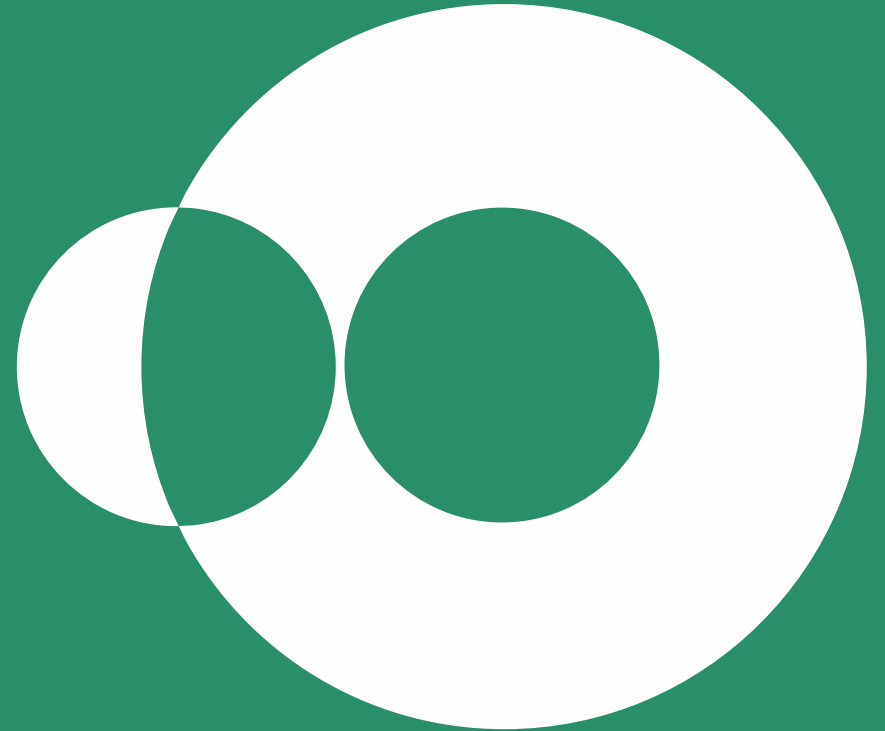


Hangzhou Tigermed Consulting Co., Ltd.

300347.SZ / 3347.HK

# 2021 Interim Results

August 2021



# Disclaimer

This document is for information purposes only and is not intended to provide any representation, in whole or in part, of the relevant matters. Please refer to the 2021 interim results announcement and other relevant announcements published on the websites of the Shenzhen Stock Exchange ([www.szse.cn](http://www.szse.cn)) and the Stock Exchange of Hong Kong ([www.hkexnews.hk](http://www.hkexnews.hk)) for further information.

**All financials disclosed in this document are presented in accordance with International Financial Reporting Standards (“IFRS”)s except for those specifically noted otherwise.**

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You acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company and any of its subsidiaries.

## Forward-Looking Statements

The information communicated herein may contain certain “forward-looking statements”, which are not historical facts but instead include predictions about future events based on our beliefs and information currently made available to us. Although we believe that these predictions are reasonable on the date hereof, future events are inherently uncertain and these forward-looking statements may turn out to be incorrect. Forward-looking statements involve risk and uncertainty by nature because they relate to events and will depend on circumstances that will occur in the future relating to, inter alia, our ability to compete effectively, our ability to develop and market new service offerings, our ability to expand into new markets, the risks associated with listed subsidiaries of the Company, unforeseeable international tensions, regulatory or governmental scrutiny in certain countries, the impact of emergencies and other force majeure events. We undertake no obligations to update forward-looking statements or to adapt them to future events or developments except as required by applicable laws or listing rules. Any investment in any securities issued by the Company or its subsidiaries will also involve certain risks. There may be additional material risks that are currently not considered to be material or of which the Company and its advisors or representatives are unaware. Against the background of these uncertainties, you should not rely on these forward-looking statements.

## Non-IFRS Measure

To supplement our financial information which are presented in accordance with IFRS, we use adjusted net profit attributable to owners of the Company as an additional financial measure, which is not required by, or presented in accordance with IFRS. We define adjusted net profit attributable to owners of the Company as profit for the year attributable to owners of the Company before certain expenses and amortization. We define adjusted net profit attributable to owners of the Company as profit attributable to owners of the Company adjusted for (1) share-based compensation expense, (2) net foreign exchange loss/(gain), (3) amortization of intangible assets arising from acquisitions, (4) listing expenses incurred by our Group, and (5) increase in fair value of financial assets at FVTPL. Adjusted net profit attributable to owners of the Company is not an alternative to (i) profit before tax, profit for the year or profit for the year attributable to owners of the Company (as determined in accordance with IFRS) as a measure of our operating performance, (ii) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs, or (iii) any other measures of performance or liquidity. We believe that this non-IFRS measure is useful for understanding and assessing underlying business performance and operating trends, and that the owners of the company and we may benefit from referring to this non-IFRS measure in assessing our financial performance by eliminating the impact of certain unusual, non-recurring, non-cash and/or non-operating items that we do not consider indicative of the performance of our business. However, the presentation of this non-IFRS measure is not intended to, and should not, be considered in isolation from or as a substitute for the financial information prepared and presented in accordance with the IFRS. You should not view the non-IFRS measure on a stand-alone basis or as a substitute for results under the IFRS, or as being comparable to results or a similarly titled financial measure reported or forecasted by other companies.

# 2021 Interim Results

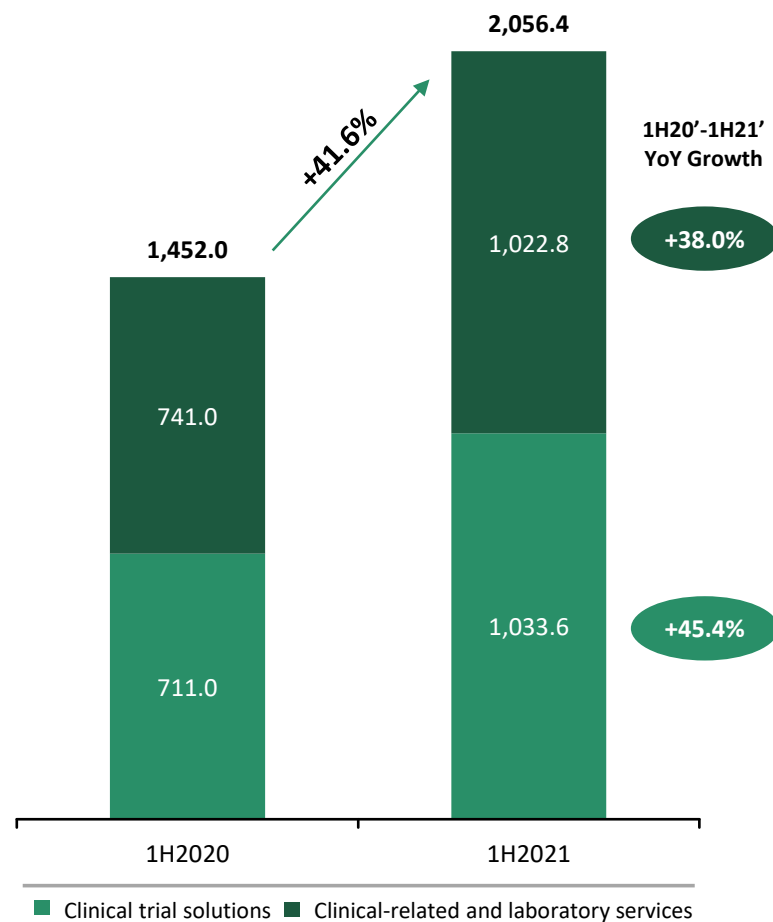
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# 1H2021 Key Financials Update

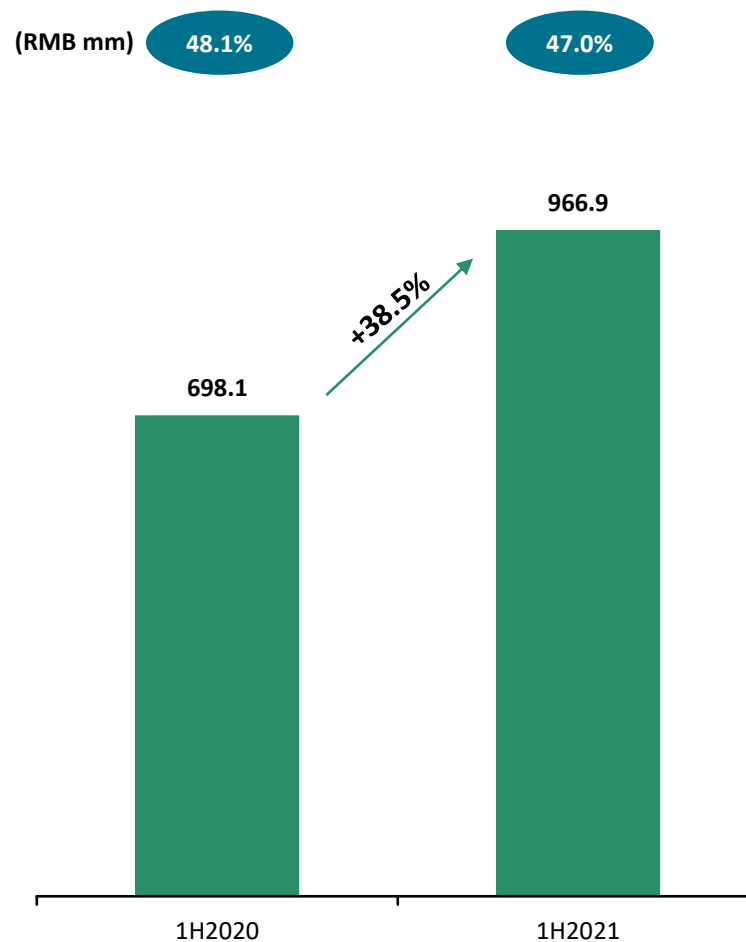
## Revenue

(RMB mm)



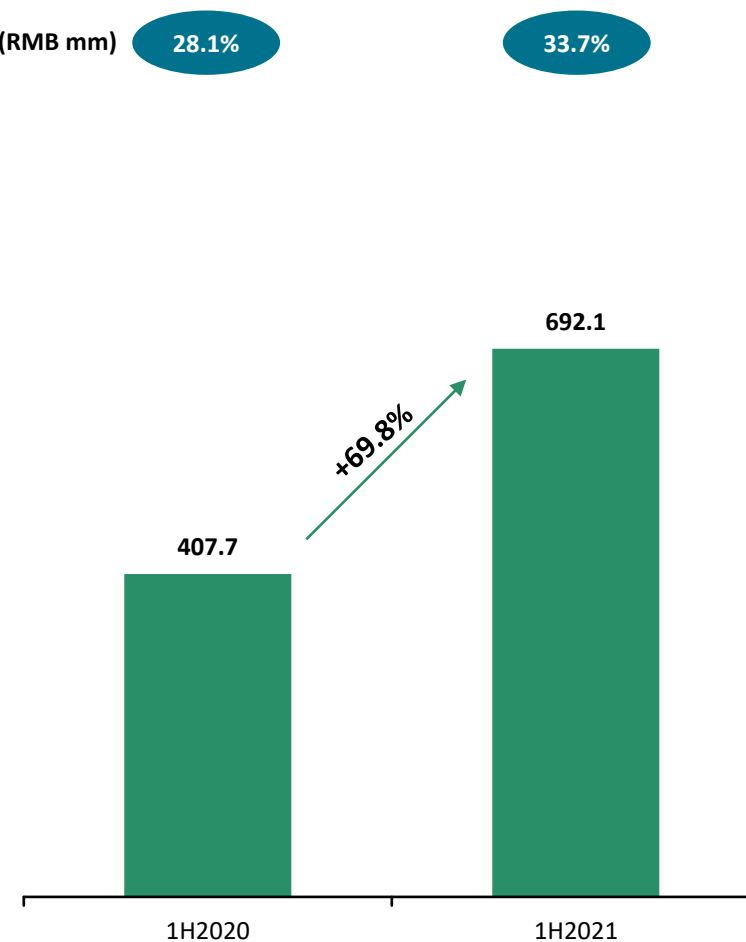
## Gross Profit and Margin

(RMB mm)



## Adjusted Net Profit Attributable to the Owners of the Company and Margin<sup>(1)</sup>

(RMB mm)



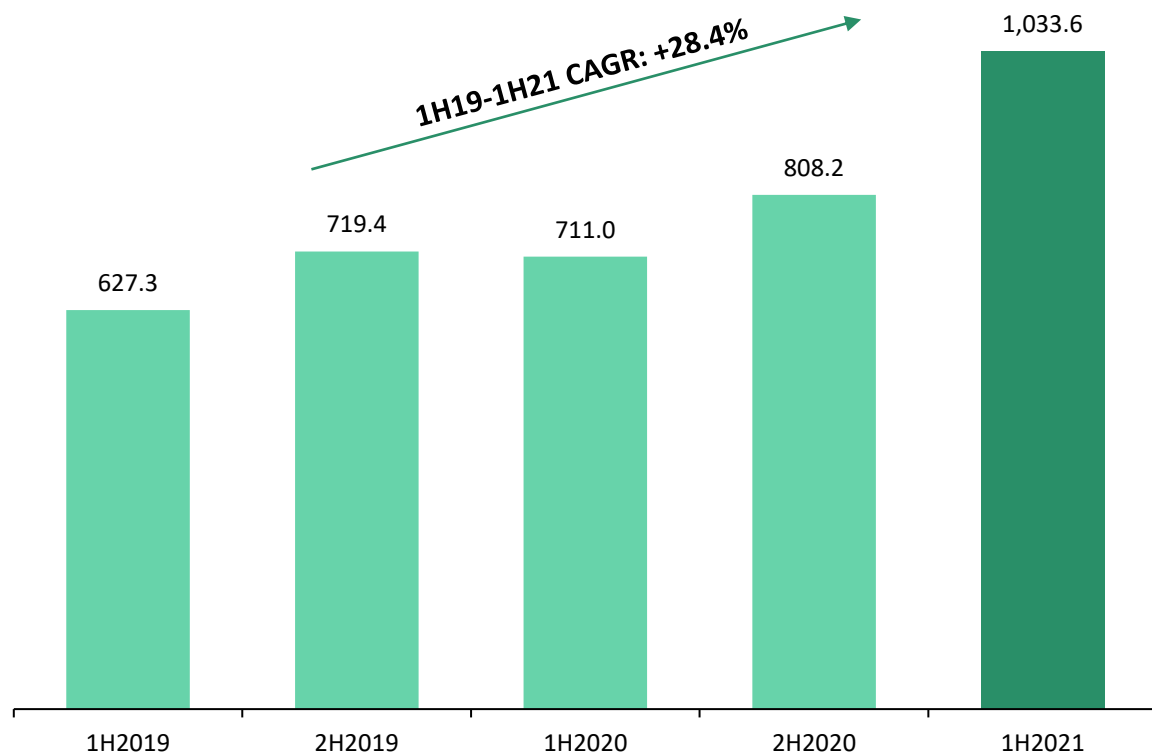
(1) Non-IFRS measure. Adjusted for (i) share-based compensation expense, (ii) net foreign exchange loss/(gain), (iii) amortization of intangible assets arising from acquisitions, (iv) listing expenses incurred by our Group, and (v) increase in fair value of financial assets at FVTPL

# Further Normalization Seen on Our Growth Trajectory

Total revenue grew at a CAGR of 24.4% between 1H2019 and 1H2021

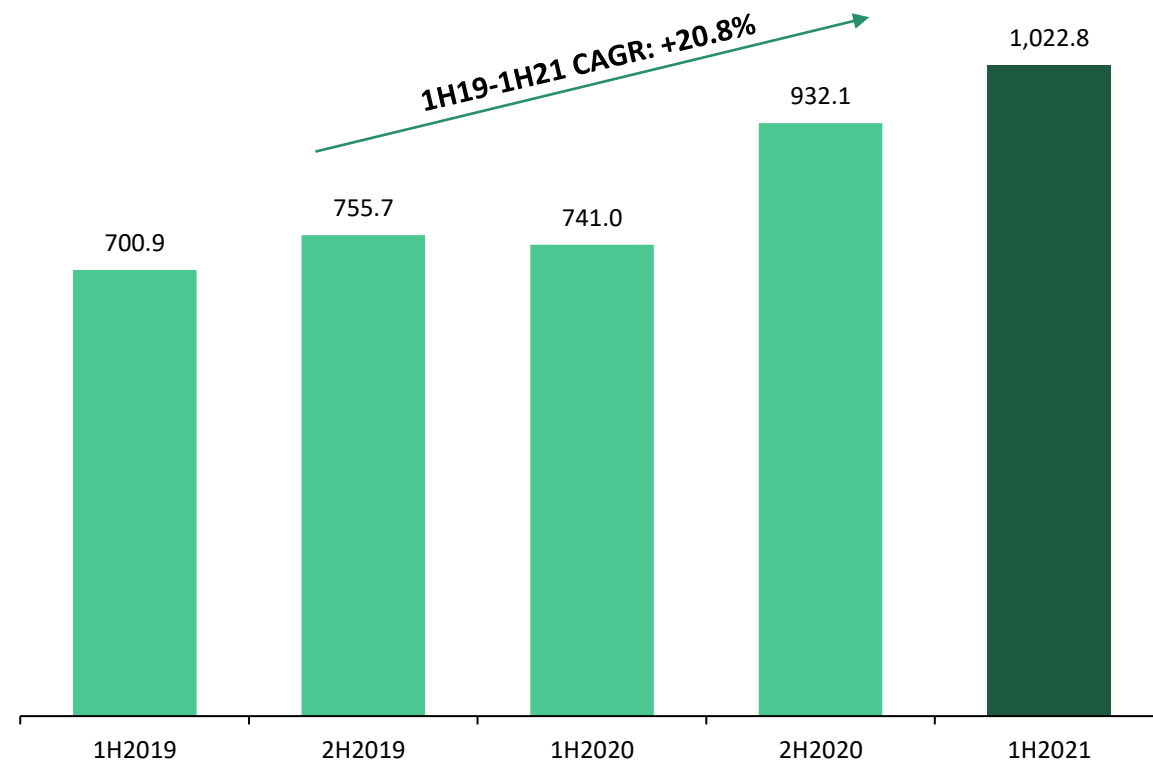
## Clinical Trial Solutions Revenue

(RMB mm)



## Clinical-related and Laboratory Services Revenue

(RMB mm)

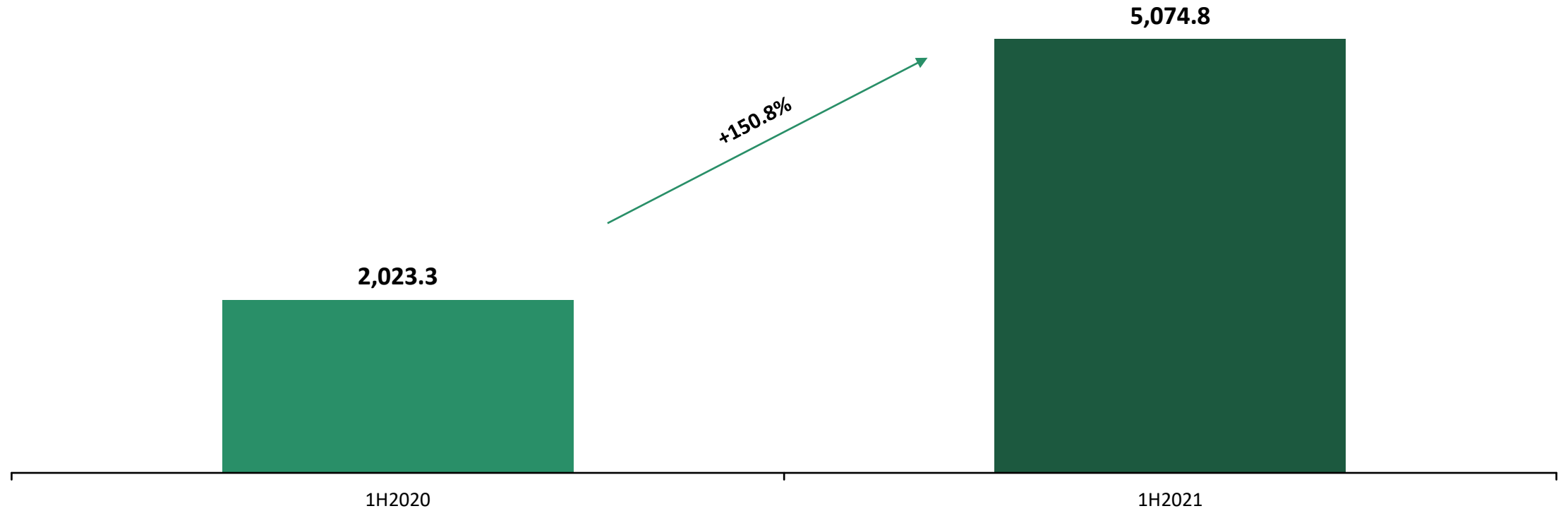


# Strong New Booking Recorded during 1H2021

## New Bookings

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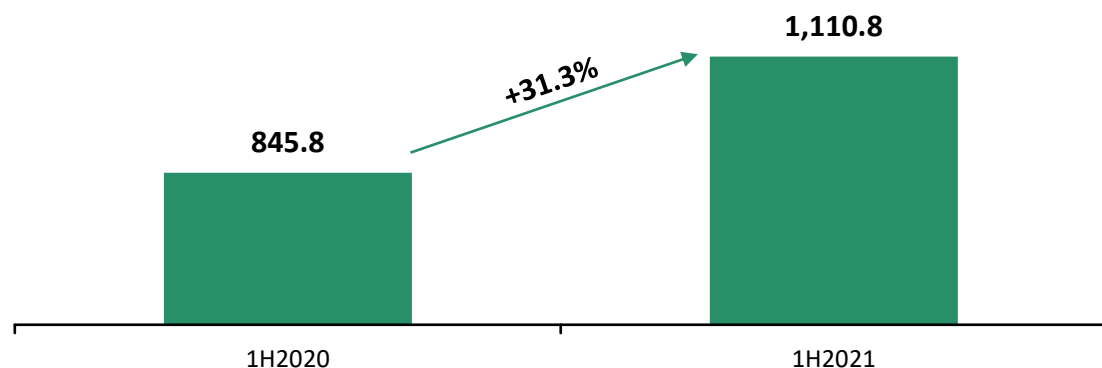
(RMB mm)



# Revenue Breakdown by PRC and Overseas Markets

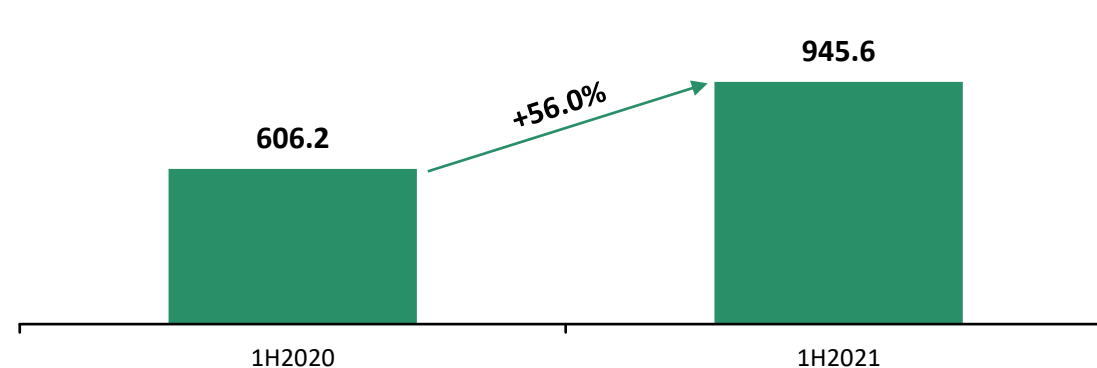
## PRC Revenue

(RMB mm)

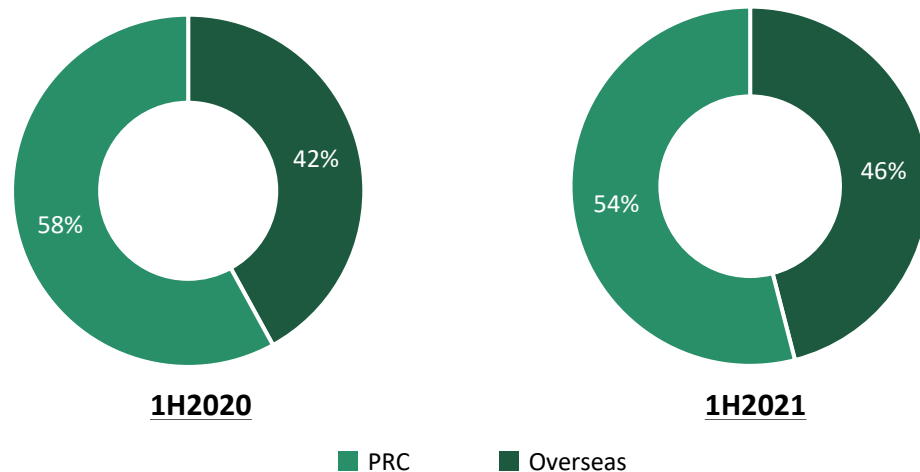


## Overseas Revenue

(RMB mm)



## Revenue Breakdown by Region

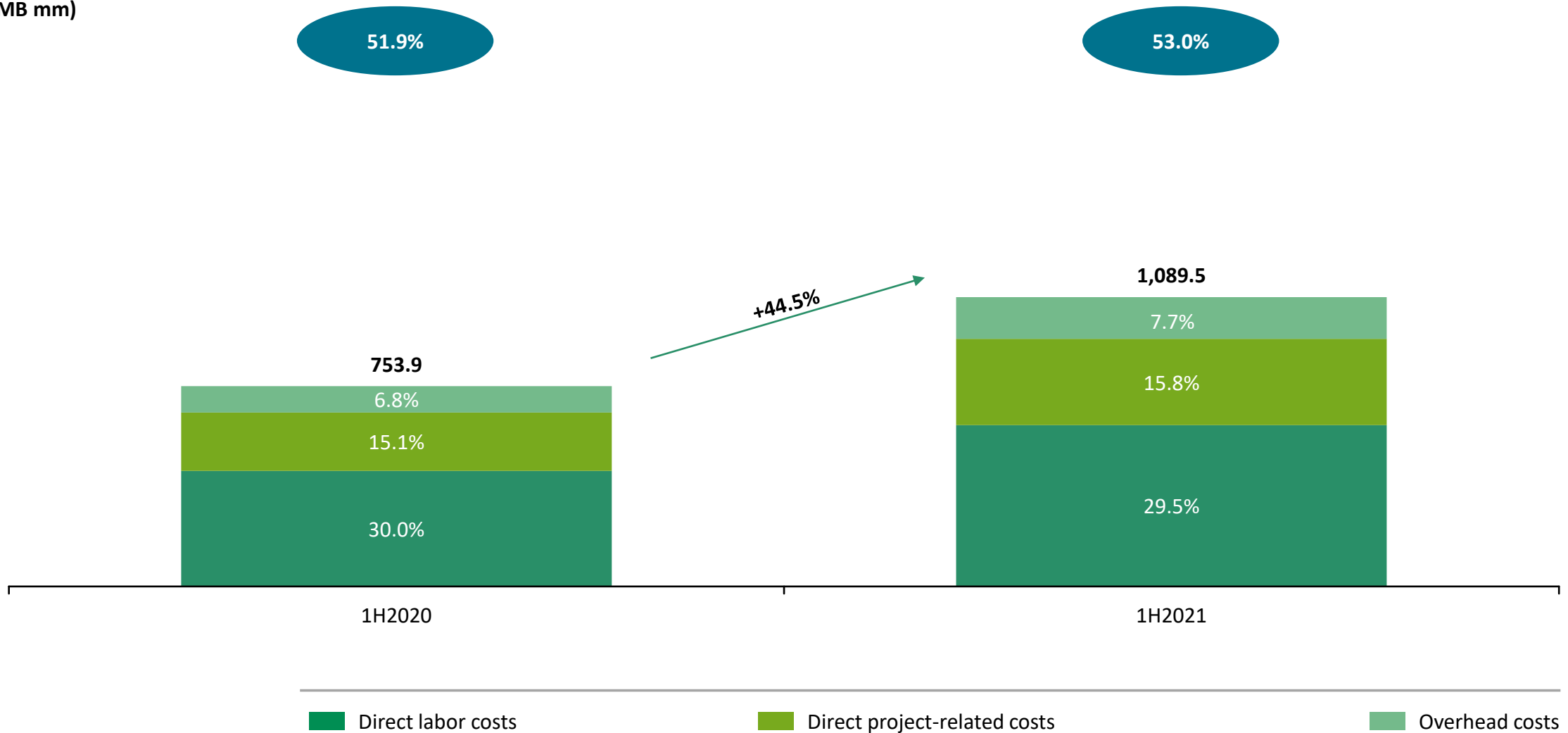


- PRC revenue continued its steady growth during 1H2021. Business negatively impacted by the pandemic, including site management and laboratory services, posted stronger YoY growth.
- Overseas business showed strong recovery and overseas revenue posted strong YoY growth. Increased demand of overseas clinical trials and MRCTs from our customers also contributed to the growth of our overseas revenue.
- RMB appreciated significantly against USD since 1H2020, which had some negative impact on the growth of our overseas revenue that were mostly generated from USD denominated projects.

# Cost of Services

## Cost of Services Breakdown by Nature and as % of Revenue

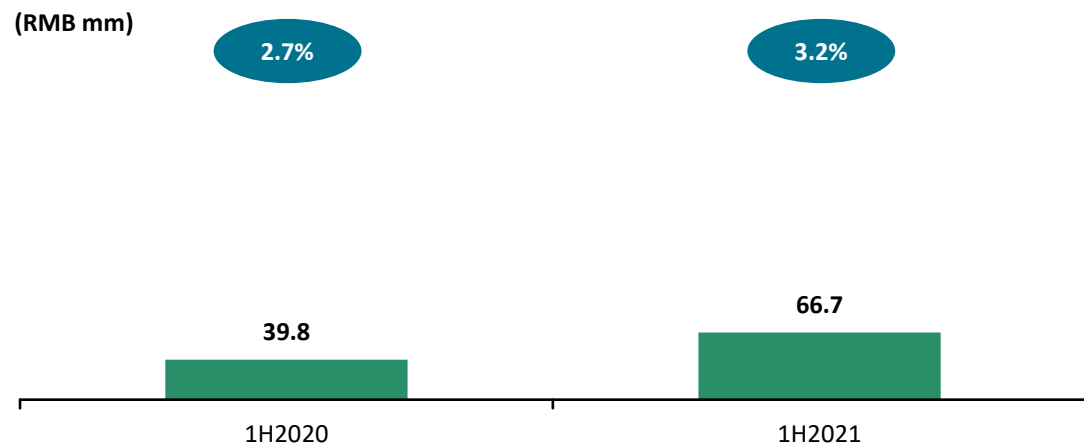
(RMB mm)



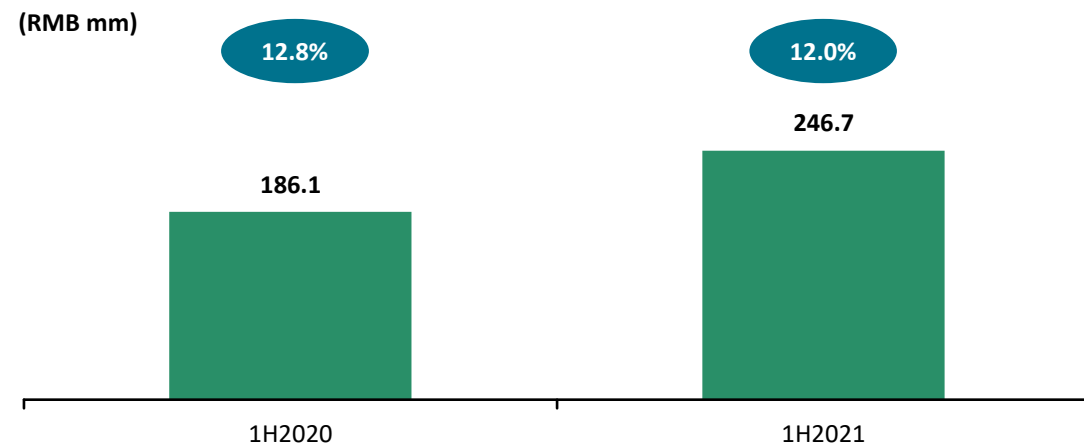


# Operating Expenses

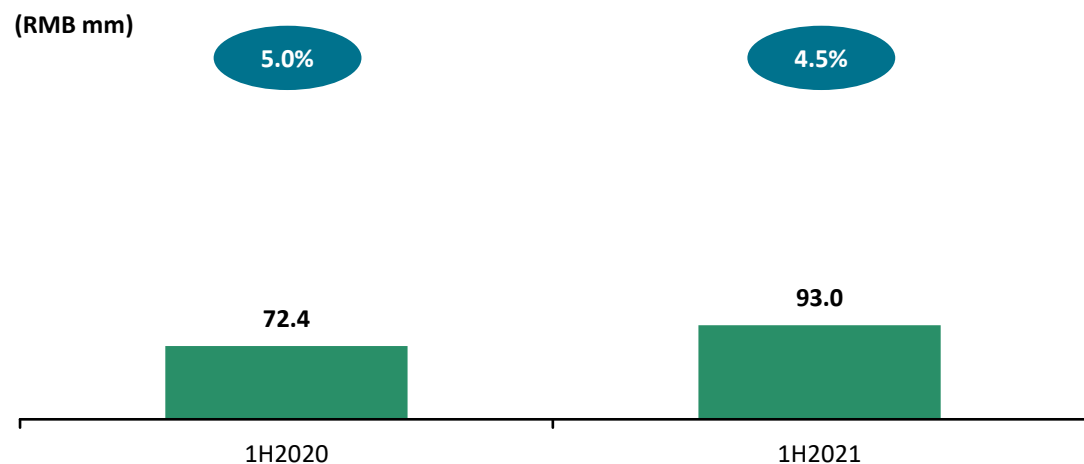
## Selling and Marketing Expenses and as % of Revenue



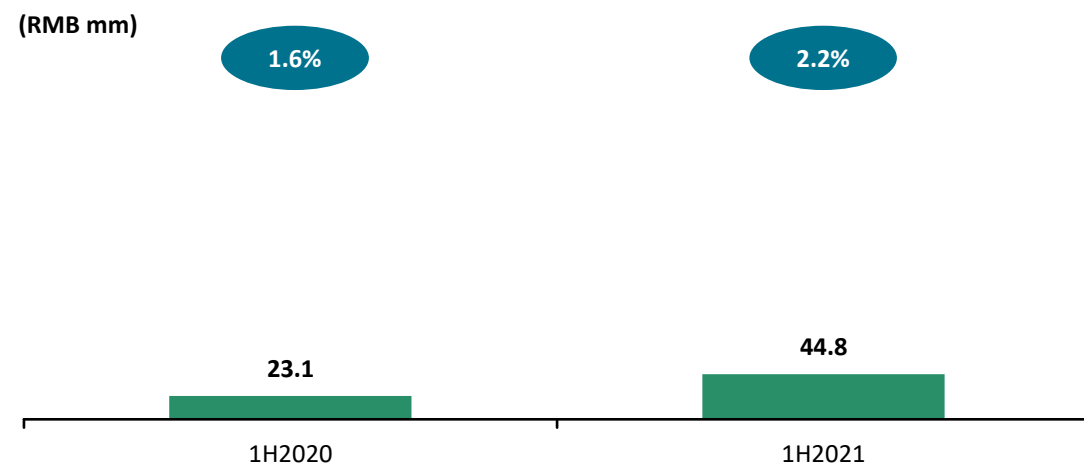
## Administrative Expenses and as % of Revenue



## R&D Expenses and as % of Revenue



## Share-based Compensation and as % of Revenue



# Business Update

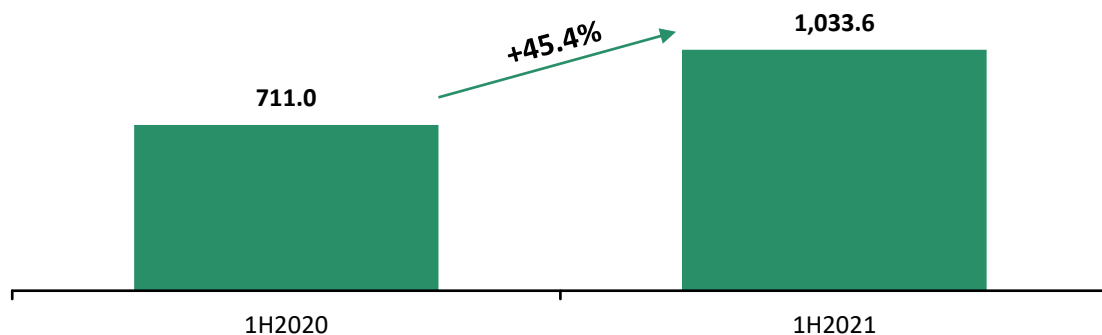
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# Clinical Trial Solutions (“CTS”)

## Revenue

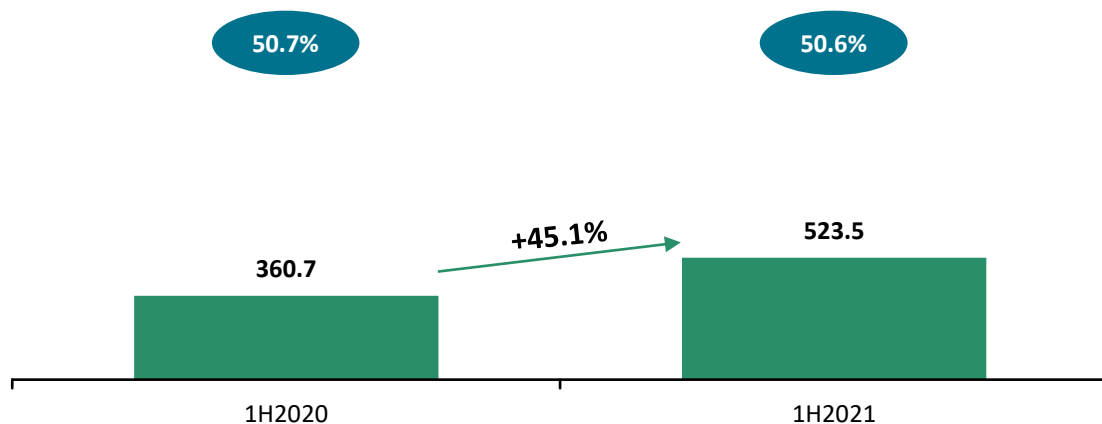
(RMB mm)



- The increase of CTS revenue was primarily contributed by the increased revenue from our clinical trial operation services.
- The growth of our clinical trial operation business accelerated during 1H2021 as we received continuing demands from our customers for clinical trials in China and the increased demands for overseas clinical trials and MRCTs including clinical trials for potential COVID-19 vaccines and therapies.
- Other services including medical registration, medical translation, and pharmacovigilance services also posted strong YoY growth.

## Gross Profit and Margin

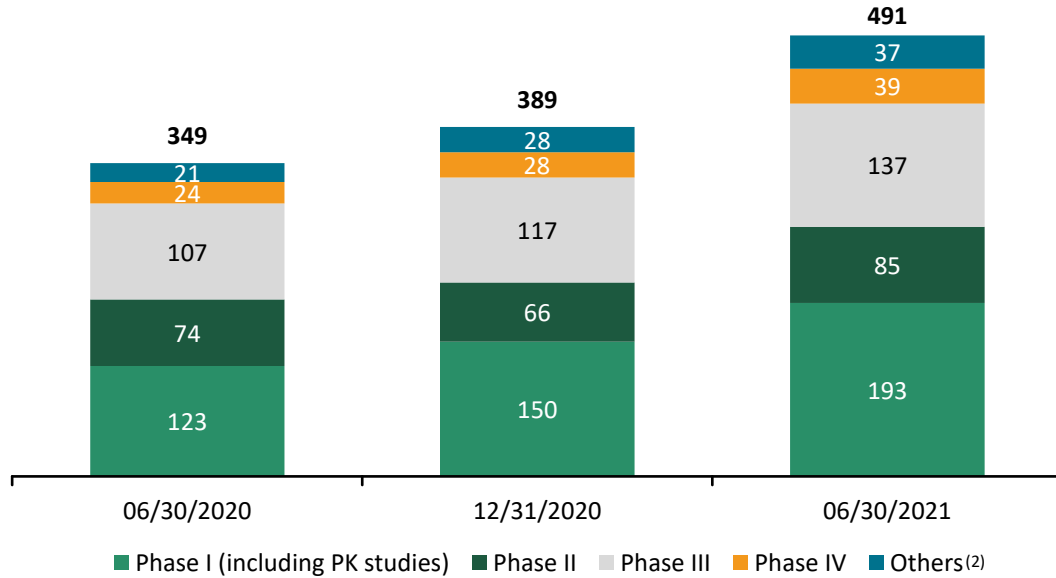
(RMB mm)



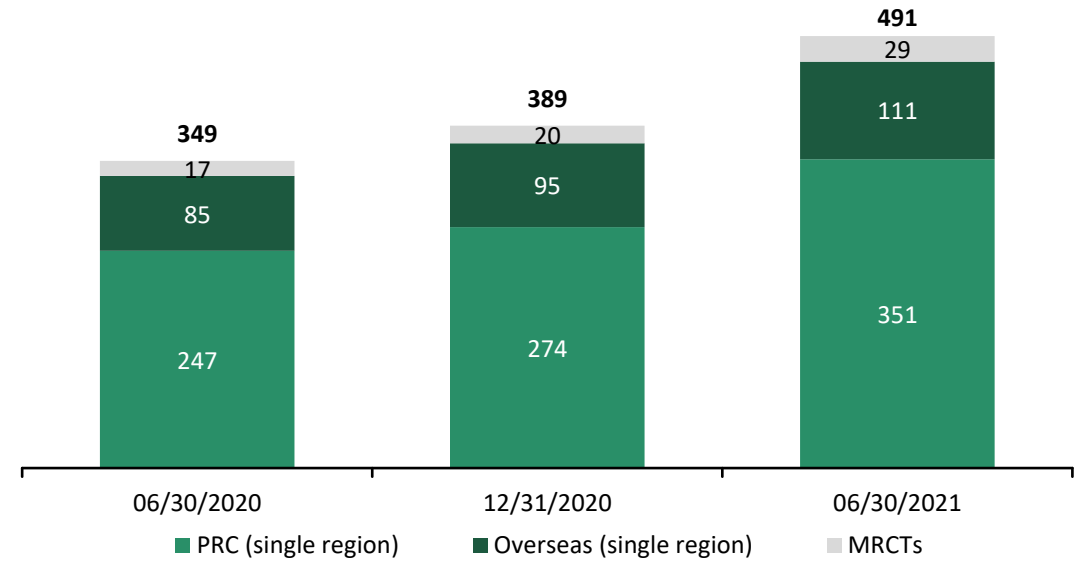
- The gross profit margin of our clinical trial operation business slightly decreased during 1H2021 as we worked on more MRCTs including certain COVID-19 related clinical trials that included a higher portion of pass-through fees than our usual clinical trial projects.
- The higher portion of pass-through fees is primarily in relation to certain subcontracting arrangements to third-party CROs in certain countries or regions where we do not operate locally.
- The impact of the slight decrease of gross profit margin of clinical trial operation business during 1H2021 was offset by the faster revenue growth realized from other CTS services with higher gross profit margins compared to our clinical trial operation services, particularly our medical translation and medical registration services.

# CTS Key Business Updates

## Number of Ongoing Drug Clinical Research Projects by Phase<sup>(1)</sup>



## Number of Ongoing Drug Clinical Research Projects by Region<sup>(1)</sup>



### Medical Devices Clinical Research

- ✓ Completed **47** medical device clinical research projects during 1H2021
- ✓ **219** ongoing projects as of June 30, 2021
- ✓ Initiated multiple real-world studies in Bo'ao, Hainan
- ✓ Launched regulatory consulting services to medical device companies with **30+** projects completed during 1H2021
- ✓ Medical device testing lab started to offer biological evaluation services to Class III devices and expanded testing capability into ophthalmology devices

### Bioequivalence Studies

- ✓ Completed **32** projects during 1H2021
- ✓ **132** ongoing projects as of June 30, 2021

### Other Services

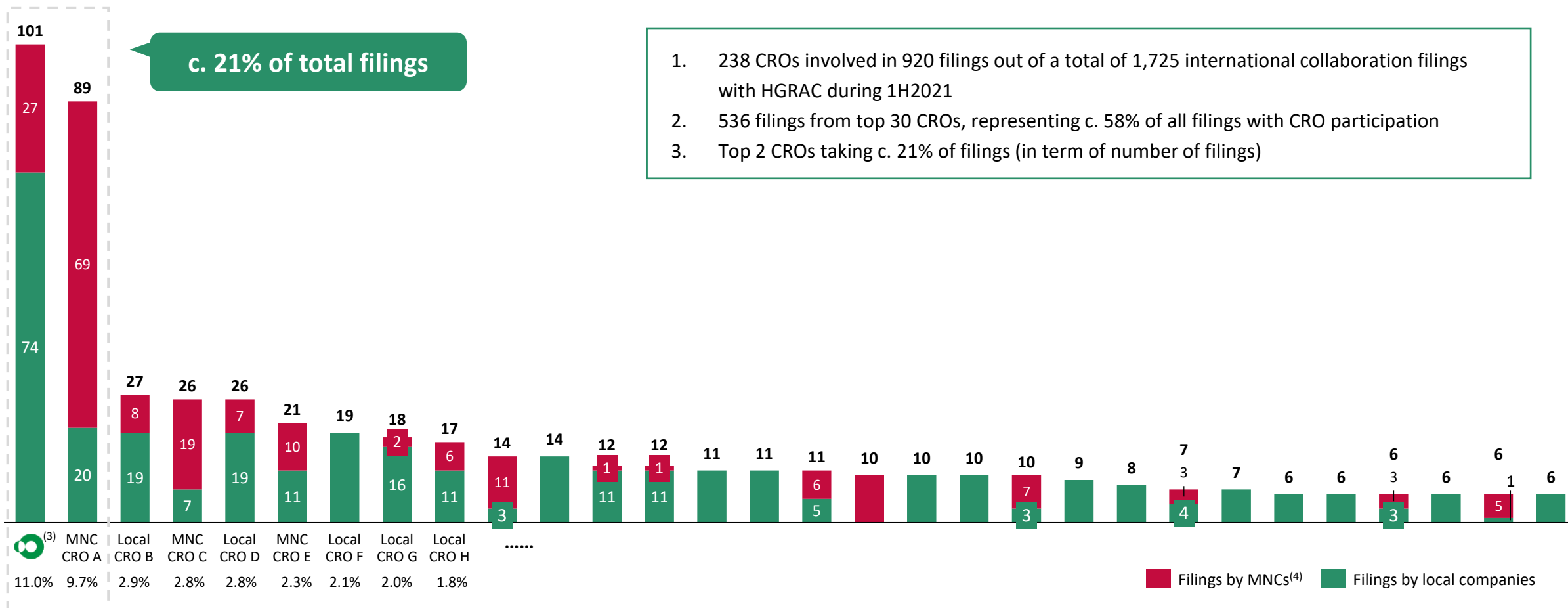
- ✓ Launched in-house Risk-Based Quality Management ("RBQM") system
- ✓ In-house Clinical Trial Management System ("CTMS") reached the milestone of running its 2,000<sup>th</sup> clinical trial
- ✓ Continuing strong customer demands for registration services during 1H2021. Number of new FDA IND projects acquired during 1H2021 more than doubled compared with 2020 full year
- ✓ Medical translation business unit passed ISO27001 in 1H2021

(1) As of year/period end

(2) Others primarily consist of investigator-initiated studies and real world studies

# Leadership Position in China Clinical CRO Market Strengthened

## Top 30 CROs with most international collaboration filings<sup>(1)</sup> with HGRAC<sup>(2)</sup> during 1H2021



1. 238 CROs involved in 920 filings out of a total of 1,725 international collaboration filings with HGRAC during 1H2021
2. 536 filings from top 30 CROs, representing c. 58% of all filings with CRO participation
3. Top 2 CROs taking c. 21% of filings (in term of number of filings)

Source: HGRAC website, might not be exhaustive

(1) Including both filings for approvals (审批) and filings for records (备案)

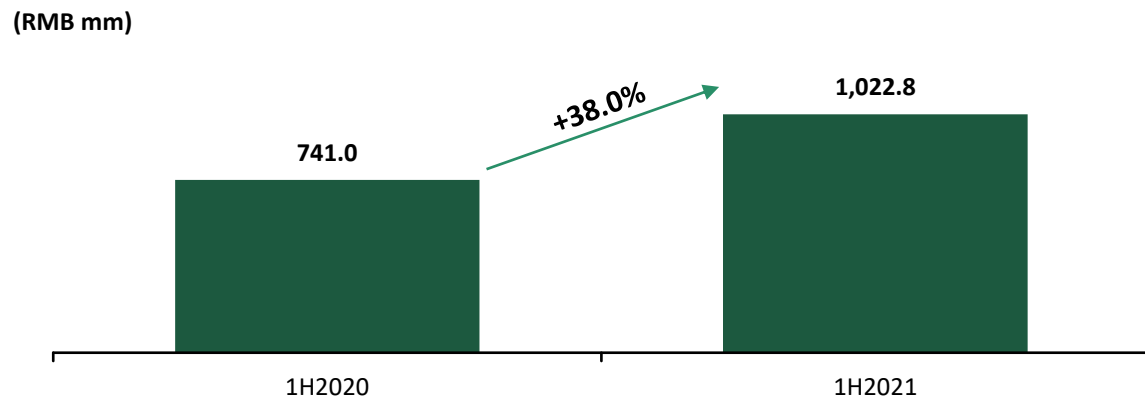
(2) Human Genetic Resource Administration of China

(3) Including controlled subsidiaries of Tigermed

(4) Multinational pharmaceutical companies

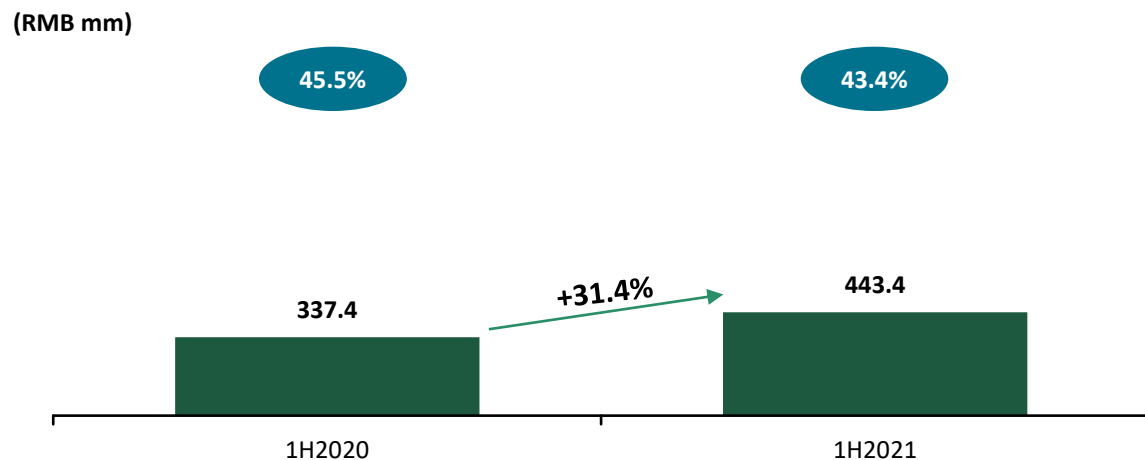
# Clinical-related and Lab Services (“CRLS”)

## Revenue



- Continuing increase in demand of CRLS services including laboratory services, site management and Data Management and Statistical Analysis (“DMSA”) services and the recovery from the pandemic on our CRLS business as compared with 1H2020 contributed to the YoY increase of our CRLS revenue.
- Recent appreciation of RMB against USD had certain negative impact to the YoY CRLS revenue growth during 1H2021 as the proportion of revenue generated from overseas, mostly from USD denominated projects, is meaningfully higher than that from China for our DMSA and laboratory services.
- Bolt-on acquisitions made by Frontage also contributed to the increase of CRLS revenue.

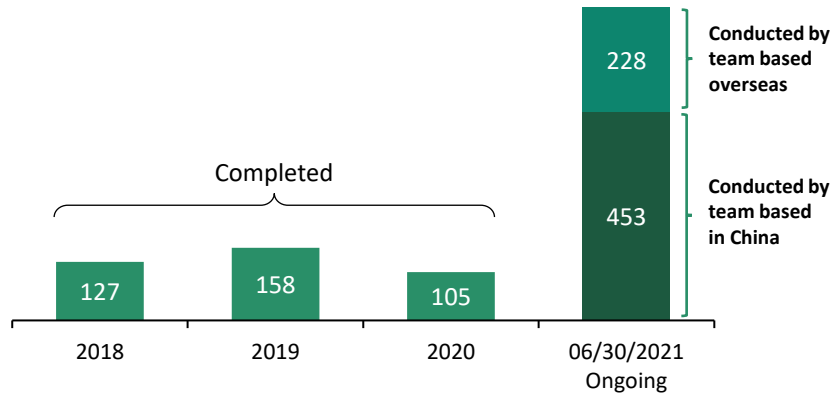
## Gross Profit and Margin



- The gross profit margin of our DMSA services during 1H2021 decreased because of the mismatch of our overseas DMSA revenue that was lowered by recent RMB appreciation, and the cost associated with overseas DMSA revenue that was predominantly RMB denominated.
- The gross profit margin of our laboratory services recovered during 1H2021 as the utilization rate of our lab facilities increased meaningfully YoY during the Reporting Period.
- The profitability of our site management and patient recruitment services did not reach the pre-pandemic level during 1H2021 as the utilization level (e.g., average hospital visit per Clinical Research Coordinator) still recovering.

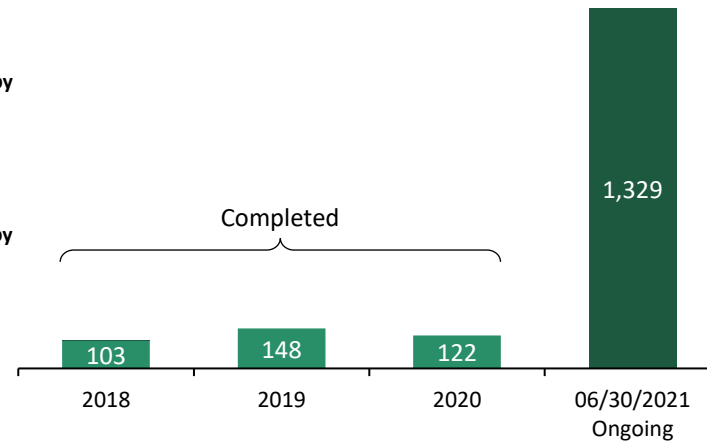
# CRLS Key Business Updates

## Data Management and Statistical Analysis



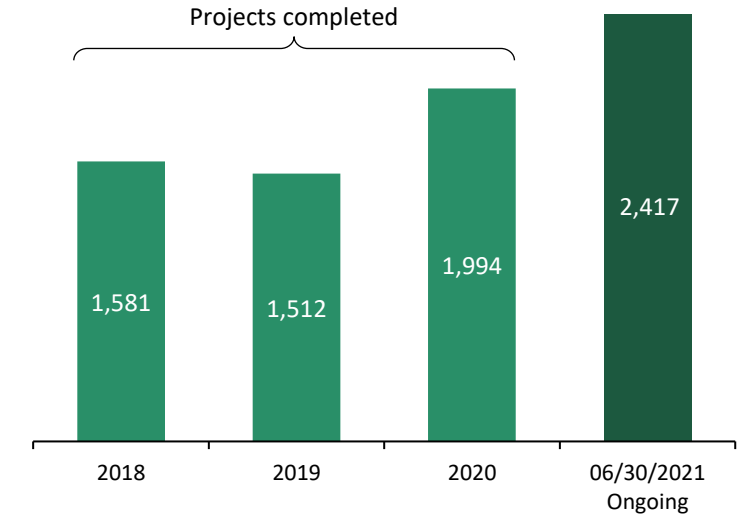
- Ongoing projects increased from 665 as of 31 December 2020 to 681 as of 30 June 2021
- Continued to acquire both domestic and global customers during 1H2021; total number of customers reached 150+ compared with 116 as of 31 December 2020
- Supported the successful approval of a global first-in-class drug by providing full suite of DMSA services during the pivotal clinical trial and ISS/ISE process with collaborations across teams based in China and US
- DMSA team reached 790 people as of 30 June 2021
- Continuing efforts to improve efficiency and level of automation

## Site Management



- Ongoing projects increased from 1,180 as of 31 December 2020 to 1,329 as of 30 June 2021
- Total number of completed site management projects amounted to 759 as of 30 June 2021
- Full time employees in site management business unit reached over 2,600 as of 30 June 2021
- Call center handled a total of over 240,000 calls and over 114,000 follow-ups as of 30 June 2021 and started to offer infectious disease assistance services (e.g., Hepatitis B control program)

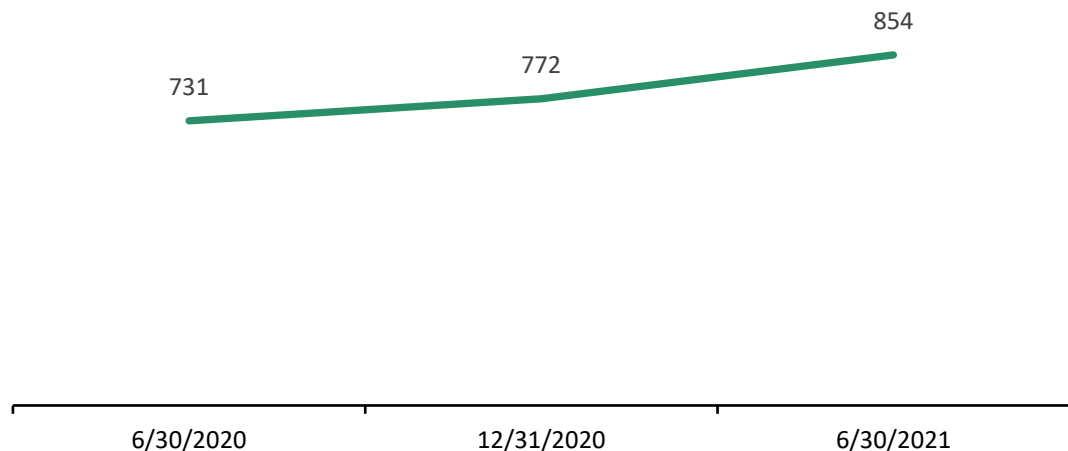
## Laboratory Services



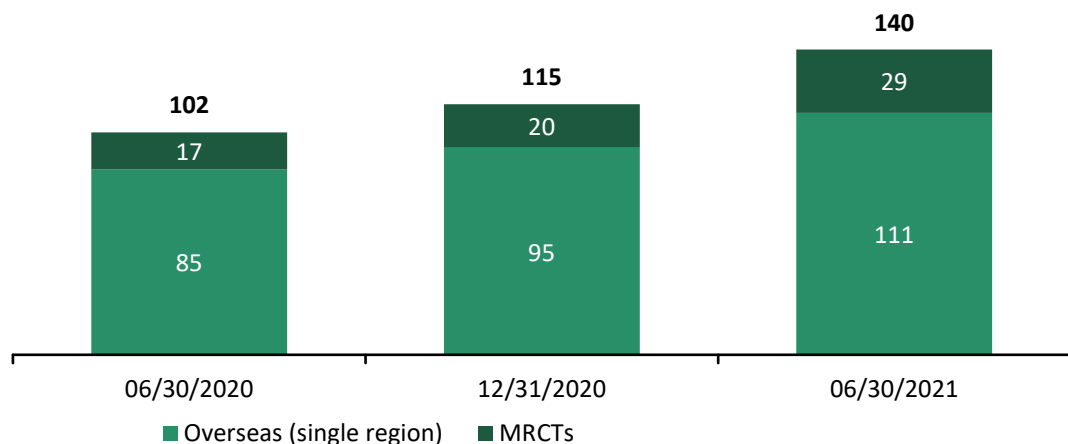
- Acquired Florida-based Ocean Ridge Biosciences to expand Frontage's genomics service capacity and capability in April 2021
- Announced to acquire San Francisco-based Quintara Discovery, Inc. in June 2021 to expand Frontage's capacity and capability in drug discovery space, and increase Frontage's client base, service capacity and business development presence on the west coast of the US
- Added >6,200 sq.m lab space in Zhangjiang, Shanghai for additional capacity in large molecule bioanalytical and central lab services

# Overseas Business Updates

## Number of Overseas Employees<sup>(1)</sup>



## Number of Ongoing Overseas Drug Clinical Research<sup>(1)</sup>



- 111 ongoing single region overseas clinical trials as of 30 June 2021, primarily in South Korea, Australia and the US
- 29 ongoing MRCTs as of 30 June 2021 covering countries across North America, Asia Pacific, Europe and LatAm with various therapeutical areas including oncology, vaccine, cardiovascular, and rare diseases etc.
- Acquired over RMB800 million new MRCT bookings during 1H2021; bidding successful rate reached over 30%<sup>(2)</sup>
- US team able to provide full services for US trials and MRCTs
  - Working with more than 20 leading oncology sites in the US as of 30 June 2021
  - Expanded capacity and added capability in certain key peripheral services including FDA-related regulatory affair consulting services
- Global project management team size reached 43 as of 30 June 2021 from 31 as of 31 December 2020, carrying profound experiences in cross-functional collaborations and supporting and managing overseas clinical trial and MRCT projects in a global setting
- Continued to roll out standardized global SOPs and integrate global resources

(1) As of year/period end

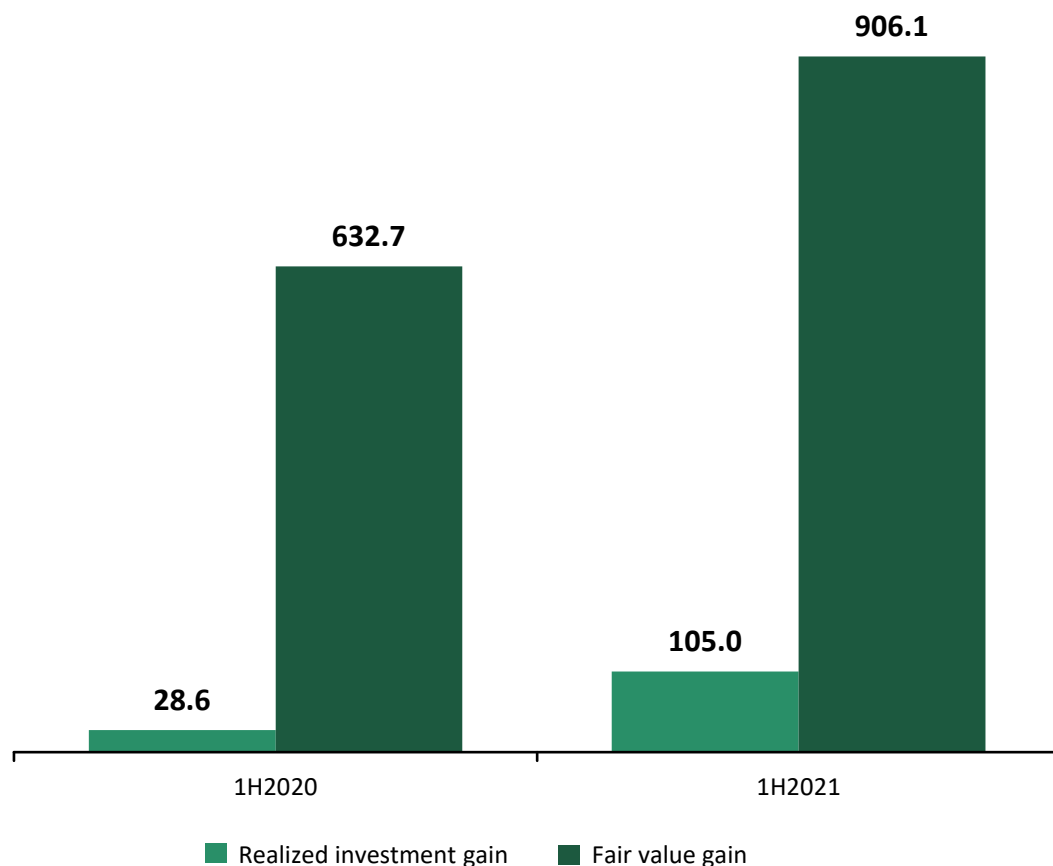
(2) Bidding successful rate = (number of contracted MRCT contracts + number of confirmed MRCT contracts to be contracted)/number of total MRCT biddings during 1H2021



# Updates of Investment Activities

## Realized Investment Gain and Fair Value Gain<sup>(1)</sup>

(RMB mm)



- Portfolio included **107** companies in the healthcare industry and **53** investment funds as of June 30, 2021

- **RMB 7,086.4mm** balance as of 30 June 2021
- Invested **RMB 781.2mm** in unlisted equities and debts; and **RMB 385.7mm** in investment funds during 1H2021
- Received **RMB 802.1mm** cash from investment exits

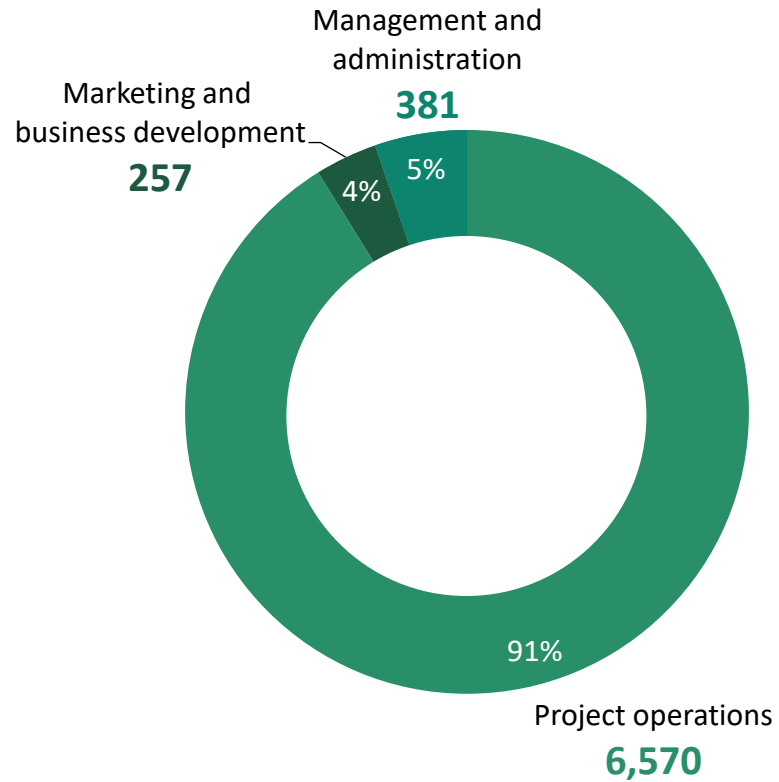
- During 1H2021, we realized a gain of **RMB272.2** million from exiting our portfolio companies and funds, as measured by the exit amount against our initial investment cost, up from **RMB57.0** million during 1H2020

<sup>(1)</sup> Realized Investment gain indicates gain on disposal of financial assets at fair value through profit or loss ("FVTPL"); fair value gain indicates change in fair value of financial assets at FVTPL

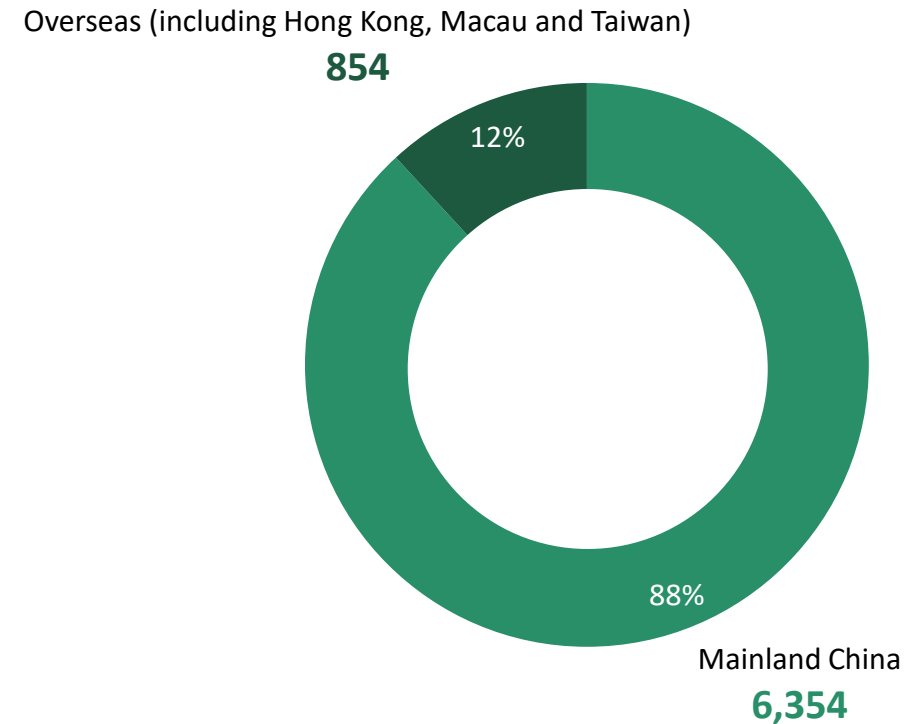
# Employee Base

Total employees increased 19.5% to 7,208 as of June 30, 2021 from 6,032 as of December 31, 2020

### Employees Mix by Function as of June 30, 2021



### Employees Mix by Geography as of June 30, 2021



# Appendix

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# Consolidated Statement of Profit or Loss

(RMB 000s)	Six months ended June 30,	
	2020	2021
<b>Revenue</b>	<b>1,451,994</b>	<b>2,056,375</b>
<b>Cost of services</b>	<b>(753,880)</b>	<b>(1,089,456)</b>
<b>Gross profit</b>	<b>698,114</b>	<b>966,919</b>
Other income	31,878	147,419
Other gains and losses, net	752,247	1,007,221
Impairment losses	(5,811)	(10,252)
Selling and marketing expenses	(39,759)	(66,656)
Listing expenses	(590)	-
Administrative expenses	(186,087)	(246,682)
Research and development expenses	(72,409)	(93,034)
Share of losses of associates	(4,269)	723
Finance costs	(33,916)	(7,942)
<b>Profit before tax</b>	<b>1,139,398</b>	<b>1,697,716</b>
Income tax expense	(90,400)	(103,533)
<b>Profit for the year</b>	<b>1,048,998</b>	<b>1,594,183</b>
<b>Profit attributable to owners of the Company</b>	<b>1,011,877</b>	<b>1,259,914</b>
Adjusted for:		
Share-based compensation expense	21,048	33,369
Net foreign Exchange loss/(gain)	(3,415)	3,471
Amortization of intangible assets arising from acquisitions	2,300	4,344
Listing expenses incurred by our Group	2,053	-
Change in fair value of financial assets at FVTPL	(626,207)	(609,005)
<b>Adjusted net profit attributable to owners of the Company<sup>(1)</sup></b>	<b>407,656</b>	<b>692,093</b>

(1) Non-IFRS measure

# Consolidated Statement of Financial Position

<i>(RMB 000s)</i>	<b>As of December 31, 2020</b>	<b>As of June 30, 2021</b>
<b>NON-CURRENT ASSETS</b>	<b>7,862,049</b>	<b>9,763,927</b>
Property, plant and equipment	400,455	531,976
Intangible assets	124,782	114,195
Goodwill	1,444,519	1,463,189
Right-of-use assets	332,615	382,906
Interests in associates	60,270	63,399
Deferred tax assets	79,507	142,777
Financial assets at fair value through profit or loss (“FVTPL”)	5,292,302	6,980,996
Financial assets at fair value through other comprehensive income (“FVTOCI”)	15,158	14,445
Restricted bank deposits	1,957	1,938
Other non-current assets	110,484	68,106
<b>CURRENT ASSETS</b>	<b>11,644,010</b>	<b>11,456,980</b>
Inventories	4,721	5,525
Trade, bills and other receivables and prepayments	638,680	694,013
Contract assets	824,714	1,080,180
Structured deposits and derivative financial instruments	26,000	91,000
Note receivables	944	681
Prepaid income tax	27,017	28,558
Restricted bank deposits	52	1,052
Time deposit with original maturity over three months	161,919	154,305
Cash and cash equivalents	9,959,963	9,401,666

# Consolidated Statement of Financial Position (Cont'd)

<i>(RMB 000s)</i>	<b>As of December 31, 2020</b>	<b>As of June 30, 2021</b>
<b>CURRENT LIABILITIES</b>	<b>1,139,337</b>	<b>1,450,722</b>
Trade and other payables	529,546	670,379
Contract liabilities	484,643	626,930
Income tax payables	72,858	92,307
Lease liabilities	52,290	61,106
<b>NON-CURRENT LIABILITIES</b>	<b>508,245</b>	<b>523,220</b>
Lease liabilities	279,021	323,885
Other long-term liabilities	97,494	41,572
Deferred tax liabilities	131,730	157,763
<b>NET ASSETS</b>	<b>17,858,477</b>	<b>19,246,965</b>
<b>TOTAL EQUITY</b>	<b>17,858,477</b>	<b>19,246,965</b>
Share capital	872,484	872,467
Treasury shares	(157,912)	(80,220)
Reserves	15,439,252	16,287,723
<b>Equity attributable to owners of the Company</b>	<b>16,153,824</b>	<b>17,079,970</b>
Non-controlling interests	1,704,653	2,166,995



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