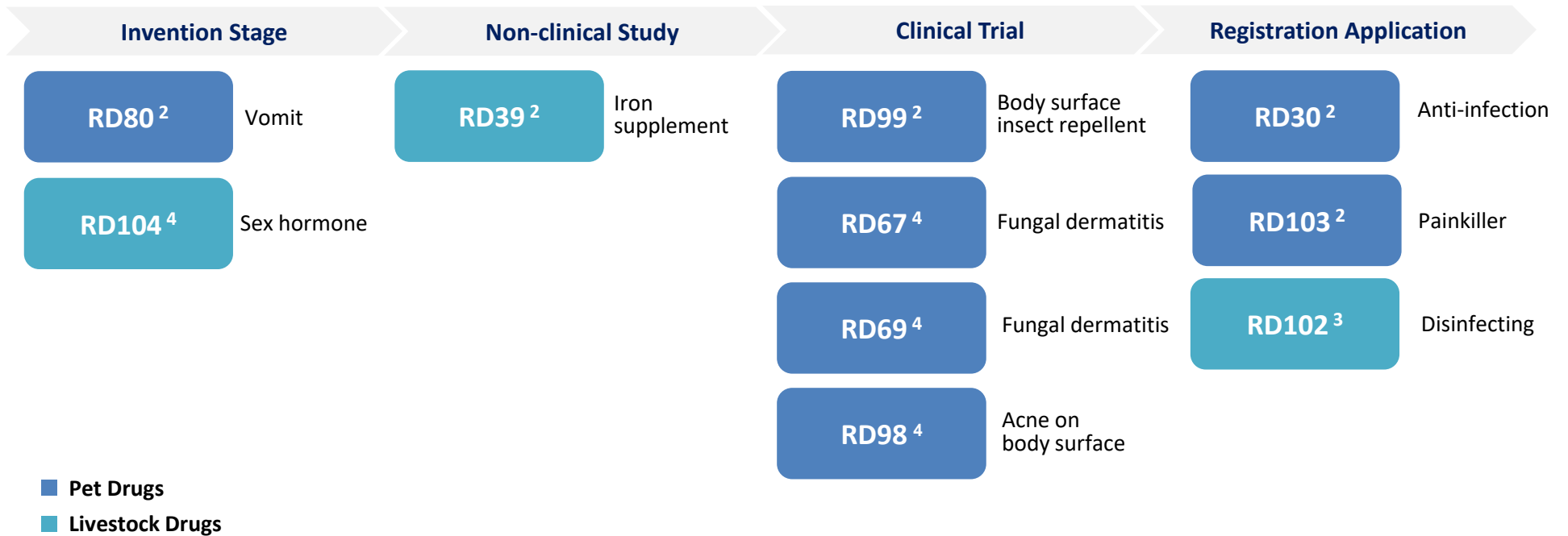


- Pet Drugs
- Livestock Drugs
- Aquaculture Drugs
- Livestock & Pet Drugs

1: Class I new veterinary drug
2: Class II new veterinary drug



10 Co-development Projects



- 1: Class I new veterinary drug
- 2: Class II new veterinary drug
- 3: Class III new veterinary disinfectant
- 4: Class IV new veterinary drug



Section 4

Outlook & Strategies





Outlook & Strategies

R&D

- ✓ Increase the investment in R&D
- ✓ Accelerate the recruitment of high-end R&D talents
- ✓ Step up R&D effort to enrich product categories
- ✓ Focus on endocrine, autoimmunity, ophthalmology and other therapeutic fields
- ✓ Accelerate the construction of new drug R&D centers and industrialization

Business

- ✓ Continue to optimize the vertically integrated business model
- ✓ Fully expand the production capacity of finished products, upgrade the production lines and equip with intelligent storage facilities
- ✓ Expand high-quality customer base to consolidate TUL's market position
- ✓ Focus on diabetes area and increase market share and penetration
- ✓ Extend external cooperation to diversify products and business

Finance

- ✓ Maintain solid cash liquidity
- ✓ Balance the mix of long-term and short-term borrowings
- ✓ Control finance costs
- ✓ Shift the focus to low-cost onshore Renminbi bank borrowings



让 生 命 更 有 价 值
Our mission is to make life more valuable

