WuXi Biologics 2021 Interim Results

Revenue Increases by 126.7% Y-o-Y to RMB4,406.8 Million
Gross Profit Grows by 191.7% Y-o-Y to RMB2,296.8 Million
Adjusted Net Profit Attributable to Owners of the Company Increases by 163.0% Y-o-Y to RMB1,768.7 Million
Gross and Net Profit Margins Reach 52.1% and 42.7%, Respectively
Diluted EPS Reaches RMB0.42 with 133.3% Growth Y-o-Y

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"Follow & Win the Molecule" Strategies Expand Global Market Share to 408 Total Integrated Projects Including 79 New Additions
A Banner Year of Commercial Manufacturing: Four Commercial Manufacturing Projects and 32 Phase-III Projects
Commercial Manufacturing Revenue Reaches RMB888.9 Million
Late Phase and Commercial Manufacturing Revenue Grows 366% Y-o-Y
Backlog within Three Years Increases by 143% Y-o-Y to US$2,249 Million
Three Acquisitions Successfully Integrated and Generate Revenue
Nine Regulatory Inspections Passed, Demonstrating Global Premier Quality
WuXi Vaccines Progresses Rapidly with Nine Contracts Signed Including Three COVID-19 Vaccines Projects
WuXi XDC Established as Few Global CDMOs Dedicated to Enable Discovery, Development and Manufacturing of Bioconjugates
Expanded Development Capacity to 120 Integrated Projects per Year to Enable Growing Global Partners
Global Manufacturing Capacity Expansion on Schedule to Support Sustainable High Growth

(Hong Kong, August 23, 2021) – **WuXi Biologics (Cayman) Inc.** ("**WuXi Biologics**" or "the Company", together with its subsidiaries "**the Group**", **stock code: 2269.HK**), a leading global open-access biologics technology platform company offering end-to-end solutions for biologics discovery, development and manufacturing, is pleased to announce its unaudited interim results for the six months, ending on June 30, 2021.

2021 Interim Financial Highlights

- **Revenue:** The Group's revenue grew rapidly to RMB4,406.8 million with an increase of 126.7% Y-o-Y. The Group continued to gain market share due to its successful execution of "Follow & Win the Molecule" strategies, global leading and integrated technology platforms, customer-centered process and system, excellent project execution and track record, best-in-industry timeline, flexibility to satisfy customers' needs, experienced management team, and dedicated workforce.
- **Gross profit and gross profit margin:** Gross profit grew by 191.7% Y-o-Y to RMB2,296.8 million, while gross profit margin rose by 1,160 basis points to 52.1%, which was mainly attributable to (i) the Group's robust business growth, as the result of the rapid increase in the number of integrated projects and projects progressing to late stages of development; and (ii) the Group's extraordinary efforts to undertake a large number of new development projects, with very limited additional human resources; (iii) the Group's deployment to fully utilize existing manufacturing facilities for COVID-19 and other late-phase projects; (iv) the continuing undertaking of Group's operational efficiency improvement programs.
- **Net Profit Attributable to Owners of the Company:** Net profit attributable to owners of the Company for the period amounted to RMB1,842.1 million with a growth of 150.3% Y-o-Y. Margin of net profit attributable to owners of the Company increased by 390 basis points to 41.8%.
- **Adjusted Net Profit Attributable to Owners of the Company:** In the first half of 2021, adjusted net profit attributable to owners of the Company increased by 163.0% Y-o-Y to RMB1,768.7 million. Margin of adjusted net profit attributable to owners of the Company grew by 550 basis points to 40.1%.
- **Diluted earnings per share (EPS):** In the first half of 2021, diluted EPS and adjusted diluted EPS were RMB0.42 and RMB0.40 respectively, representing a growth of 133.3% and 150.0% Y-o-Y respectively.

2021 Interim Operational Highlights

- Thanks to the successful implementation of "Follow & Win the Molecule" strategies, the Group achieved an outstanding performance during 1H 2021 as both incremental and existing market share rapidly increased.
- Total integrated projects reached a new record of 408 with 79 new integrated projects added to the pipeline, including 70+ non-COVID-19 projects. The number of late-phase (phase III) projects increased to 32, which lays a foundation for significant growth of the Company's commercial manufacturing revenue in the near future. The Group also expanded its development capacity to 120 INDs per year to meet growing market needs.
- Total backlog increased by 31.7% Y-o-Y to US$12,465 million. Backlog within three years grew by 143% Y-o-Y to US$2,249 million, thus establishing a strong

momentum for sustainable high growth. Upcoming potential milestone backlog increased by 41.9% Y-o-Y to US$5,236 million. This growth reflected the adoption of the Group's multiple proprietary technology platforms in the global market, which will in turn enable global customers to develop novel medicines more efficiently.

- 2021 will be a banner year for the Group's commercial manufacturing business. As of June 30, 2021, the Group has four projects in commercial GMP manufacturing stage and 32 projects in phase III. Commercial manufacturing revenue increased to RMB888.9 million while late phase and commercial manufacturing revenue grew 366% Y-o-Y in the first half of 2021. More projects are expected to progress into commercialization in the second half of this year and beyond.
- The Group's successfully passed nine regulatory inspections conducted by the FDA, EMA, NMPA and other agencies during the first seven months of 2021. This again demonstrates the Group's global premier quality system, forms the foundations for more global partnerships and enables the Group to outperform in global competition.
- WuXi Vaccines made great progress in 1H 2021. As of June 30, 2021, nine vaccine contracts signed with global partners including three COVID-19 vaccine projects. With its strong manufacturing track record, WuXi Vaccines delivered more than 100 million doses equivalent of COVID-19 vaccines to the global community at the fastest pace. Additional more than 100 million doses are expected in remaining 2021.
- The Group enabled Vir/GSK to achieve FDA EUA approval for a COVID-19 neutralizing mAb in 14 months. This timeline from DNA to EUA made another industry record and once again demonstrated the superior technology platform, premier quality and industry-leading execution of WuXi Biologics.
- Additional eight COVID-19 mAb programs have been initiated in 2021. With three COVID-19 mAb programs in phase III and 10+ programs in phase I/II in the pipeline, the Group is making significant contributions to the global fight against COVID-19 and expects its COVID-19 related revenue will continue in 2022.
- In response to the surging demand for mRNA vaccines, an integrated mRNA vaccine technology platform has been established in Hangzhou, China to enable mRNA vaccine projects from development to commercial manufacturing. Negotiations with a number of mRNA vaccine partners are in progress.
- The Group established a joint venture, WuXi XDC, in partnership with WuXi STA, a subsidiary of WuXi AppTec (Stock Code: 603259), in the first half of 2021. Leveraging the expertise of the two companies, WuXi XDC is well-positioned to provide industry-leading one-stop CDMO offerings to customers to discover, develop and manufacture bioconjugations. As of June 30, 2021, WuXi XDC has already secured 48 integrated projects from over 100 clients worldwide.
- In 1H 2021, the Group completed three acquisitions to further enhance its capacity, including a DS facility in Wuppertal, Germany from Bayer; DS/DP facilities in

Hangzhou, China from Pfizer China and the Chinese CDMO company CMAB Biopharma. Integrations of these facilities into the Group's global network is progressing rapidly. All the facilities in China are operational and started generating revenue.

- Despite the impact of the COVID-19 pandemic, the Group's capacity expansion in Europe progressed on track. The DP facility, located in Leverkusen, Germany, has passed the GMP inspection for biologics commercial manufacturing from the German Health Authorities. The biologics and vaccine manufacturing facilities in Ireland are scheduled for GMP operations in 2022 and 2023 respectively. These milestones will enhance even further the Group's market share in the European market.
- The Group launched SDArBodY™, a novel technology platform to enable multi-specific proteins for global partners. This highly flexible platform offers clients the ability to generate multispecific antibodies and protein therapeutics with high affinity, low immunogenicity risk and excellent developability characteristics.
- As of June 30, 2021, the Group's workforce has grown to 7,686 with 552 employees holding a PhD degree. In particular, employees in US and EU exceeded 500 and the biologics R&D team expanded to 2,803 scientists. The retention rate of key talent was over 96%.
- The Group newly established an ESG committee directly led by CEO. With more initiatives put in place, the Group is committed to strengthening environmental protection, improving corporate governance and giving back to the local communities. During the first half of 2021, the Group received ESG awards from *Institutional Investor and InnoESG*.

WuXi Biologics continued to gain market share and sustained its rapid business growth in the first half of 2021 as integrated projects, backlog and financial performance all achieved new records during the period.

SELECT OPERATIONAL HIGHLIGHTS

"Follow & Win the Molecule" strategies secured a strong momentum in expanding market share

The Group's competitiveness in the global market kept improving, with 79 new projects added during the reporting period, including 18 projects from the acquisition of CMAB, a Chinese CDMO company. The Group's business strategies have driven its pipeline growth to a record high of 408 integrated projects, including 152 first-in-class projects from global partners. These challenging projects further reaffirmed the success of the

Group's technology enabling platforms across mAbs, bispecifics, multispecifics, ADCs, vaccines and other new biotherapeutic modalities.

During the first half of 2021, 12 external projects were won and transferred into the Group's pipeline, including five projects in phase II and four projects in phase III due to the Group's advanced technology, industry-leading timeline, and commitment to execution and premium quality. The fast progress of "Win-the-Molecule" strategy will drive new momentum to the late and commercial-stage revenue growth.

Late-stage projects and commercial manufacturing business accelerated

2021 will be a banner year of commercial manufacturing business for the Group as commercial manufacturing projects increased to four in the first half of 2021 and more projects are expected to progress into commercialization in the second half of 2021 and beyond. GSK/Tesaro's PD-1, the first project enabled by the Group throughout IND to BLA, was approved by both the FDA and EMA in 1H 2021. This project successfully validated the Group's "Follow & Win the Molecule" strategies and its cutting-edge technology platforms. Commercial manufacturing revenue reached RMB888.9 million, while late phase and commercial manufacturing revenue grew 366% Y-o-Y in 1H 2021. With 32 projects in phase III, the Group expects to have more commercial manufacturing projects in the upcoming years to deliver sustained high growth.

WuXi Vaccines recorded rapid growth in the first half of 2021

WuXi Vaccines made great progress during 1H 2021 with three COVID-19 vaccine contracts and six non COVID-19 vaccine contracts secured in total, which are expected to contribute substantially to this year's revenue. An integrated mRNA technology platform has been established in Hangzhou, China to offer customers full-spectrum services for mRNA vaccine development and manufacturing. The Company is currently negotiating contracts with a number of mRNA vaccine companies. The rapid progress of WuXi Vaccines is a solid proof of WuXi Biologics' commitment to mobilizing its resources to combat the COVID-19 pandemic and other diseases that affect patients worldwide.

Newly established WuXi XDC is the next engine of sustainable high growth

In the first half of 2021, WuXi Biologics established WuXi XDC in partnership with WuXi STA to provide end-to-end CDMO services for bioconjugations. Leveraging the small

molecule and biologics drug discovery, development and manufacturing strengths of both companies, WuXi XDC is well positioned as one of the few companies capable of providing one-stop services for bioconjugations. Due to its state-of-the-art technology platforms and commitment to excellence, WuXi XDC has quickly become a market leader, with over 100 partners worldwide and 48 bioconjugation projects,

Footprint expansion accelerates through M&A and capacity buildouts

In the first half of 2021, the Company completed three acquisitions, including Pfizer's manufacturing facilities in Hangzhou, China; CMAB Biopharma Group in China and Bayer's manufacturing facility in Wuppertal, Germany. These acquisitions have allowed the Company to rapidly ramp up production capacity to meet growing demands. Global capacity construction is steadily advancing in line with the progress of late-stage pipeline projects. An estimated 150,000L of production capacity will be operational by the end of this year, and the Company's production capacity will reach 430,000L after 2024 as planned.

World-class quality system underpins future growth

As of July 30, 2021, WuXi Biologics has completed over 15 inspections by the FDA, EMA, ANVISA, NMPA and HSA since 2017. Despite travel restrictions related to COVID-19, the Company has been able to provide flexible access to allow regulatory authorities to complete any type of inspection. Using innovative digital solutions, WuXi Biologics successfully completed multiple remote EMA GMP inspections and hybrid FDA inspections in the first half of 2021.

Seven facilities of the Group have been GMP certified. Recently, the drug product facility (DP7) in Leverkusen, Germany, received its License of Manufacturing Permit from German health authorities, marking WuXi Biologics' first GMP manufacturing authorization outside of China. The 12-month timeline from facility qualification to licensure further exemplifies the best practices of "WuXi Bio Speed" and “WuXi Bio Quality” that encompasses the world-class quality systems the Company has developed.

Top talent secured and retained to support WuXi Biologics’ rapid growth

WuXi Biologics places great importance on its people. As of June 30, 2021, the Company’s total staff increased to 7,686, including over 500 employees in U.S. and EU and 2,803 scientists from biologics development team. The number of total

employees is expected to exceed 9,600 by the end of the year. In 1H 2021, the Company put more efforts into strengthening talent attraction, acquisition, and retention by offering competitive salaries and stock incentives. With the goal of sharing the growth with its staff, WuXi Biologics included more employees in its stock incentives plan, which in turn helped key talents to lead the future development.

Focusing on next-generation technology platforms to lead the development of the industry

WuXi Biologics constantly strives to expand its integrated enabling platforms to empower more customers around the world. In the first half of the year, the new business, such as bispecific antibodies, ADCs and fusion proteins and vaccines, advanced rapidly through the various project phases. To broaden its capabilities, the Company established a new integrated mRNA vaccine platform and introduced the SDArBodY™ platform for the development of multispecific antibody therapeutics. WuXi Biologics has also published several articles of high impact in international journals, introducing the advances from its proprietary technology platforms including WuXia™, WuXiUP™ and WuXiBody™.

ESG and CSR initiatives aiming at becoming a global ESG leader

As part of its efforts to embody ESG best practices in its operations, WuXi Biologics has continued to implement state-of-the-art single-use bioreactors within its manufacturing thereby minimizing environmental impact and substantially lowering water consumption. In addition, the Company is now proactively formulating its mid-term carbon neutral program to systematically reduce its carbon impact on the environment. A recent flood hit hard the people living in Henan, China. The Group immediately mobilized its resources to support the local community and donated RMB10 million for flood relief efforts. These efforts underscored the Group's commitment to fulfilling its corporate social responsibilities as a global corporate citizen.

For its excellent ESG performance and the transparent communication with capital market stakeholders, the Company was recognized the Best ESG Award by *Institutional Investor* and won *InnoESG Prize* in the first half of 2021.

LEADERSHIP COMMENTS

Dr. Chris Chen, CEO of WuXi Biologics, said, "In the first half of 2021, WuXi Biologics achieved a stellar performance through the successful implementation of

‘Follow & Win the Molecule’ strategies. Acquiring 79 new integrated projects and enabling total 408 integrated projects indicate a continuation of our strong growth momentum. We also made great progress in new modalities, including ADCs, vaccines, fusion proteins, bispecific and multispecific antibodies in the first half. Our gross profit margin and net profit margin reached a new record of 52.1% and 42.7% respectively, demonstrating operational improvements and efficiencies achieved with our expanding scale. Using single-use bioreactor technology, we led the industry in terms of cost saving, environment protection and investment return.”

“I’m very glad that the GSK/Tesaro’s PD-1 program was approved by both the FDA and EMA, which is the first IND to BLA project enabled by the Group and fully validates our ‘Follow & Win the Molecule’ business model. With 32 late-stage projects and 4 commercial manufacturing projects in progress, we have laid a solid foundation for sustainable high growth. To meet this strong demand and keep up with the integrated pipeline growth, we’ve expanded our capacity of early stage projects to 120 INDs per year and accelerated our manufacturing capacity expansion through both acquisitions and internal buildouts globally.”

Dr. Chris Chen added, “During the past decade, we have created a unique business model to lead the industry by pioneering integrated biologics service, focusing on the ‘D’ in CDMO and leading the global community by adopting disposable manufacturing technologies. We will further enhance our capabilities and expand our capacities to enable our global partners and transform how biologics are discovered, developed and manufactured to benefit patients worldwide.”

Dr. Ge Li, Chairman of WuXi Biologics, concluded: “WuXi Biologics achieved very impressive results in the first half of 2021. We are proud that WuXi Biologics has earned a solid reputation over the past years, due to the excellent track record in continuously delivering stable and outstanding results to our stakeholders. We are confident to maintain the trend of sustainable high growth in the future. We will continue our efforts to realize our vision of ‘e*very drug can be made and every disease can be treated’*.”

2021 Interim Results

Revenue increased by 126.7% year-on-year to RMB4,406.8 million for the six months ended June 30,2021. The increase was mainly attributed to (i) the Group’s acceleration to undertake, promptly execute and generate revenue from both COVID-19 and non

COVID-19 projects to support and enable the Group's global clients; (ii) global leading and integrated technology platform, customer-centered process and system, excellent project execution and track record, best-in-industry timeline, incredible flexibility to satisfy customers' needs, experienced management team, and dedicated and talented workforce contributing to significantly higher revenue and market share of new integrated projects; (iii) successful execution of "Win-the-Molecule" strategy adding considerable late-stage pipeline and near-term revenue; and (iv) the comparison base was lower due to the outbreak of COVID-19 in China during the same period last year.

Gross profit increased by 191.7% to RMB2,296.8 million for the six months ended June 30, 2021. Gross profit margin was 52.1%. The growth in gross profit was attributable to : (i) the Group's strong business growth, as the result of the rapid increase in the number of integrated projects and projects progressing to late stages of development; and (ii) the Group's extraordinary efforts to undertake a large number of new development projects, with very limited human resources added in 1H 2021; (iii) the Group's deployment to fully utilize existing manufacturing facilities for COVID-19 and other late-phase projects; (iv) the continuing undertaking of Group's operational efficiency improvement programs.

Net Profit Attributable to Owners of the Company: Net profit attributable to owners of the Company for the period amounted to RMB1,842.1 million with an increase of 150.3% Y-o-Y. Margin of net profit attributable to owners of the Company increased by 390 basis points to 41.8%. The net profit attributable to owners of the Company increase was mainly driven by (i) the strong gross profit increase as mentioned above, (ii) the successful execution of cost saving and efficiency improvement programs.

Adjusted Net Profit Attributable to Owners of the Company: In the first half of 2021, adjusted net profit attributable to owners of the Company grew by 163.0% Y-o-Y to RMB1,768.7 million. Margin of adjusted net profit attributable to owners of the Company grew by 550 basis points to 40.1%. The increases followed the same set of reasons as discussed above.

Basic and diluted EPS were RMB0.44 and RMB0.42, increasing 131.6% and 133.3% year-on-year respectively.

Adjusted diluted EPS increased by 150.0% year-on-year to RMB0.40.

Key Financial Ratios
(For the Six Months Ended June 30)

Key Financial Ratio	1H 2021	1H 2020	Change
Revenue (In RMB million)	4,406.8	1,944.1	126.7%
Gross Profit (In RMB million)	2,296.8	787.3	191.7%
Gross Profit Margin (%)	*52.1%*	*40.5%*	
Net Profit (In RMB million)	1,882.8	730.7	157.7%
Net Profit Margin (%)	*42.7%*	*37.6%*	
Net Profit Attributable to Owners of the Company	1,842.1	736.1	150.3%
Margin (%)	*41.8%*	37.9%	
Adjusted Net Profit (In RMB million)	1,812.1	667.0	171.7%
Adjusted Net Profit Margin (%)	*41.1%*	*34.3%*	
Adjusted Net Profit Attributable to Owners of the Company	1,768.7	672.4	163.0%
Margin (%)	*40.1%*	*34.6%*	
EBITDA (In RMB million)	2,387.1	941.4	153.6%
EBITDA Margin (%)	*54.2%*	*48.4%*	
Adjusted EBITDA (In RMB million)	2,316.4	877.7	163.9%
Adjusted EBITDA Margin (%)	*52.6%*	*45.1%*	
Adjusted Diluted EPS (In RMB)	0.40	0.16	150.0%

Note: Adjusted basic and diluted earnings per share were stated after taking into account the effect of the Share Subdivision. Comparative figures have also been restated on the assumption that the Share Subdivision had been effective in prior interim period.

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About WuXi Biologics

WuXi Biologics (stock code: 2269.HK), a Hong Kong-listed company, is a leading global open-access biologics technology platform offering end-to-end solutions to empower organizations to discover, develop, and manufacture biologics from concept to commercial manufacturing. The company's history and achievements demonstrate its commitment to providing a truly ONE-stop service offering and strong value proposition to its global clients. As of June 30, 2021, there were a total of 408 integrated projects, including 212 projects in pre-clinical development stage, 160 projects in early-phase (phase I and II) clinical development, 32 projects in late-phase (phase III) development and 4 projects in commercial manufacturing. With total estimated capacity for biopharmaceutical production planned in China, Ireland, the U.S., Germany, and Singapore exceeding 430,000 liters after 2024, WuXi Biologics will provide its biomanufacturing partners with a robust and premier-quality global supply chain network.

WuXi Biologics views Environmental, Social, and Governance (ESG) as an integral component of its ethos and business strategy and has established an ESG committee led by the CEO to increase the efficiency while advancing commitment to sustainability. For more information on WuXi Biologics, please visit: http://www.wuxibiologics.com.

Forward-Looking Statements

This announcement may contain certain "forward-looking statements" that are not historical facts, but instead are predictions about future events based on our expectations as well as assumptions made by and information currently available to our management. Although we believe that our predictions are reasonable, future events are inherently uncertain and our forward-looking statements may turn out to be incorrect. Our forward-looking statements are subject to risks relating to, among other things, the ability of our service offerings to compete effectively, our ability to meet timelines for the expansion of our service offerings, and our ability to protect our clients' intellectual property. Our forward-looking statements in this announcement speak only as of the date on which they are made, and we assume no obligation to update any forward-looking statements except as required by applicable law or listing rules. Accordingly, you are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. All forward-looking statements contained herein are qualified by reference to the cautionary statements set forth in this section.

Non-IFRS Measures

To supplement the Group's condensed consolidated financial statements which are presented in accordance with the IFRS, the Company has provided adjusted net profit, adjusted net profit margin, adjusted EBITDA, adjusted EBITDA margin and adjusted basic and diluted earnings per share as additional financial measures, which are not required by, or presented in accordance with, the IFRS.

The Company believes that the adjusted financial measures are useful for understanding and assessing underlying business performance and operating trends, and that the Company's management and investors may benefit from referring to these adjusted financial measures in assessing the Group's financial performance by eliminating the impact of certain unusual, non-recurring, non-cash and/or non-operating items that the Group does not consider indicative of the performance of the Group's core business. These non-IFRS financial measures, as the management of the Group believes, is widely accepted and adopted in the industry in which the Group is operating in. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRS. Shareholders of the Company and potential investors should not view the adjusted results on a stand-alone basis or as a substitute for results under IFRS. And these non-IFRS financial measures may not be comparable to similarly-titled measures represented by other companies.

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