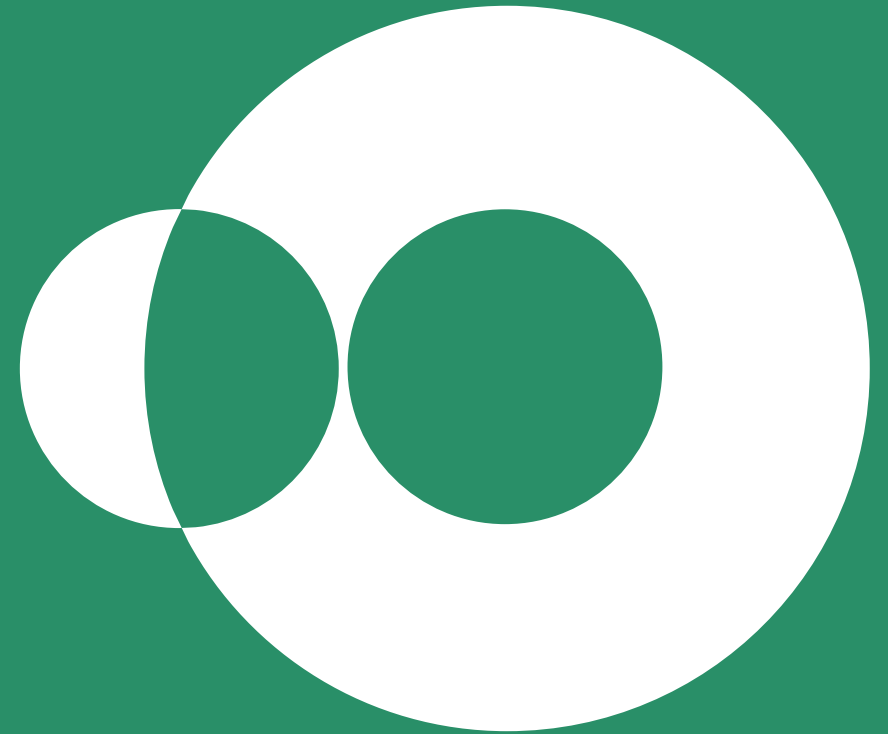


**Hangzhou Tigermed Consulting Co., Ltd.**

**300347.SZ / 3347.HK**

# **2020 Annual Results**

**March 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 2020 annual 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”) except for those specifically noted otherwise.**

**By reading these materials, you agree to be bound by the following limitations:**

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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.

## 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 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.

# 2020 Annual Results

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## Financial Highlights

**RMB 3,192.3mm** Revenue  
*13.9% YoY Growth*

**47.1%** Gross Margin in 2020  
vs **46.1%** in 2019

**RMB 987.2mm** Adjusted Net Profit  
Attributable to Owners of the Company<sup>(1)</sup>  
*36.9% YoY Growth*

**RMB 892.4mm** Net Operating Cash Flow  
*66.0% YoY Growth*



## Ongoing Project Status<sup>(2)</sup>

**389** Drug Clinical Trials

**115** Overseas Clinical Trials including **20** MRCTs<sup>(3)</sup>

Extensive Engagement in  
**COVID-19 Related Clinical Trials**

**1,180** Site Management Projects

**665** DMSA<sup>(4)</sup> Projects

**2,029** Laboratory Services Projects



## Business Highlights

**RMB 7,260.3mm** Backlog<sup>(2)</sup>  
*44.9% YoY Growth*

**RMB 5,536.5mm** New Bookings  
*30.9% YoY Growth*

**2,185** Customers Served

**287** New Customers Added



## Corporate Updates

**6,032** Total Employees Globally<sup>(2)</sup>

**772** Employees Overseas<sup>(2)</sup>

Continuing work on **ESG** profile

Subsidiary DreamCIS Korean IPO in **May 2020**

Hong Kong H Share IPO in **August 2020**

Headquarter Relocation and Expansion  
in Hangzhou in **August 2020**

(1) Non-IFRS measure

(2) As of December 31, 2020

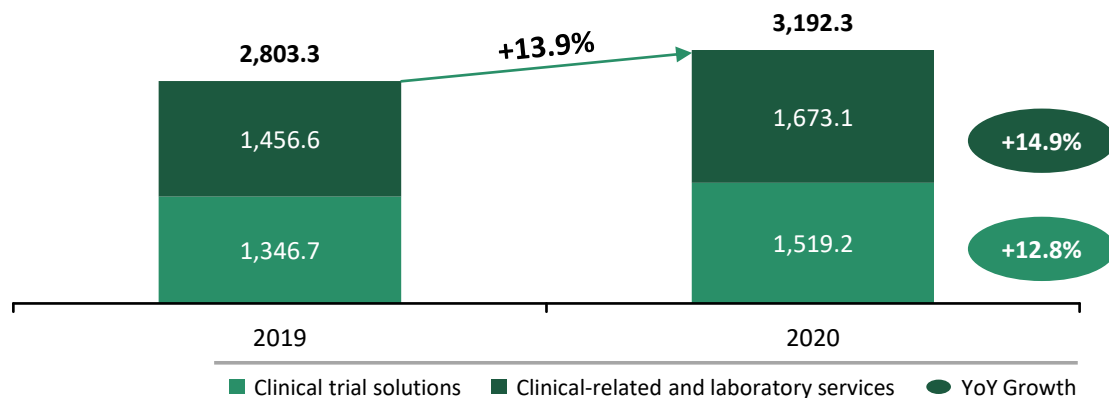
(3) Multi-regional Clinical Trials

(4) Data Management and Statistical Analysis

# Key Financials Update

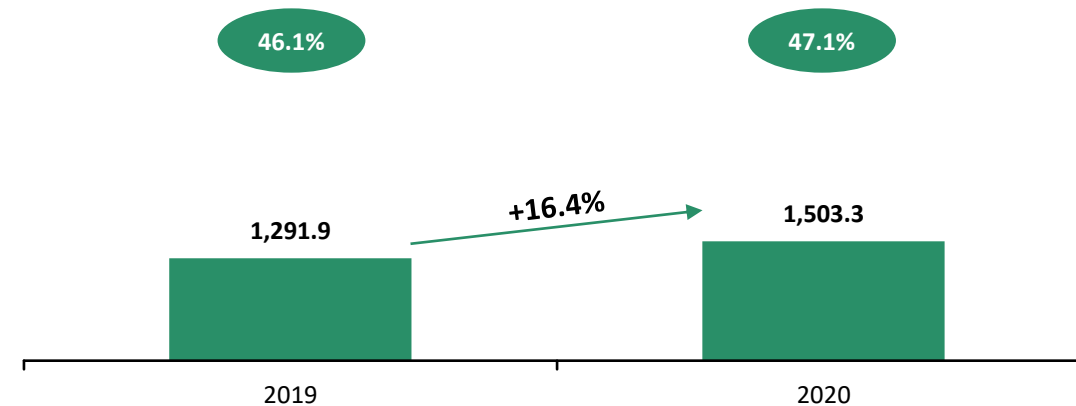
## Revenue

(RMB mm)



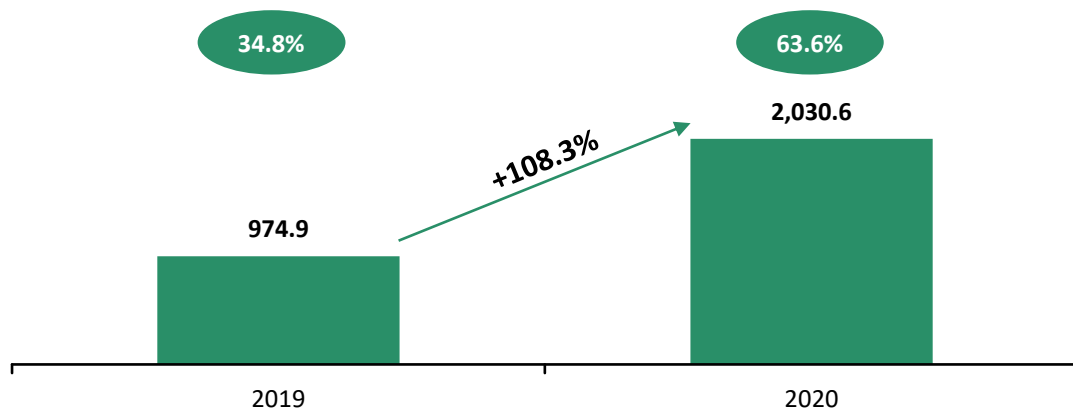
## Gross Profit and Margin

(RMB mm)



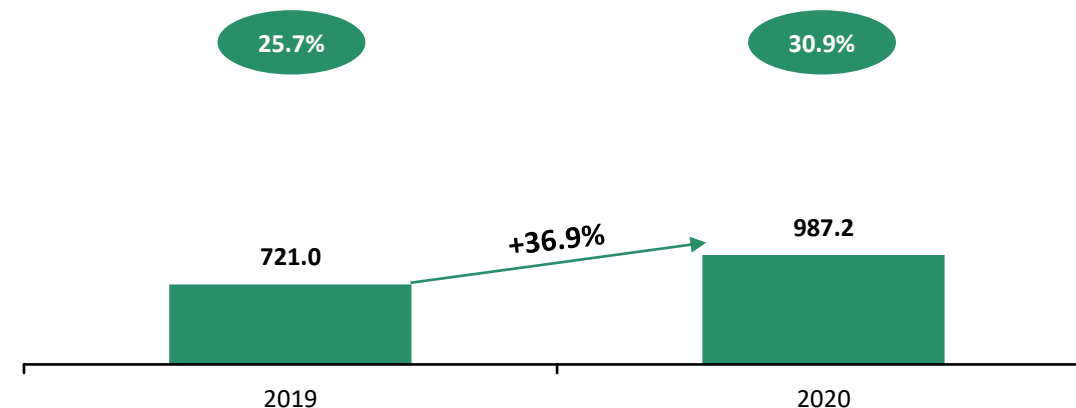
## Net Profit and Margin

(RMB mm)



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

(RMB mm)

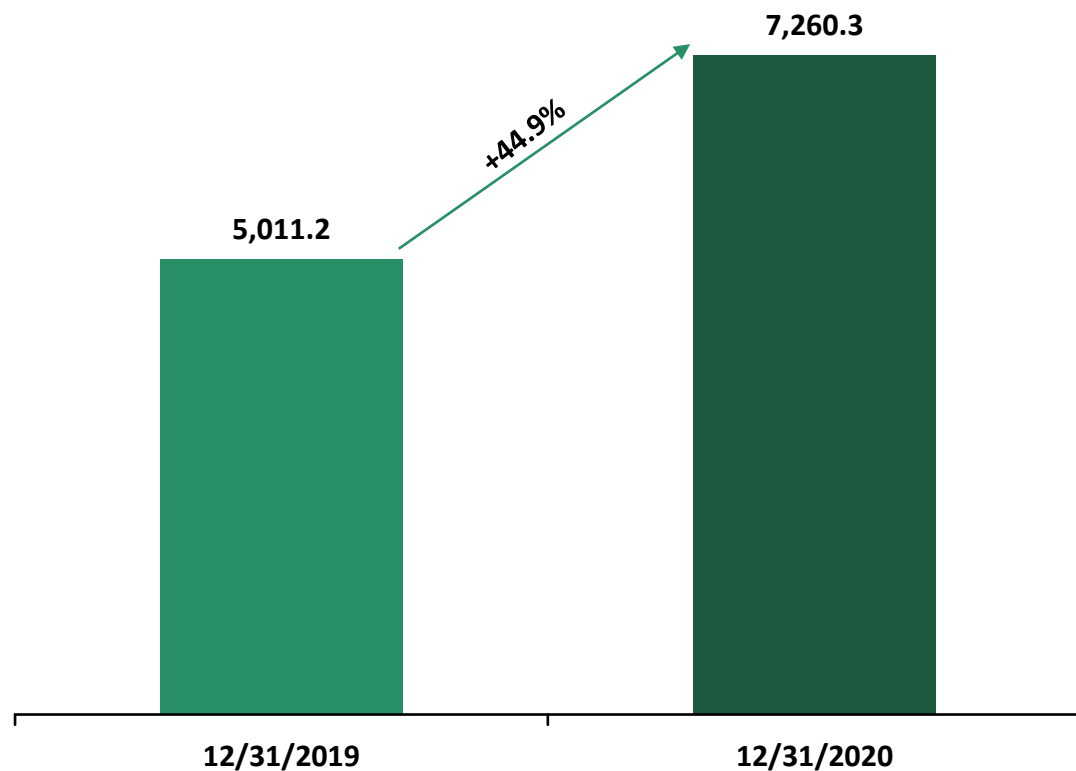


(1) Non-IFRS measure. Adjusted for (i) share-based compensation expense, (ii) net foreign exchange loss/(gain), (iii) amortization of intangible assets arising from acquisitions, (iv) listing expenses incurred by our Group, and (v) increase in fair value of financial assets at FVTPL

# Backlog and New Bookings

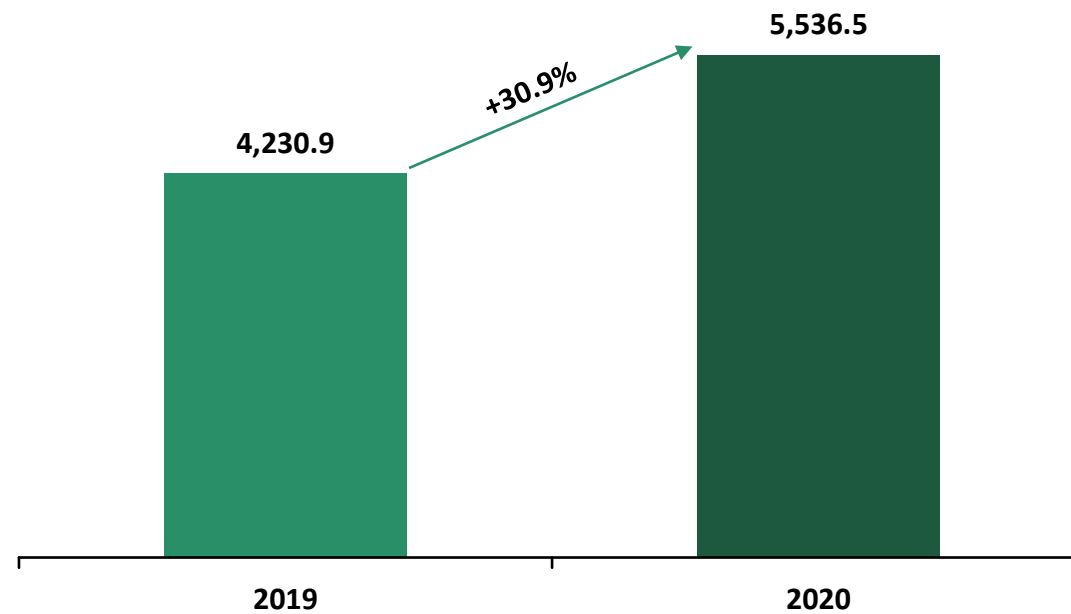
## Backlog as of Year End

(RMB mm)



## New Bookings

(RMB mm)

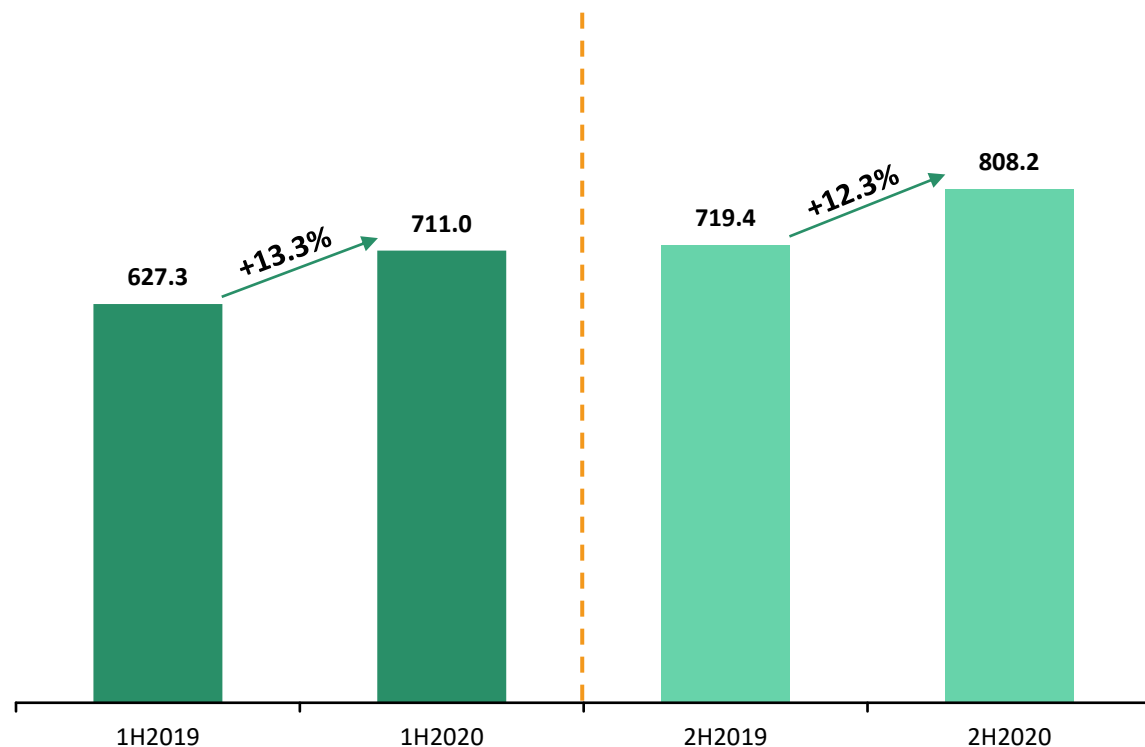


# 1H and 2H2020 Revenue by Segment

Total revenue increased 18.0% YoY during 2H2020 vs 9.3% YoY during 1H2020

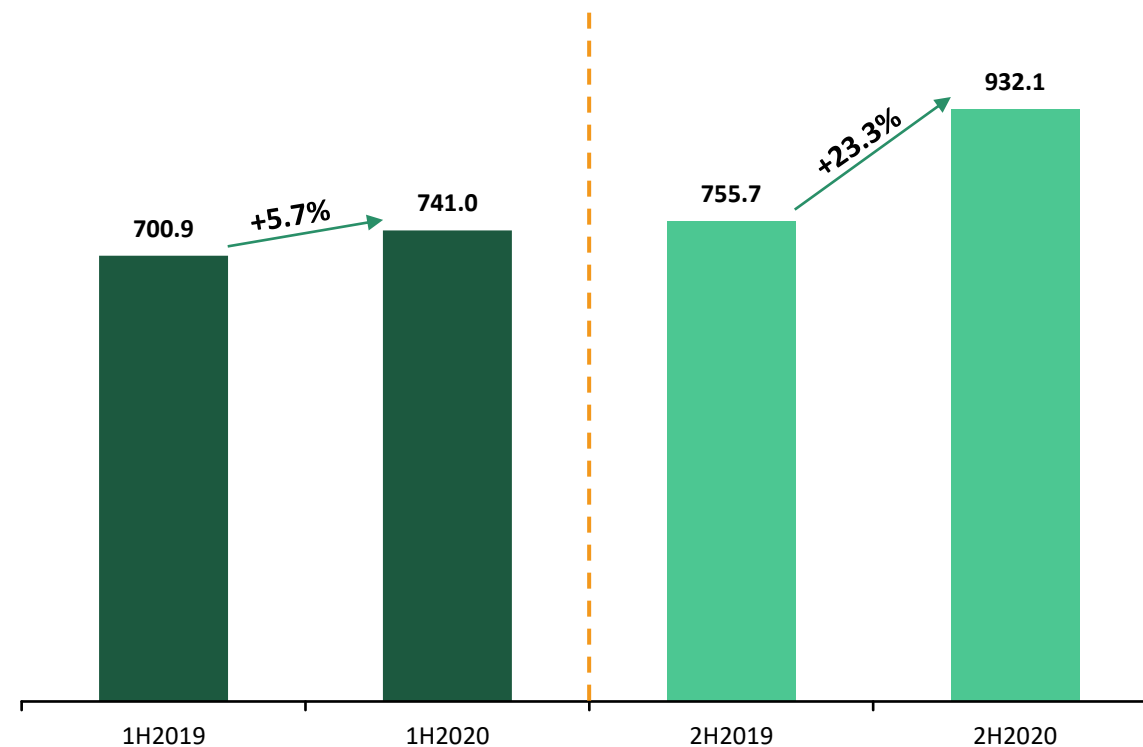
## Clinical Trial Solutions Revenue

(RMB mm)



## Clinical-related and Laboratory Services Revenue

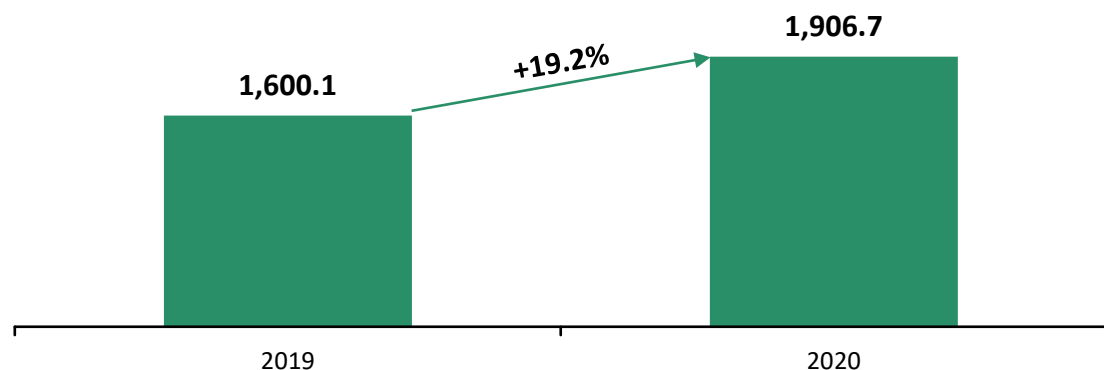
(RMB mm)



# Revenue Breakdown by PRC and Overseas Markets

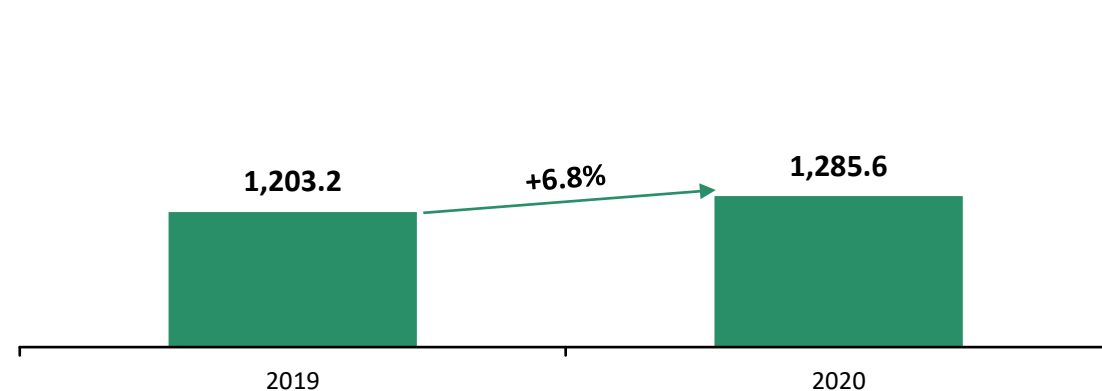
## PRC Revenue

(RMB mm)

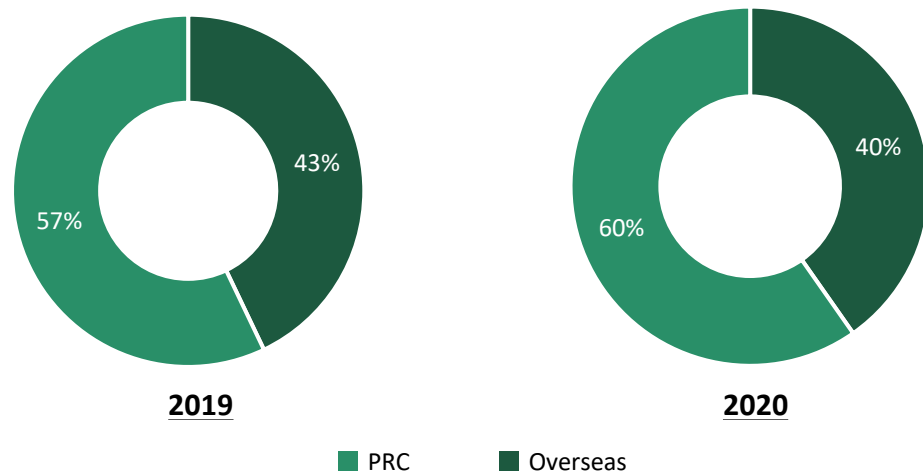


## Overseas Revenue

(RMB mm)



## Revenue Breakdown by Region



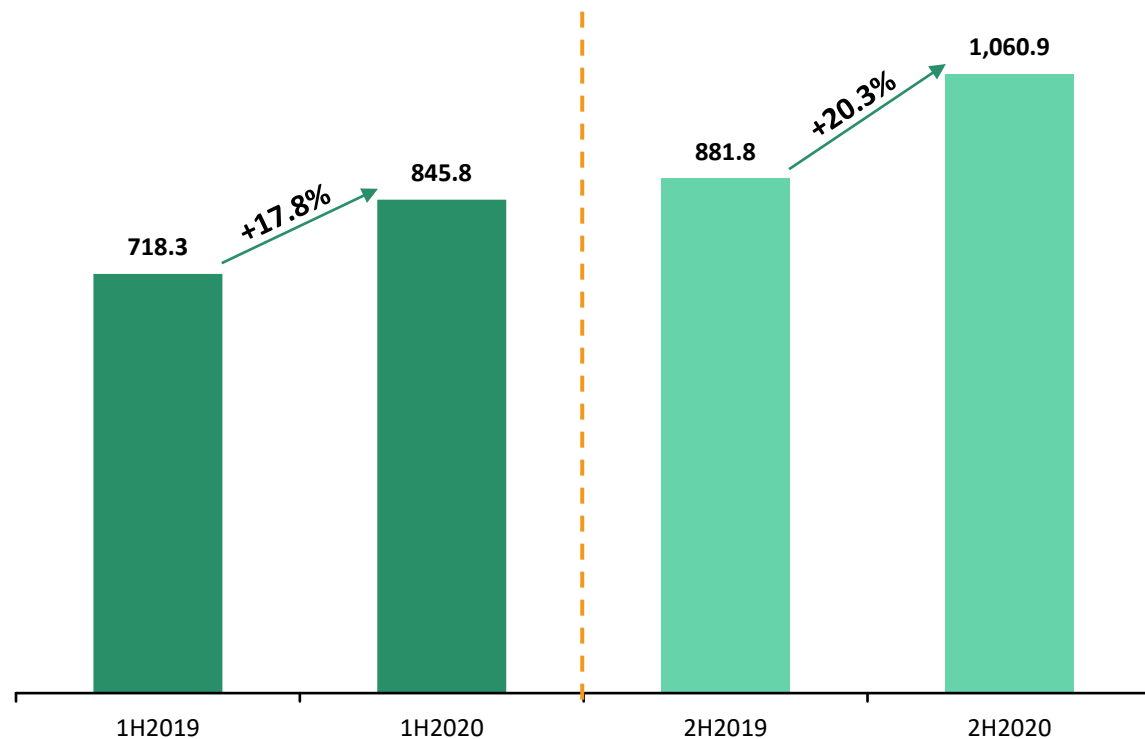
- PRC revenue growth further recovered during 2H2020 benefitting from the effective control of the COVID-19 pandemic in China.
- Overseas revenue up 6.8% YoY, primarily due to the 14.5% YoY growth during 2H2020 (vs -0.6% YoY during 1H2020), as our team worked on more projects and recovered some progress delayed by the pandemic when the COVID-19 situation overseas started to improve since the beginning of 3Q2020.
- RMB appreciated significantly against USD in 2020, which had some negative impact to the growth of our overseas revenue that were mostly generated from projects denominated in USD.



# 1H and 2H2020 Revenue By Region

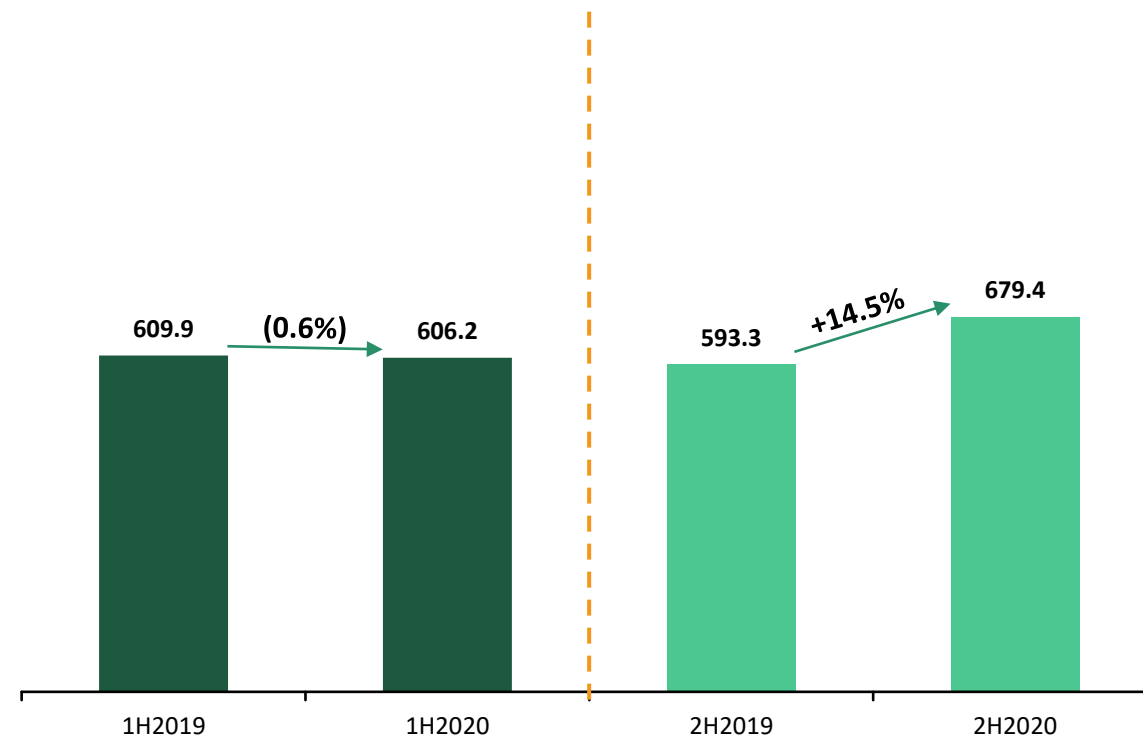
## China Revenue

(RMB mm)



## Overseas Revenue

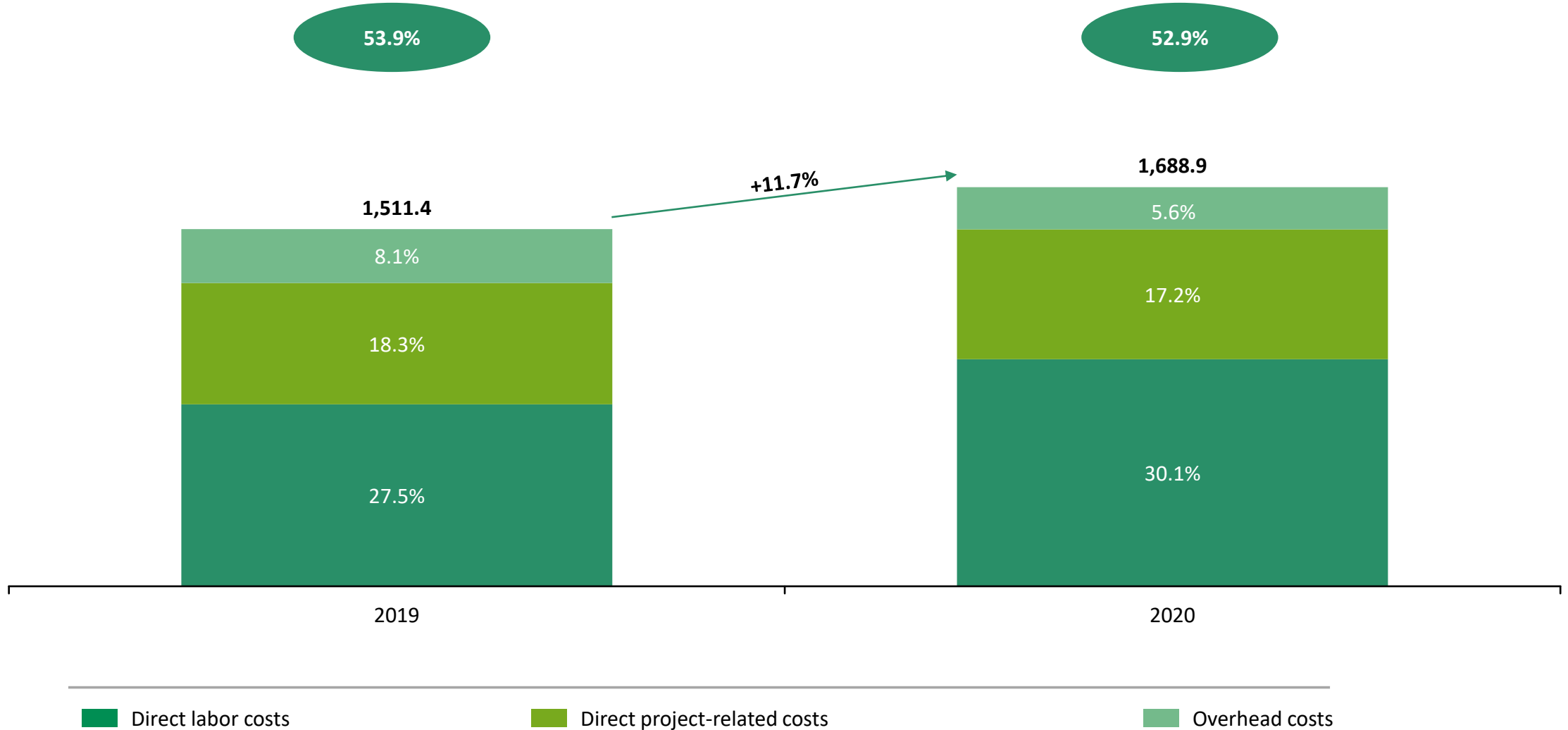
(RMB mm)



# Cost of Services

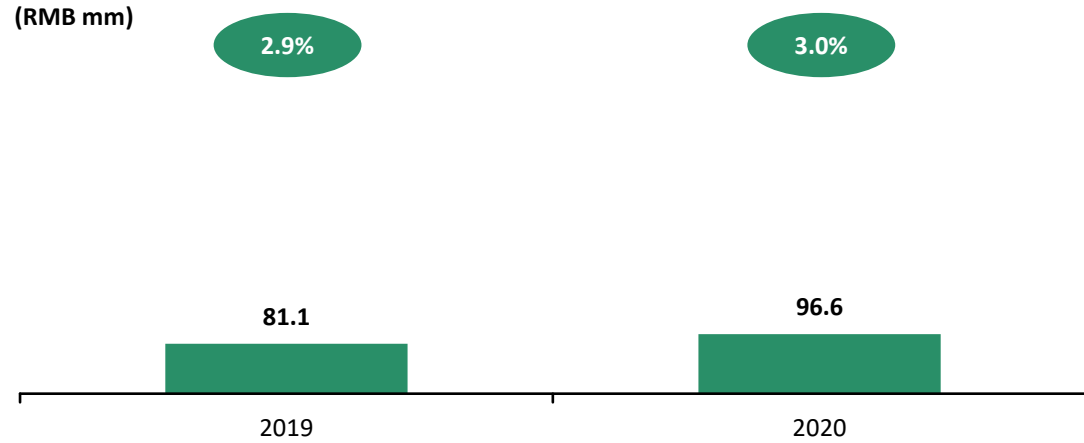
## Cost of Services Breakdown by Nature and as % of Revenue

(RMB mm)

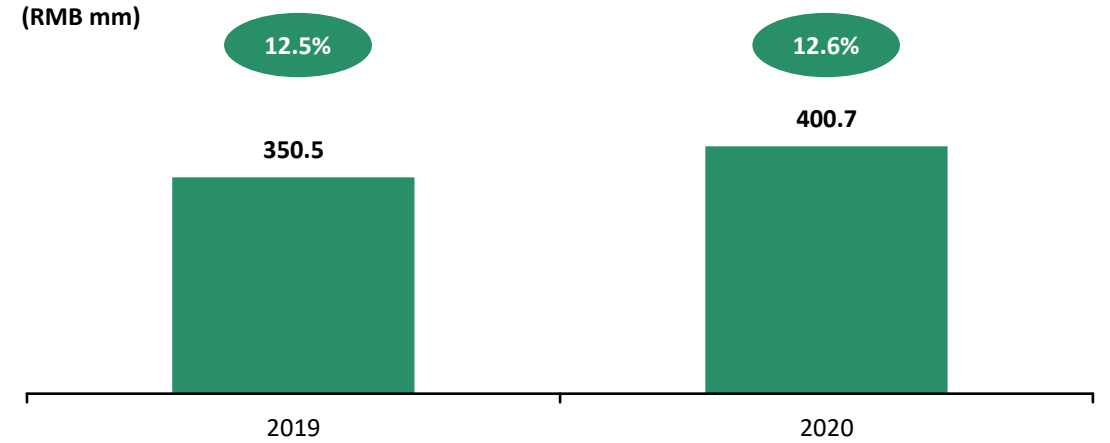


# Operating Expenses

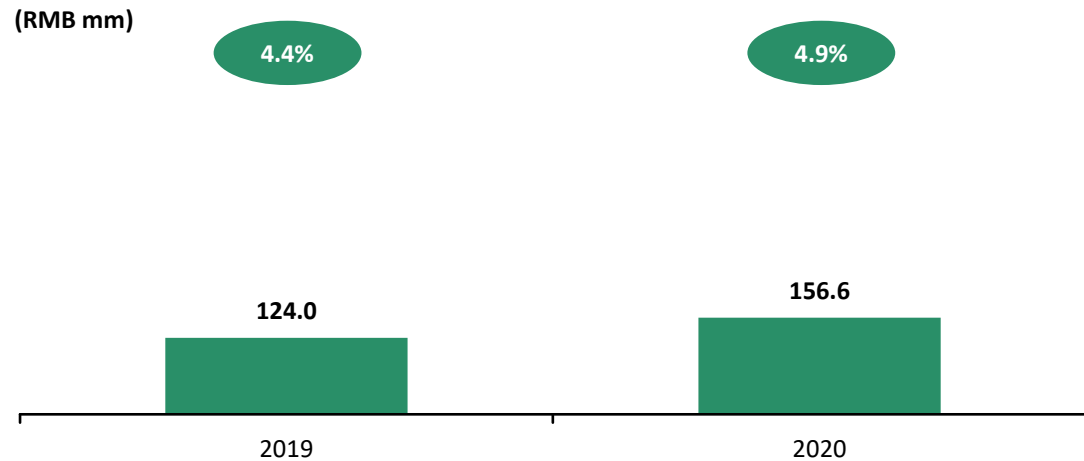
## Selling and Marketing Expenses and as % of Revenue



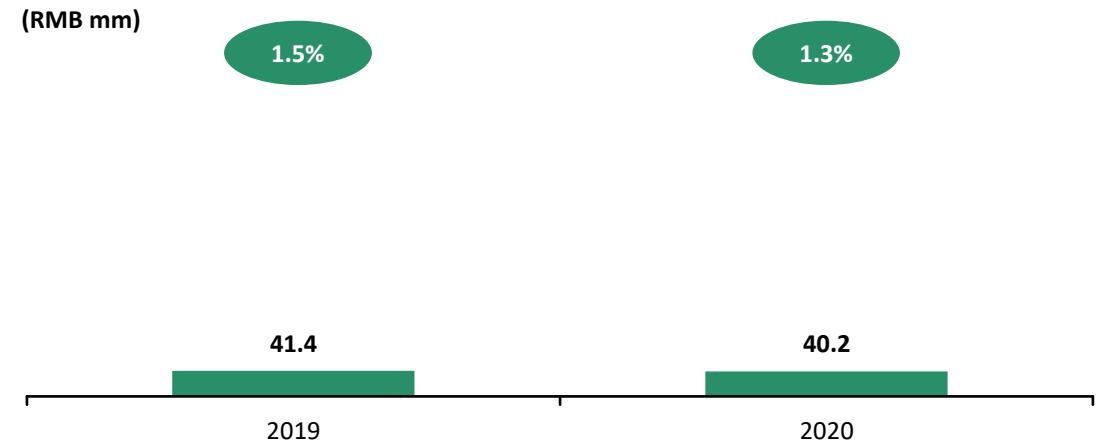
## Administrative Expenses and as % of Revenue



## R&D Expenses and as % of Revenue

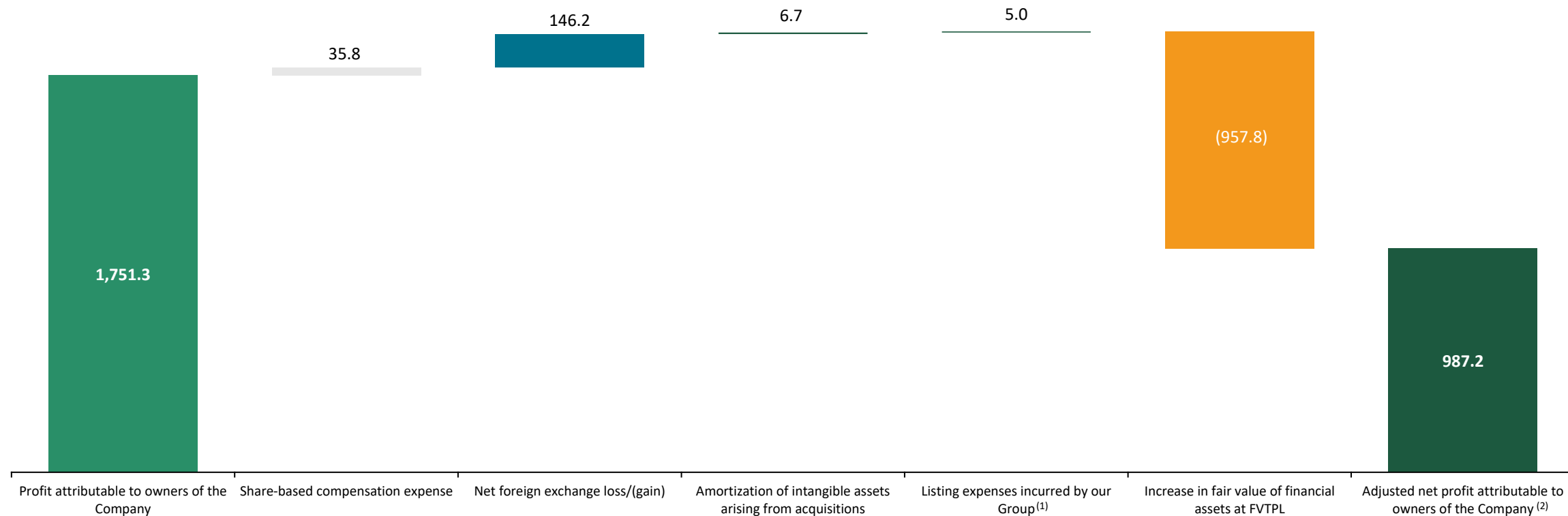


## Share-based Compensation and as % of Revenue



# Non-IFRS Adjusted Net Profit Attributable to the Owner of the Company

(RMB mm)



(1) Including listing expenses incurred by the Company and DreamCIS

(2) Non-IFRS measure

# Business Update

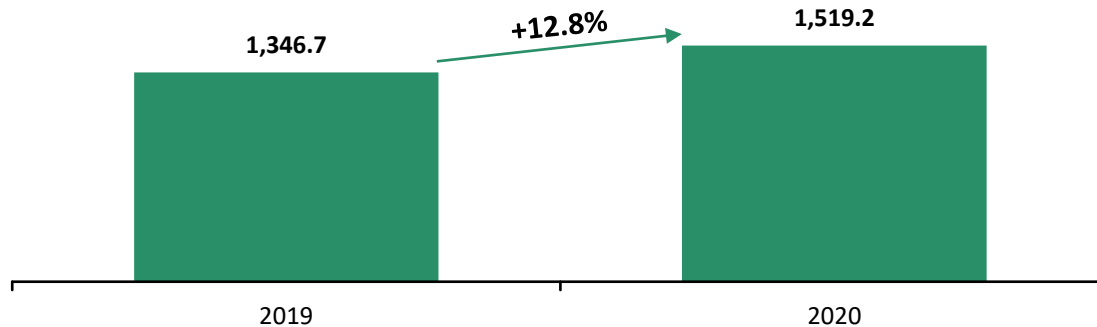
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# Clinical Trial Solutions (“CTS”)

## Revenue

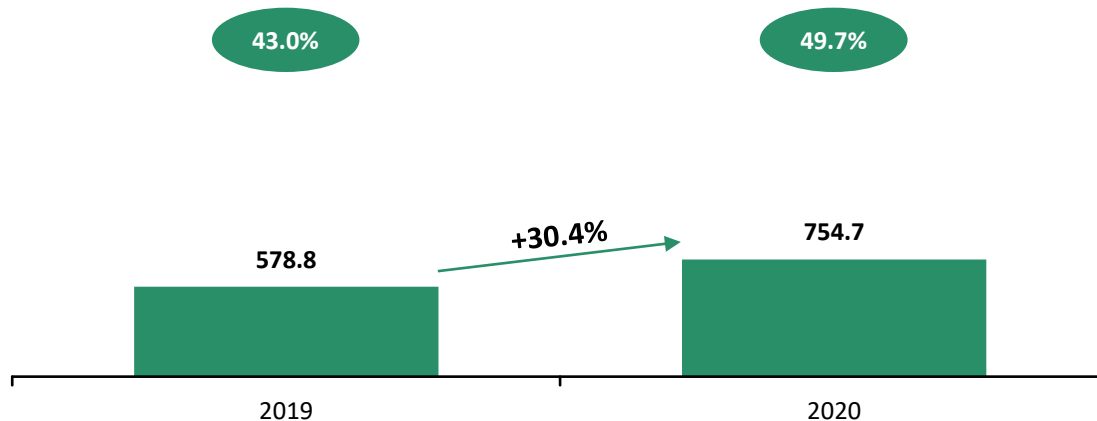
(RMB mm)



- The increase of CTS revenue was primarily due to the increased revenue from our clinical trial operation and other services including medical registration, medical translation, and pharmacovigilance etc.
- Acquisition of *Mosim* in January 2020 and *Yaxincheng* in July 2019 also contributed to the increase of the CTS revenue.
- Case-by-case upward re-negotiation of the prices for certain projects with performance obligation beyond the original scope and substantially satisfied in 2019 allowed additional revenue recognized during 1H2020.
- The amount of pass-through fees further decreased in 2020.

## Gross Profit and Margin

(RMB mm)



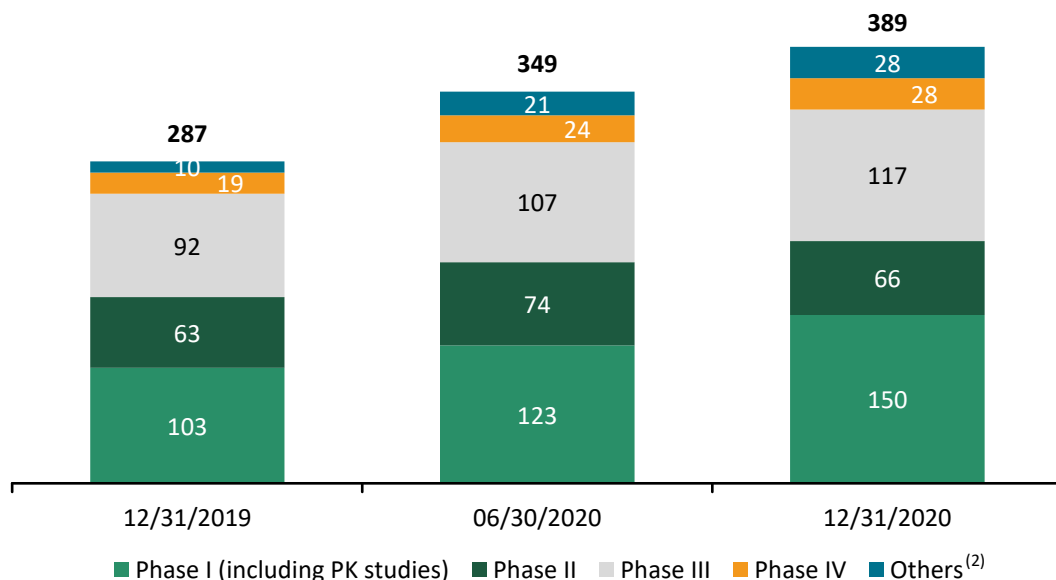
Increase of CTS gross profit margin primarily due to:

- Newly acquired *Mosim* and *Yaxincheng* had faster revenue growth and higher gross profit margin in 2020 compared to our clinical trial operation services, which was more adversely impacted by the COVID-19 pandemic.
- Other CTS services, although with a smaller size in terms of revenue, were less impacted by the COVID-19 pandemic (e.g., medical registration and pharmacovigilance) and realized a faster revenue growth and they generally had higher gross profit margins compared to our clinical trial operation services.
- The amount of pass-through fees further decreased in 2020.
- Upward re-negotiation of the prices for certain projects with performance obligation beyond the original scope and substantially satisfied in 2019 allowed additional revenue recognized with low costs during 1H2020.

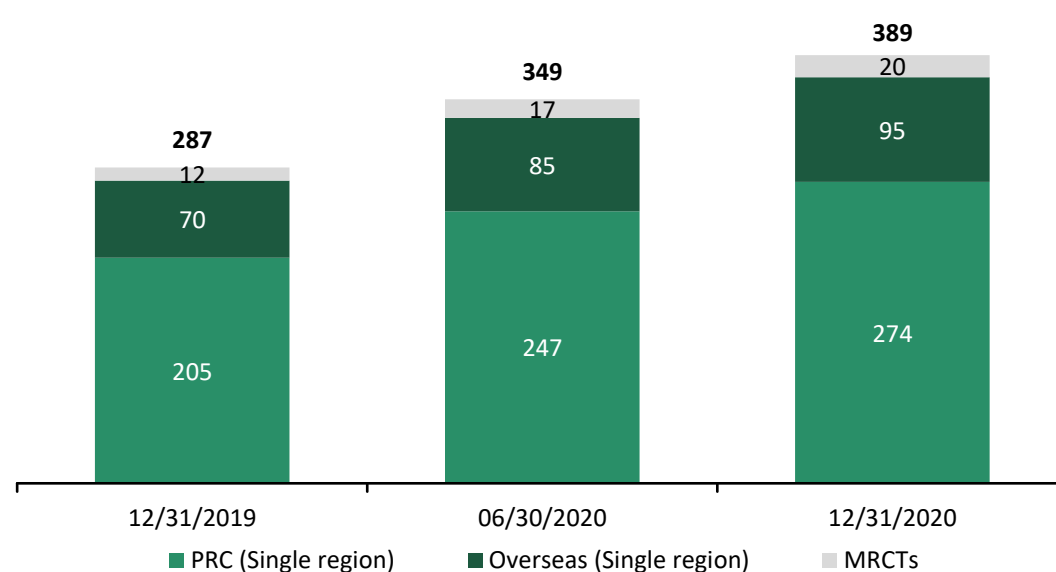
# CTS Key Business Updates



## 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 **74** medical device clinical research projects in 2020, up from **58** in 2019
- ✓ **185** ongoing projects as of December 31, 2020
- ✓ Started to offer IVD development services and pioneered into medical device risk-based monitoring services

### Bioequivalence studies

- ✓ Completed **82** projects in 2020
- ✓ **144** ongoing projects as of December 31, 2020

### Other Services

- ✓ **100+** new medical registration projects in 2020 with strong demand in IND and NDA registration services
- ✓ **100+** new projects and **20+** new clients for pharmacovigilance services
- ✓ Medical translation team further expanded to **300+** people

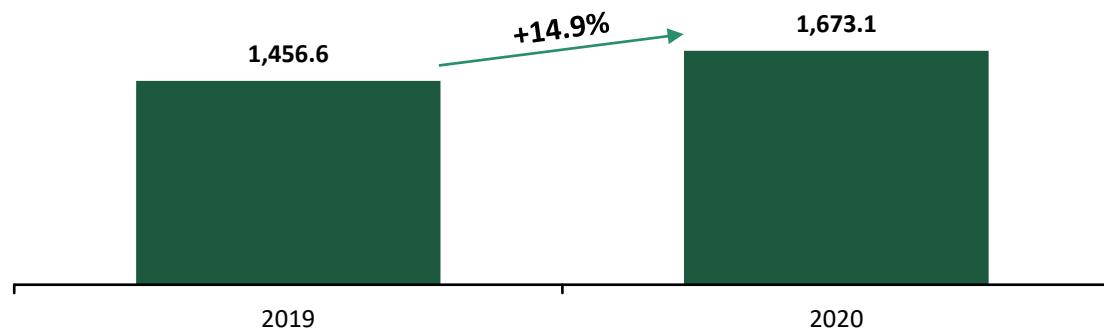
(1) As of year/period end

(2) Others primarily consist of IIT studies and real world studies

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

## Revenue

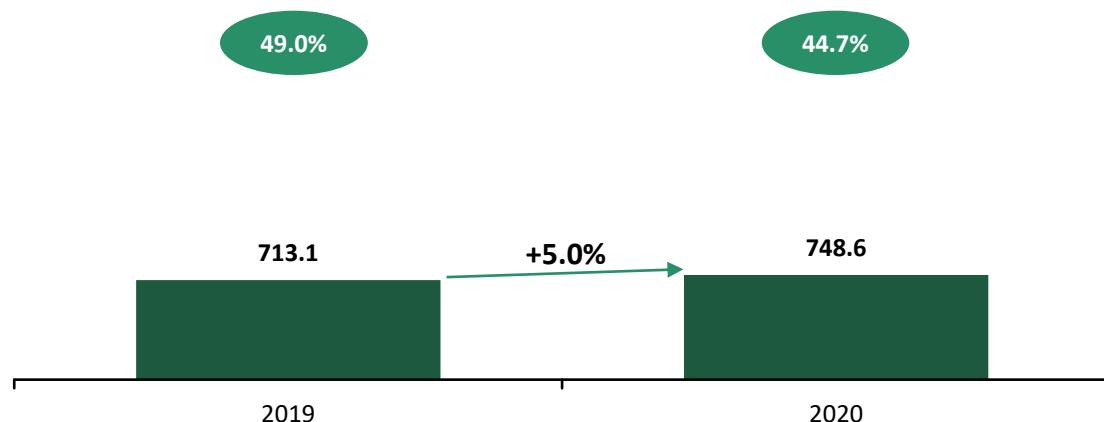
(RMB mm)



- The increase of CRLS revenue was primarily driven by the gradual recovery of demand of our laboratory, site management and patient recruitment and DMSA services from our customers, primarily during 2H2020.
- Major CRLS services were broadly adversely impacted by the COVID-19 pandemic. Services in China benefitted from the effective control of the local COVID-19 pandemic and services offered to overseas customers started to recover when the overseas pandemic situation started to improve since 3Q2020.
- Acquisitions made by Frontage contributed to the increase of CRLS revenue.

## Gross Profit and Margin

(RMB mm)



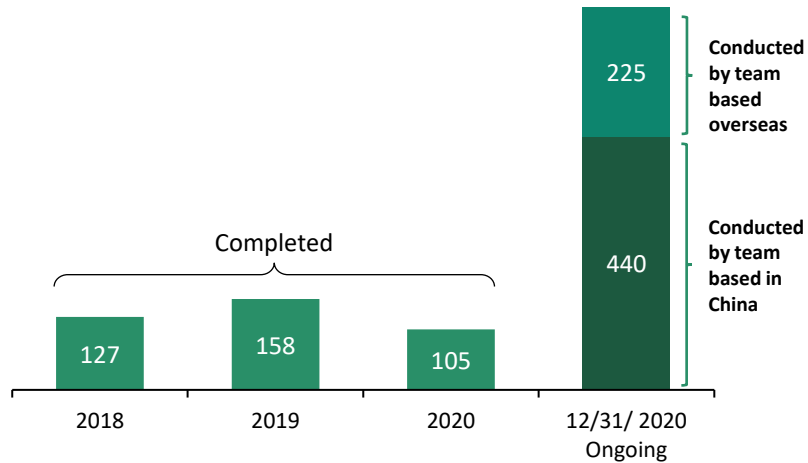
- Decrease of CRLS gross profit margin primarily due to the decrease in gross profit margin of our laboratory services and site management and patient recruitment services:
  - Fixed costs associated with bench scientists, lab facilities and equipment in our laboratory services negatively impacted the gross profit margin when the utility rate decreased due to the COVID-19 pandemic. These fixed costs increased as the capacity and capability for our laboratory services was expanded for future growth strategies in 2020.
  - Our sizeable site management and patient recruitment team were unable to operate at a utilization rate comparable to pre-pandemic level because of the pandemic in 2020 and hence reduced the profitability of our site management and patient recruitment services.
- The gross profit margin of DMSA services remained relatively stable in 2020.



# CRLS Key Business Updates

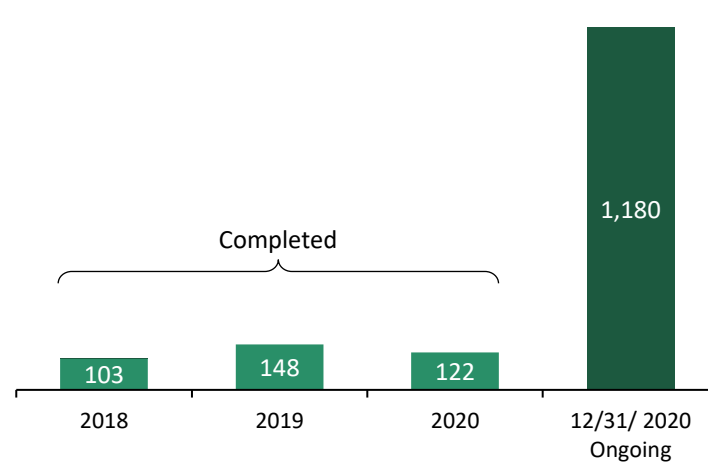


## Data Management and Statistical Analysis



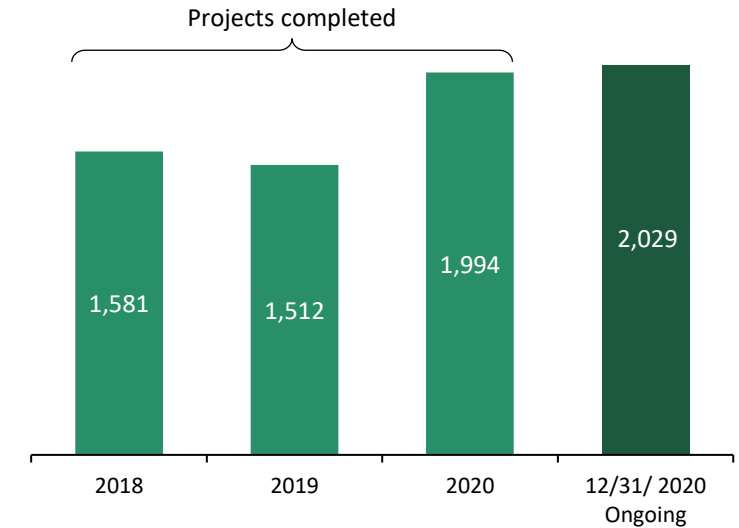
- Decrease in the number of completed projects in 2020 compared with that in 2019 due to the impact of COVID-19 pandemic
- Ongoing projects increased from 570 as of 30 June 2020 to 665 as of 31 December 2020
- 110+ clients with 600+ professionals in China, South Korea, United States and India
- Registered 35 software copyrights in China in 2020
- Continuing efforts to improve efficiency and level of automation
- EDC System passed ISO9001 / ISO20000 / ISO27001

## Site Management



- Decrease in the number of completed projects in 2020 compared with that in 2019 due to the impact of COVID-19 pandemic
- 400+ new projects acquired in 2020 despite the impact of the COVID-19 pandemic
- Ongoing projects increased from 979 as of 30 June 2020 to 1,180 as of 31 December 2020

## Laboratory Services

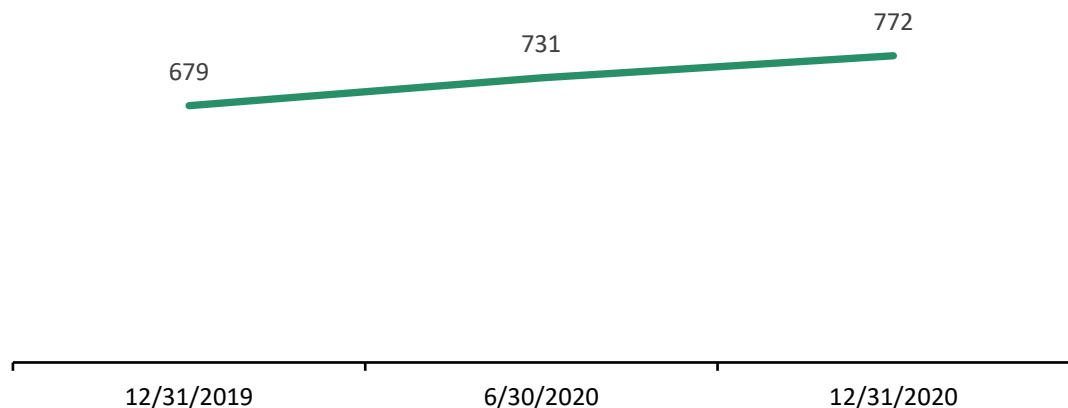


- Added >20,000 sq.m lab space for potential expansion in DMPK and Safety and Toxicity business in March 2020
- Acquired US-based Biotranex in March 2020 to further expand DMPK capabilities into transporter analysis, and ACME Biosciences in July 2020 to entered into drug discovery and early development space, which also contributed incremental projects
- Large molecule bioanalytical capability in China upgraded with ELISA, MSD, HTRF and other advanced equipment in July 2020
- Shanghai and Suzhou bioanalytical labs passed NCCL<sup>(1)</sup> inspection with full marks for three consecutive years in August 2020
- Started to offer preclinical genotoxicity and related safety evaluation in the US, and gene sequencing services in the US bioanalytical lab

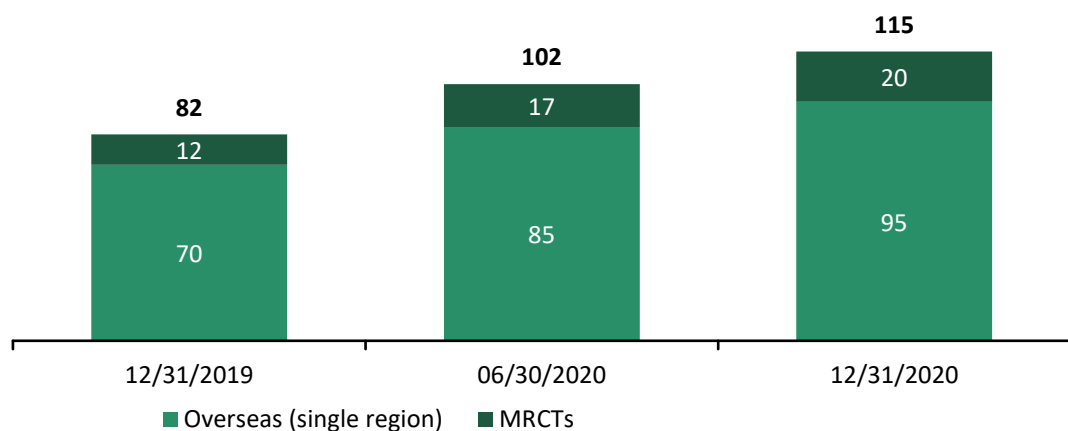
(1) National Center for Clinical Laboratories

# Overseas Business Updates

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



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



- Further efforts on overseas clinical operation and global project management capability
  - Expanded clinical operation and project management team in US, Europe and Australia
  - Strategic expansion into LatAm and Africa on the back of COVID-19 related trials
  - Recruited country managers for 7 new countries
  - Geographical coverage of all major continents as of December 31, 2020
- More than RMB300mm MRCT new bookings in 2020
- 95 ongoing single region overseas clinical trials (primarily in South Korea and Australia)
- 20 ongoing MRCTs and a few more to be initiated as of December 31, 2020
  - Covering 21 countries across North America, Asia Pacific, Europe and LatAm
  - 13 therapeutical areas including oncology, rare diseases and vaccines etc.
- Lead CRO for the multi-center phase III clinical study of the Ad5-nCoV vaccine co-developed by CanSino Biologics Inc. and Professor Wei Chen. This is the first China-initiated phase III vaccine clinical study covering multiple continents, including Asia, Europe, and Latin America

(1) As of year/period end

# Other Business Updates

1

## Technology Innovation

- Real-world Study (“RWS”)
  - Set up a dedicated RWS team offering retrospective/prospective studies, real world safety monitoring, pharmacoeconomics studies and real-world patient management services in collaboration with internal clinical operation, project management and site management teams
  - Three ongoing real-world studies as of December 31, 2020
  - Collaboration agreement with *Hainan Boao Lecheng Pilot Zone of International Medical Tourism* (海南博鳌乐城国际医疗旅游先行区)
  - Further investments in real world evidence related solutions and services
- AI Call center (智能呼叫中心)
  - Artificial intelligence technology used in the SMO call center, significantly improving the efficiency and optimizing the cost for patient follow-ups

2

## Hospital Collaboration

- Excellence for Clinical Trial Sites (“E-Site”) Initiatives
  - First batch of five collaborating clinical trial sites and hospitals with 17 Senior Project Management Directors across China
  - Aimed to optimize clinical research resources, improve the infrastructure and technical expertise at sites, and increase the efficiency of patient recruitment and follow-ups
  - Identify future PIs and provide tailored training programs

3

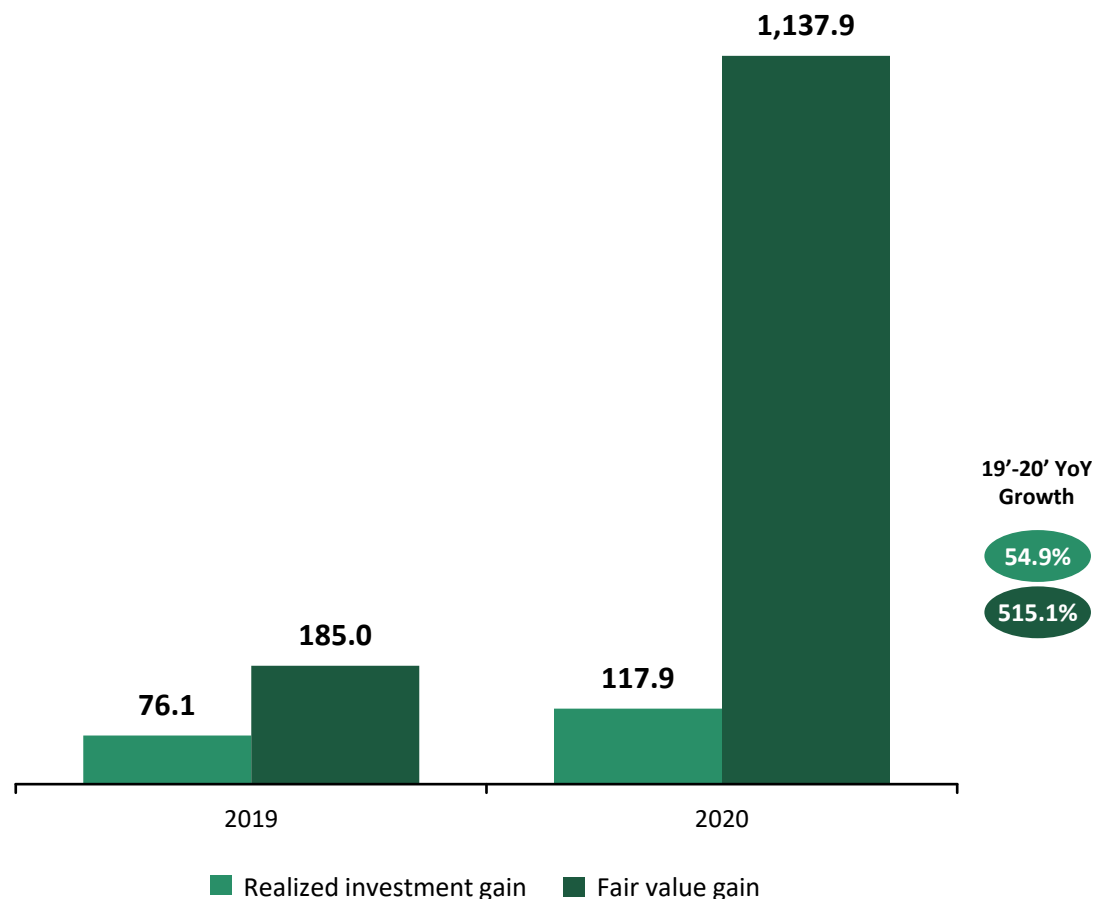
## Operational Efficiency

- Continuing investments on infrastructure and operational efficiency
  - Integrated all major subsidiaries across the world within our core database
  - Formulated 5-year plan covering data infrastructure upgrade, analytical and internal decision making framework, and IT upgrade, integration and implementation

# Updates of Investment Activities

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

(RMB mm)



- Portfolio included **84** companies in the healthcare industry and **48** investment funds as of December 31, 2020

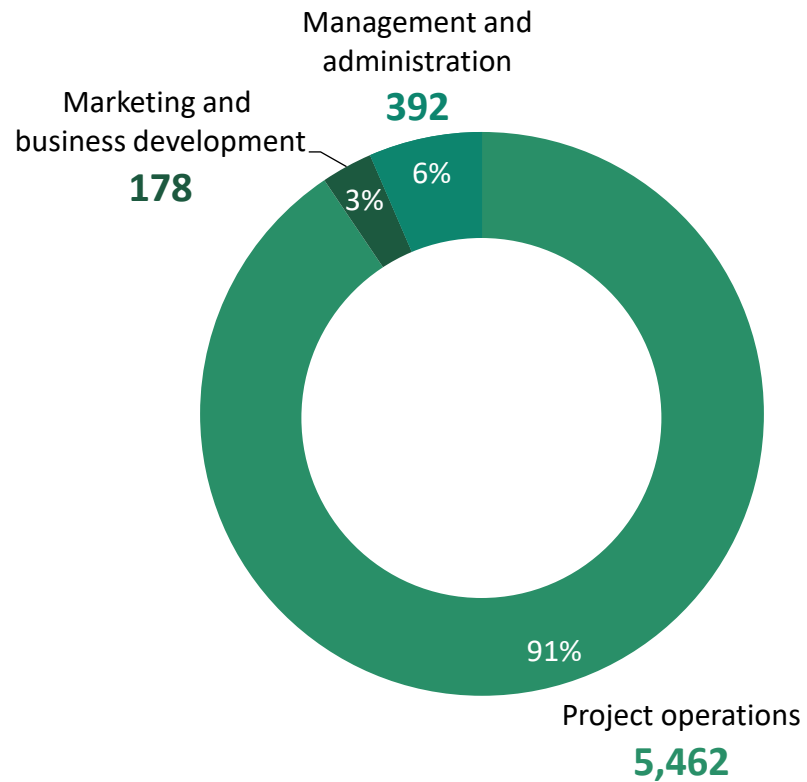
- RMB 5,333.5mm** balance as of December 31, 2020
- Invested **RMB 928.6mm** in unlisted equities and **RMB 1,147.5mm** in investment funds in 2020
- Received **RMB 1,001.8mm** cash from investment exits

- Significant fair value gain primarily due to:
  - Certain portfolio companies becoming public at a valuation that was higher than their previous fair values
  - Increase in fair value of our unlisted equity and fund investments

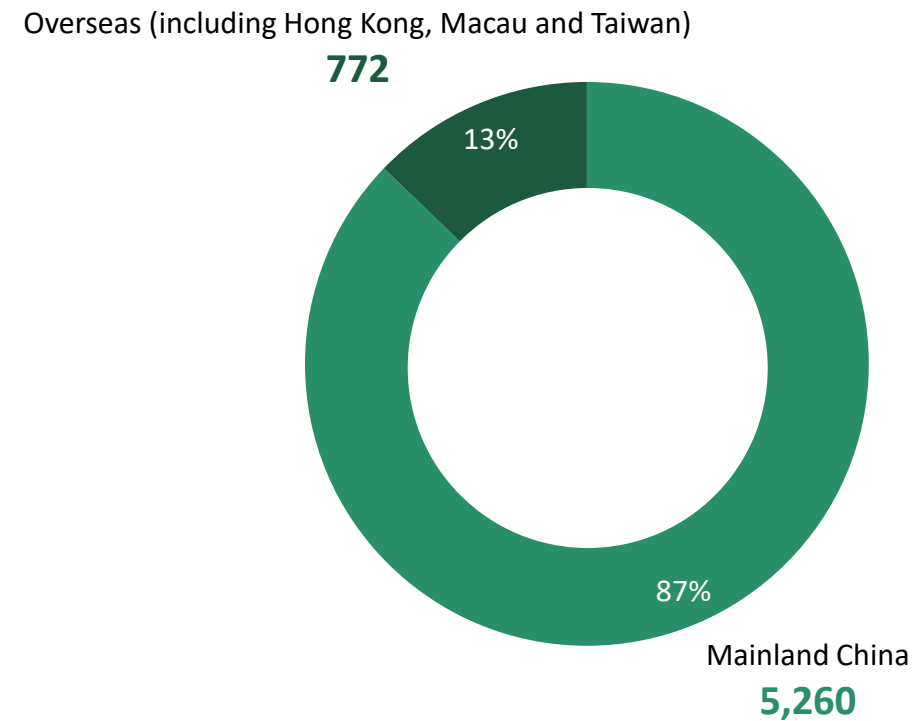
<sup>(1)</sup> Realized Investment gain indicates gain on disposal of financial assets at fair value through profit or loss ("FVTPL"); fair value gain indicates change in fair value of financial assets at FVTPL

Total employees increased 13.6% to 6,032 as of December 31, 2020 from 5,312 as of June 30, 2020

### Employees Mix by Function as of December 31, 2020



### Employees Mix by Geography as of December 31, 2020



# Appendix

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# Consolidated Statement of Profit or Loss



(RMB 000s)	Year ended December 31,	
	2019	2020
<b>Revenue</b>	<b>2,803,309</b>	<b>3,192,279</b>
<b>Cost of services</b>	<b>(1,511,409)</b>	<b>(1,688,946)</b>
<b>Gross profit</b>	<b>1,291,900</b>	<b>1,503,333</b>
Other income	64,149	145,063
Other gains and losses, net	361,551	1,273,621
Impairment losses	(21,186)	10,075
Selling and marketing expenses	(81,072)	(96,581)
Listing expenses	–	(3,567)
Administrative expenses	(350,510)	(400,749)
Research and development expenses	(124,049)	(156,648)
Share of losses of associates	(9,768)	(3,508)
Finance costs	(42,243)	(50,777)
<b>Profit before tax</b>	<b>1,088,772</b>	<b>2,220,262</b>
Income tax expense	(113,839)	(189,707)
<b>Profit for the year</b>	<b>974,933</b>	<b>2,030,555</b>
<b>Profit attributable to owners of the Company</b>	<b>841,247</b>	<b>1,751,328</b>
Adjusted for:		
Share-based compensation expense	29,733	35,718
Net foreign Exchange loss/(gain)	(6,150)	146,243
Amortization of intangible assets arising from acquisitions	631	6,737
Listing expenses incurred by our Group	5,779	4,991
Change in fair value of financial assets at FVTPL	(150,084)	(957,828)
<b>Adjusted net profit attributable to owners of the Company<sup>(1)</sup></b>	<b>721,156</b>	<b>987,189</b>

(1) Non-IFRS measure

# Consolidated Statement of Financial Position



<i>(RMB 000s)</i>	As of December 31,	
	2019	2020
<b>NON-CURRENT ASSETS</b>	<b>4,201,662</b>	<b>7,862,049</b>
Property, plant and equipment	306,700	400,455
Intangible assets	78,831	124,782
Goodwill	1,157,831	1,444,519
Right-of-use assets	193,420	332,615
Interests in associates	109,713	60,270
Note receivables	735	-
Deferred tax assets	91,476	79,507
Financial assets at fair value through profit or loss ("FVTPL")	2,250,474	5,292,302
Financial assets at fair value through other comprehensive income ("FVTOCI")	-	15,158
Restricted bank deposits	2,093	1,957
Other non-current assets	10,389	110,484
<b>CURRENT ASSETS</b>	<b>3,366,314</b>	<b>11,644,010</b>
Inventories	1,206	4,721
Trade, bills and other receivables and prepayments	490,393	638,680
Contract assets	756,028	824,714
Structured deposits and derivative financial instruments	68,827	26,000
Note receivables	1,581	944
Prepaid income tax	8,066	27,017
Restricted bank deposits	3,127	52
Time deposit with original maturity over three months	30,160	161,919
Cash and cash equivalents	2,006,926	9,959,963



# Consolidated Statement of Financial Position (Cont'd)



<i>(RMB 000s)</i>	As of December 31,	
	2019	2020
<b>CURRENT LIABILITIES</b>	<b>1,811,986</b>	<b>1,139,337</b>
Trade and other payables	428,471	529,546
Contract liabilities	398,240	484,643
Borrowings	864,863	-
Income tax payables	70,293	72,858
Lease liabilities	50,119	52,290
<b>NON-CURRENT LIABILITIES</b>	<b>234,712</b>	<b>508,245</b>
Borrowings	36,500	-
Lease liabilities	132,151	279,021
Other long-term liabilities	20,343	97,494
Deferred tax liabilities	45,718	131,730
<b>NET ASSETS</b>	<b>5,521,278</b>	<b>17,858,477</b>
<b>TOTAL EQUITY</b>	<b>5,521,278</b>	<b>17,858,477</b>
Share capital	749,508	872,484
Treasury shares	(211,224)	(157,912)
Reserves	3,708,558	15,439,252
<b>Equity attributable to owners of the Company</b>	<b>4,246,842</b>	<b>16,153,824</b>
Non-controlling interests	1,274,436	1,704,653



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