WuXi Biologics Records Excellent Interim Results
Revenue Up 21.0% Y-o-Y to RMB1,944.1 Million
Net Profit Up 62.6% to RMB730.7 Million
Profit Attributable to Owners of the Company Up 63.6% Y-o-Y to RMB736.1 Million
Adjusted Net Profit Up 40.7% Y-o-Y to RMB734.0 Million
Diluted EPS Up 55.9% Y-o-Y to RMB0.53
Adjusted Diluted EPS Up 38.5% Y-o-Y to RMB0.54
Total Backlog Surges to US$9,464.0 Million

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Integrated Enabling Platform Continued to Drive Sustainable Growth
Total Number of Integrated Projects Grew Strongly to 286, Including 19 Late-Phase Projects
Business Continuity Plan Executed During Pandemic, Allowed for Rapid Return to Full Operations and Contributed to Multiple Global COVID-19 Therapeutic Projects
Record-Breaking 2.5 Months to IND for Critical COVID-19 Biologics Project
Global Footprint Expansion Remained on Track to Address Strong Market Demand
Despite Strong Backlog, Sufficient Capacity to Start Any Project within 4 Weeks

(Hong Kong, Aug 17, 2020) – **WuXi Biologics (Cayman) Inc. ("WuXi Biologics" or "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 ended June 30, 2020.

2020 Interim Financial Highlights

- **Revenue:** Achieved strong revenue growth of 21.0% year-on-year to RMB1,944.1 million despite the adverse impact of COVID-19, which caused two months of low productivity and a loss of revenue due to the

delay of the regulatory inspection and global clinical trials. During this difficult time, the Group not only fulfilled previous commitments to our customers without missing any key project milestones, but also actively engaged in developing potential treatments for COVID-19, adding more than 10 COVID-19 projects within three months. This fully demonstrates how the Group's leading technology platforms, competitive development timeline, and excellent track record have contributed to increased market share.

- **Gross profit and gross profit margin:** Despite the ramp-up of three new manufacturing facilities and the adverse impact of COVID-19, gross profit increased by 17.3% year-on-year to RMB787.3 million, achieving an excellent gross profit margin of 40.5%. The strong growth of gross profit was attributable to the Group's robust increase in the number of integrated projects, improved capacity utilization, operational efficiency and cost optimization at our existing sites, and the favourable impact from the appreciation of USD against RMB, partially offset by the increase of share-based compensation (SBC) costs.
- **Net profit, profit attributable to owners of the Company and net profit margin:** Net profit grew by 62.6% year-on-year to RMB730.7 million, with net profit margin up by 960 basis points to 37.6%. By excluding the minority interest of the loss from its non-wholly owned subsidiaries, profit attributable to owners of the Company grew by 63.6% year-on-year to RMB736.1 million. Besides the robust results achieved in revenue and gross profit mentioned above, the following components also contributed to the significant growth of net profit: gains from investments and foreign exchange fluctuations; income tax refunds; other non-operating income recorded.
- **Adjusted net profit** increased by 40.7% year-on-year to RMB734.0 million, with adjusted net profit margin up 540 basis points to 37.8%.
- **Diluted Earnings Per Share (EPS)** increased by 55.9% from RMB0.34 to RMB0.53.
- **Adjusted diluted EPS** increased by 38.5% from RMB0.39 to RMB0.54.

2020 Interim Operational Highlights

- Despite experiencing the COVID-19 pandemic during the reporting period and facing significant business development challenges, the Group continued to gain more market share and recorded remarkable growth in

the number of integrated projects. From June 30, 2019 to June 30, 2020, the number of projects increased from 224 to 286, in which late-phase (phase III) projects increased from 15 to 19.

- Total backlog grew significantly from US$5,102 million as of December 31, 2019 to US$9,464.0 million as of June 30, 2020, with service backlog surging from US$1,686.0 million as of December 31, 2019 to US$5,773.0 million as of June 30, 2020. This was mainly driven by the signing of a long-term vaccine manufacturing contract and the addition of COVID-19 projects.
- Four projects were transferred from global competitors, demonstrating that the value of the Group's integrated enabling platform has been recognized by customers. Two of four projects are late-phase projects which will further establish a solid foundation for future commercial manufacturing. In addition, the Group signed the first commercial manufacturing project at the recently acquired Drug Product (DP) facility in Germany.
- Amidst the pandemic, the Group received an increased number of inquiries for both regular discovery, development and manufacturing service in addition to the global COVID-19 neutralization antibody programs. The Group secured more than 10 COVID-19 projects within only three months, thus providing revenue upsides for the second half of this year and throughout 2021. The Group also successfully enabled three COVID-19 antibody IND filings during the reporting period and we will assist customers in bringing even more COVID-19 therapeutics into the clinic throughout the second half of this year.
- The Group further shortened the standard IND project timeline from 15 months to 12 months, and as short as 2.5 months for a COVID-19 project. Providing these expedited project development timelines benefit patients around the world and offer another demonstration of how our extensive capacity and capabilities enable our clients and partners to bring novel biologics to the clinic and beyond.
- The WuXiBody™ bispecific platform and the Group's antibody-drug conjugates (ADC) platform were utilized by our customers and contributed to the Group's growth. As of June 30, 2020, the WuXiBody™ platform has been used in 26 projects, and there are 30 ADC projects in development. These technology platforms will facilitate the Group's expansion into more strategic collaborations with customers and better implement our "Follow-the-Molecule" strategy.
- WuXi Vaccines, the Group's subsidiary that serves as a vaccine contract

development and manufacturing organization (CDMO), signed an approximately US$3 billion long-term manufacturing contract with a global vaccine leader and commenced the construction of a dedicated vaccine facility in Ireland. Vaccine CDMO is one of the next growth areas for the Group and will contribute substantially with expanded opportunities in the future.

- The Group's facility in Suzhou has received the European Medicines Agency (EMA) Good Manufacturing Practices (GMP) certificate, making the Group one of the few third-party biosafety testing providers certified by the EMA in China and the Asia-Pacific region.
- As a global company, the Group continued to implement its "Global Dual Sourcing within WuXi Bio" strategy through various investments around the world. During the reporting period, the Group announced two biopharmaceutical clinical and manufacturing facilities in the U.S. and completed the acquisition of a biologics drug product (DP) manufacturing facility in Germany. These efforts helped the Group more effectively expand its global footprint and enable partners to develop and manufacture biologics via our industry leading supply chain.
- The Group completed the weather-tight seal of its biologics drug substance (DS) manufacturing facility in Ireland only 10 months after initiating the facility's construction. This timeline is another testament of our ability to construct facilities at "WuXi Bio Speed".
- Despite the uncertainties of the COVID-19 pandemic, the Group's business remained strong but it did not hinder our ability to retain and increase our talent base. As of June 30, 2020, the Group's total number of employees reached 5,694, with over 2,400 scientists.
- The Group will be included into the Hang Seng Index (HSI) in September 2020 only three years after its listing. This remarkable achievement makes the Group one of only three healthcare companies among HSI 50 constituents.

Employees' safety and wellbeing are top priorities for the Group. During the initial outbreak of COVID-19 in China, the Group activated the Business Continuity Plan (BCP) and offered comprehensive solutions to ensure smooth business operations and to progress projects without missing milestones. As a result, a total of 38 new integrated projects have been added to the pipeline, including more than 10 COVID-19 related projects, which allowed the group to gain more market share. The Group's advanced innovative technology

platforms continued to play a significant role in enabling more partners, contributing more milestone payments and introducing more projects into the "Follow-the-Molecule" strategy.

Continues to Strengthen Technology Platforms to Better Enable Partners around the World

As an enabling platform, WuXi Biologics continues to improve its multiple technology platforms to expedite biologics discovery, development and manufacturing and enable our partners worldwide. The Group's various technology platforms reinforce our industry-leading position, help increase market share and drive sustainable future growth.

The Group's WuXiBody™ bispecific antibody platform and ADC platform have quickly gained global market acceptance since their debut. As of June 30, 2020, the Group has secured 30 ADC projects and 26 WuXiBody™ projects globally, reflecting customers' recognition of the Group's innovative technologies. Among the 30 ADC projects in the pipeline, 14 have reached IND stage, which will be the next wave of the global biologics innovation.

As one of the most efficient and high quality development platforms in the industry, the Group continued to challenge the business norm and further reduced the standard IND project timeline from 15 months to 12 months, and broke the industry record again with a 2.5-month timeline for a COVID-19 IND project. These competitive timelines validate our best-in-class technology platform and our ability to execute at a high level, which solidifies our industry-leading position.

WuXi Vaccines Begins to Unveil its Potential, Another High-growth Engine

Focusing on vaccine CDMO, WuXi Vaccines, a subsidiary of the Group, established a strategic partnership with a global vaccine leader by signing a 20-year vaccine production and supply contract at a total consideration of approximately US$3 billion. A WuXi Vaccines facility is under construction in Ireland to manufacture vaccines for the global market.

This strategic partnership has a historical significance for WuXi Biologics as it

kicks off a new cooperation model for the global vaccine industry. This also marked the first important milestone just a year after the Group entered the vaccine business. The vaccine CDMO subsidiary is expected to witness enormous development opportunities and will thus continue to drive sustainable high growth for the Group.

Accelerates Global Footprints via Facility Expansion in the U.S. and Europe

As a global company, the Group continued to accelerate its global development by expanding its presence in the U.S. and Europe. The global capacity expansion allowed the Group to quickly respond to customers' demands and cope with the market demands raised by unexpected challenges, such as COVID-19. The Group acquired a manufacturing facility in Germany and also expanded labs, clinical and manufacturing facilities in U.S., allowing it to better implement its "Global Dual Sourcing within WuXi Bio", namely to offer quality services to global customers and serve patients through a robust supply chain.

Construction of the main building of the Group's biologics manufacturing site in Ireland was completed within ten months of its commencement. This manufacturing facility will house a 6,000L perfusion bioreactor (MFG6) thus pioneering the adoption of "next generation biologics production technology" (continuous manufacturing). In addition, the site will house 48,000L fed-batch cell culture bioreactor capacity (MFG7). Both MFG6 and MFG7 will implement the Group's "scale-out" manufacturing paradigm by using single-use bioreactors for large-scale commercial manufacturing.

WuXi Biologics completed the acquisition of Bayer's final drug product manufacturing facility in Leverkusen, Germany. This is also the Group's second manufacturing facility in Europe.

As part of further expansion in the U.S. market, WuXi Biologics purchased a parcel of land to build a new commercial manufacturing facility in Worcester, Massachusetts, leased a 33,000-square-foot site to establish a process development lab in King of Prussia, Pennsylvania, and signed a 10-year lease for a clinical manufacturing facility in Cranbury, New Jersey. These sites will facilitate the Group's positioning to build an open-access platform with the most

comprehensive capabilities and technologies in the global biologics industry that can enable partners and benefit patients worldwide.

Actively Embraces Change and Turns Challenges into Opportunities

Faced with the COVID-19 pandemic, the Group promptly responded and leveraged its well-established BCP to bring business back to normal. The Group focused on keeping its employees safe and supporting our global customers' work from home, while ensuring that projects progressed. The Group received high satisfaction from customers and this in turn improved even further customer retention. In addition, the Group made great contributions to the treatment and prevention of COVID-19 globally and witnessed rising demand for its outsourcing services due to the Group's demonstrated timely response and extensive capacity and capabilities. The Group mobilized a dedicated R&D and manufacturing team with over 1,000 people and initiated projects on Chinese New Year's Eve to enable the development of potential treatments for COVID-19.

Dr. Chris Chen, CEO of WuXi Biologics, said, "COVID-19 continues to challenge all of us in the global community, bringing great suffering to so many as well as an uncertain global economic outlook. WuXi Biologics also suffered from the pandemic that lead to two-month of low productivity and loss of revenue due to the delay of the regulatory inspection and global clinical trials. However, thanks to dedications from our employees and trust from our global customers, the Group delivered impressive performance which is beyond our expectations. Besides, the Group was selected as a constituent of HSI only three years after our listing, thus marking another great milestone for the Group. During the first half of 2020, WuXi Biologics delivered all key milestones for our global customers and took strong measures to enhance operational efficiency throughout the company. Our business relationships with our global customers significantly improved due to our strong project execution and performance during the worse period of the COVID-19 pandemic in China. Furthermore, we signed over 10 global COVID-19 neutralization mAb programs, allocated over 1,000 staff to work on these urgent programs and successfully enabled our partners to submit three COVID-19 antibody INDs within 3-5 months, at global record pace. As China recovered from the pandemic and due to an already booming innovative drug development trend in the domestic market, we have seen outstanding revenue growth in China. North America remains our most

important market despite revenue growth slowdown due to the impact of the pandemic. The twelve newly added integrated projects from North America demonstrates that our business momentum from this market remains strong. Our industry-leading speed of execution and world-class quality has allowed us to win more customers from these established markets. Meanwhile, we have seen substantial growth from the rest of the world that also contributed to our overall business growth from these diversified markets. During this critical period, we leveraged our enabling platform to help our customers work from home and progress various projects to later stages. We broke another record by adding 38 integrated projects to our pipeline in the first six months of 2020. Our "Follow-the-molecule" strategy continues to be a proven driving force in maintaining our business momentum and in delivering sustainable high growth."

Dr. Chris Chen added, "By leveraging the Group's world leading technology and excellent, highly-trained talent pool, the Group continues to shorten the R&D timeline and reduce manufacturing costs for customers. The disruptions caused by this pandemic have highlighted the need for extensive manufacturing capacities throughout the globe world and a robust global supply chain. Our strategy of establishing dual manufacturing sites worldwide in the past 3 years puts our customers in the most favourable situation during this unexpected crisis. Together, we can turn challenges into opportunities. Our capacity expansions in the U.S. and Europe will enable the Group to capture new opportunities, meet increasing demands from existing customers and attract potential business partners. Our integrated platform has been well accepted by our global customers who, by giving us new projects, demonstrates their faith in our ability to execute and deliver. This faith in our ability to deliver is witnessed as well by the increase in late-phase projects that went from 15 to 19 during this reporting period. The WuXiBody™ bispecific platform and ADC platform continue to play a significant role and drive additional growth. Furthermore, the contract signed by WuXi Vaccines and a global vaccine leader marks a huge leap in the vaccine CDMO business and delivers another driver of growth. With cutting-edge technology platforms, global capacity expansions, premier quality standards, experienced scientific teams and a proven track record, we are confident in achieving sustainable high growth in the foreseeable future."

Dr. Ge Li, Chairman of WuXi Biologics, concluded: "The COVID-19 pandemic has made this year challenging with unprecedented impact. The global communities are in urgent need of treatments to address the greatest

health challenges posed by the pandemic. This is the reason we are investing approximately US$1 billion and continue to expand our capacities in U.S., Ireland and Germany to enable our global customers and partners for their drug discovery and development efforts and ultimately to benefit patients worldwide. We have made great strides over the past years and even throughout this difficult time to ultimately reach our vision of 'Every drug can be made and every disease can be treated'."

2020 Interim Results

Revenue increased by 21.0% year-on-year to RMB1,944.1 million for the six months ended June 30, 2020. The major revenue growth drivers were: (i) immediate and effective implementation of Business Continuity Plan to minimize the impact of the COVID-19 pandemic on its business and operations; (ii) strong growth in development and manufacturing revenue resulting from improved utilization of existing sites; and (iii) more customer projects were added to the Group's pipeline, expediting the development and manufacturing of potential treatments related to COVID-19 in support of its global customers.

Gross Profit increased by 17.3% to RMB787.3 million for the six months ended June 30, 2020. During the late second half of 2019, we commenced the production at three new sites, allowing the Group to gain new capabilities and capacities for biologics and antibody drug conjugates and a new state-of-the-art drug product fill facility. Despite the ramp-up of new facilities and the adverse impact from COVID-19, our gross profit continued to increase by 17.3% year-on-year to RMB787.3 million, achieving an excellent gross profit margin of 40.5%. The strong growth in gross profit was attributable to: (i) the Group's robust increase in the number of integrated projects and improvement in capacity utilization, (ii) operational efficiency and cost optimization at our existing manufacturing facilities, (iii) favourable impact from the appreciation of USD against RMB, and (iv) partially offset by the ramp-up costs of newly commenced production sites and the increase of share-based compensation costs.

Operating Profit increased by 6.6% year-on-year to RMB411.1 million. The growth rate of operating profit was slightly slower than the growth of gross profit, mainly due to: (i) the increase of staff related costs and administrative expenses to support the set-up of new sites in the U.S. and Europe and the Group's

expansion into new business such as vaccines, antibody drug conjugates (ADC) production and microbial, (ii) to strengthen the Group's corporate infrastructures such as IT infrastructure and enterprise solutions; and (iii) the Group's continuous efforts to enhance the capability of the business development team.

Net Profit surged by 62.6% year-on-year to RMB730.7 million for the six months ended June 30, 2020, with net profit margin up 960 basis points to 37.6% for the first half of 2020. The significant increase in net profit margin was primarily attributable to (i) the Group's robust increase in the number of integrated projects and, as a result, strong growth in revenue and gross profit; (ii) gains from investments and foreign exchange fluctuation; (iii) income tax refund; and (iv) partially offset by the increase of administrative expenses mentioned above and impairment provision recorded for doubtful accounts.

Adjusted Net Profit, by excluding the impact of (i) foreign exchange gain, and (ii) share-based compensation costs, increased by 40.7% year-on-year to RMB734.0 million for the first half of 2020. Adjusted net profit margin went up 540 basis points from 32.4% for the first half of 2019 to 37.8% of same period this year.

Basic and Diluted EPS were RMB0.57 and RMB0.53, increasing 54.1% and 55.9% year-on-year respectively.

Adjusted Diluted EPS increased by 38.5% year-on-year to RMB0.54.

Key Financial Ratios

(For the Six Months Ended June 30)

Key Financial Ratio	1H 2020	1H 2019	Change
Revenue (In RMB million)	1,944.1	1,607.1	21.0%
Gross Profit (In RMB million)	787.3	671.0	17.3%
Gross Profit Margin (%)	40.5%	41.8%	
Net Profit (In RMB million)	730.7	449.5	62.6%
Net Profit Margin (%)	37.6%	28.0%	
Adjusted Net Profit (In RMB million)	734.0	521.5	40.7%
Adjusted Net Profit Margin (%)	37.8%	32.4%	
Adjusted EBITDA (In RMB million)	944.7	747.4	26.4%
Adjusted EBITDA Margin (%)	48.6%	46.5%	
Adjusted Diluted EPS (In RMB)	0.54	0.39	38.5%

Consolidated Statement of Profit & Loss

(For the Six Months Ended June 30)

(RMB million)	1H 2020	1H 2019
Revenue	**1,944.1**	**1,607.1**
Cost of Sales and Services	(1,156.8)	(936.1)
Gross Profit	**787.3**	**671.0**
Other Income	148.4	123.8
Other Gains and Losses	225.7	16.3
Impairment Losses Under ECL Model, Net of Reversal	(56.6)	(9.6)
Selling and Marketing Expenses	(48.5)	(26.3)
Administrative Expenses	(203.4)	(149.7)
Research and Development Expenses	(124.4)	(109.1)
Share of (Loss) Profit of an Associate	(1.1)	0.3
Finance Costs	(22.4)	(4.6)
Profit Before Tax	**705.1**	**512.0**
Income Tax Credit (Expense)	25.6	(62.6)
Profit for the Period *including profit attributable to:*	**730.7**	**449.5**
Owners of the Company	736.1	450.0
Non-controlling interests	(5.4)	(0.5)
Earnings per share – Basic (RMB)	**0.57**	**0.37**
Earnings per share – Diluted (RMB)	**0.53**	**0.34**

Note: Results may not add up exactly due to rounding of numbers.

Reconciliation for Adjusted EBITDA and Adjusted Net Profit

(For the Six Months Ended June 30)

In RMB million

Adjusted EBITDA Reconciliation	**1H 2020**	**1H 2019**
EBITDA	941.4	675.4
Share-based Compensation	126.4	81.3
Foreign Exchange Loss/(Gain)	(123.1)	(9.3)
Adjusted EBITDA	944.7	747.4

In RMB Million

Adjusted Net Profit Reconciliation	**1H 2020**	**1H 2019**
Net Profit	730.7	449.5
Share-based Compensation	126.4	81.3
Foreign Exchange Loss/(Gain)	(123.1)	(9.3)
Adjusted Net Profit	734.0	521.5

Note: Results may not add up exactly due to rounding of numbers.

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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, 2020, there were a total of 286 integrated projects, including 141 projects in pre-clinical development stage, 125 projects in early-phase (phase I and II) clinical development, 19 projects in late-phase (phase III) development and one project in commercial manufacturing. With total estimated capacity for biopharmaceutical production planned in China, Ireland, the U.S., Germany, and Singapore exceeding 280,000 liters after 2023, WuXi Biologics will provide its biomanufacturing partners with a robust and premier-quality global supply chain network. 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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