



Hua Medicine
华领医药



**Hua Medicine
2024 Annual Results Presentation
March 2025**

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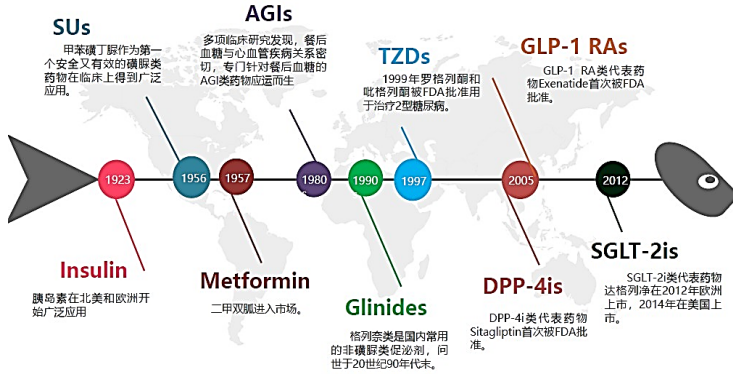
Company Overview

Diabetes Remains a Global Epidemic



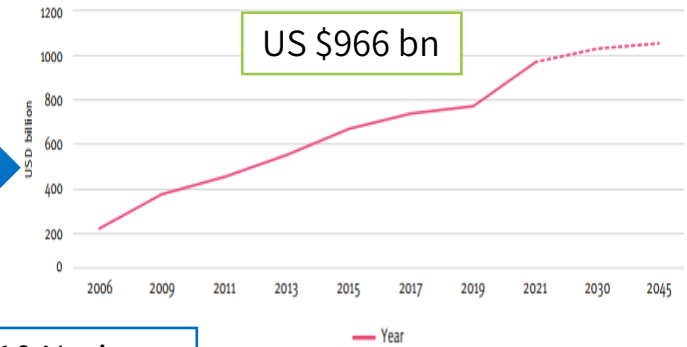
9 Classes of Drugs

Global Unmet Medical Needs in Glycemic Control



IDF 2021
537 Mn Diabetes
Many Complications

Figure 3.14 Total diabetes-related health expenditure for adults (20-79 years) with diabetes from 2006 to 2045

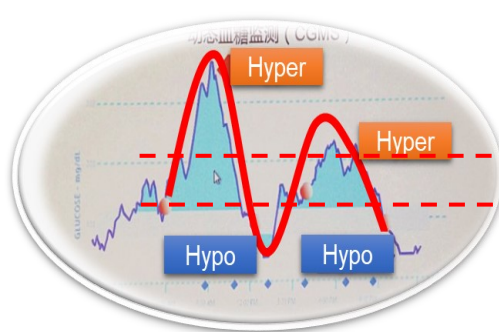


翟立新. 2型糖尿病的药物治疗[J]. 临床药物治疗杂志, 2015, 13(3): 18-22.
Bae E J. DPP-4 inhibitors in diabetic complications: role of DPP-4 beyond glucose control[J]. Archives of pharmaceutical research, 2016, 39(8): 1114-1128.
Knop F K, Branden A, Vilsbøll T. Exenatide: pharmacokinetics, clinical use, and future directions[J]. Expert opinion on pharmacotherapy, 2012, 13(6): 555-571.

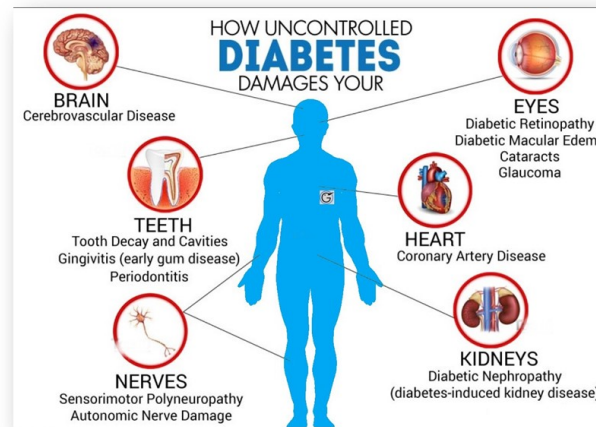
Top 10 Nations

Rank	Country or territory	Total diabetes-related health expenditure in 2021 (USD billion) in adults (20-79 years)
1	United States of America	379.5
2	China	165.3
3	Brazil	42.9
4	Germany	41.3
5	Japan	35.6
6	United Kingdom	23.4
7	France	22.7
8	Mexico	19.9
9	Spain	15.5
10	Italy	14.7

Economic Burden



Lost Glucose Homeostasis



Harms of Diabetes



Dorzagliatin

- A global novel first-in-class type 2 diabetes drug
- Dorzagliatin improves glucose sensitivity and restores glucose homeostasis
- Broad label approved for T2D in mainland China in 2022
- On the China NRDL in Nov 2023: Entry into hospital 2024

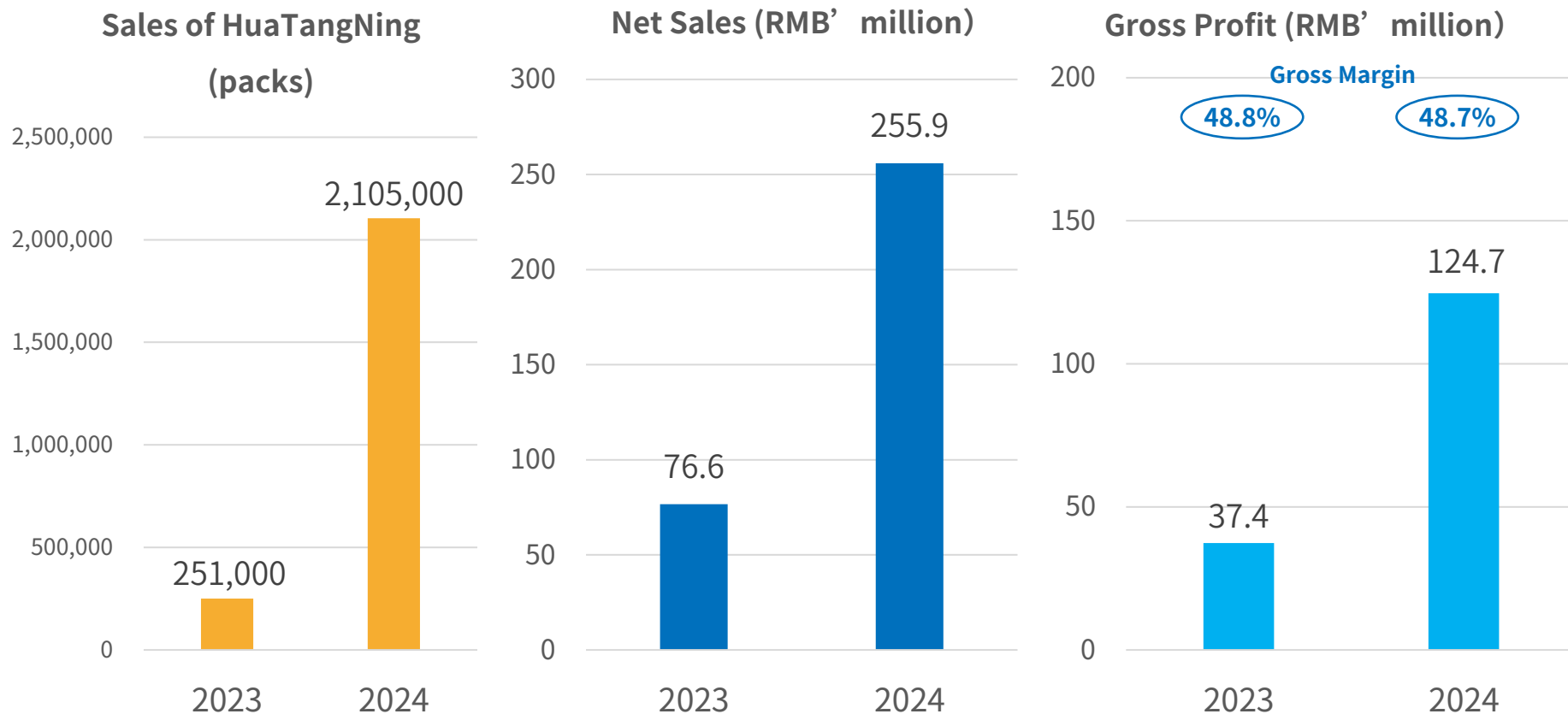
Commercialization of HuaTangNing

- Effective Jan 1, 2025, Hua Medicine assumed full commercialization responsibility for HuaTangNing and terminated revenue share partnership with Bayer.
- For **first two months of 2025**, while Hua Medicine had full commercialization responsibility for HuaTangNing, **sales increased by 199% to RMB 73.2 million** from same period in 2024 with no change in price.
- The unamortized contact liabilities amounting to **RMB1,243,499,000 will be recognized as a gain in 2025** by the Group.

Research & Development

- Based on human genetic data, the Mendelian Randomization methodology has been applied to collect the beneficial effects of GK activation on various new indications and benefits for GKA, such as **reduction in heart failure, coronary artery disease, memory loss and dyslipidemia, frailty and sarcopenia**.
- In 2024, we successfully completed and announced the results of SAD study in the United States of our 2nd Generation GKA as once a day OAD.
- We are advancing studies of dorzagliatin in diabetes treatment and prevention, through our SENSITIZE clinical study in Hong Kong.

Business Growth in 2024



- Represents the first full year in which HuaTangNing was sold under NRDL, effective January 1, 2024
- Despite a 64.1% drop in price from RMB420 / pack (out-of-pocket price) to RMB150.92 / pack (under the NRDL), net sales increased by 234% for the fiscal year, with sales volume increasing 740%.
- Gross margin only decreased by 0.1% to 48.7% as compared to 48.8% for 2023.

Key drivers of HuaTangNing sales in 2024



**2,700
Hospitals**

During the fiscal year 2024, we worked with our former partner Bayer to commercialize HuaTangNing in approximately 2,700 hospitals across mainland China.



81.7%

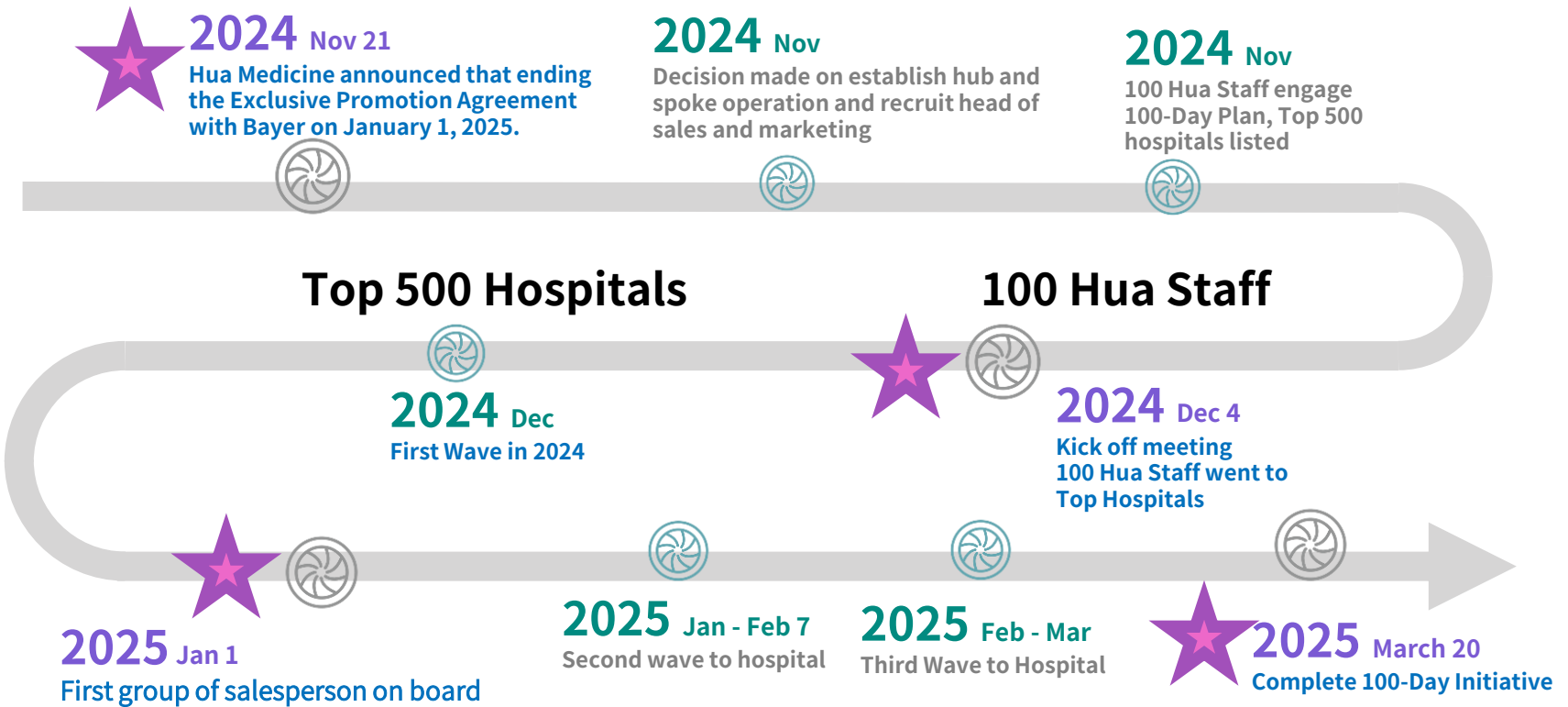
In 2024, 81.7% of sales came from hospitals and the rest 18.3% came from pharmacies and on-line.



**150,000
Patients**

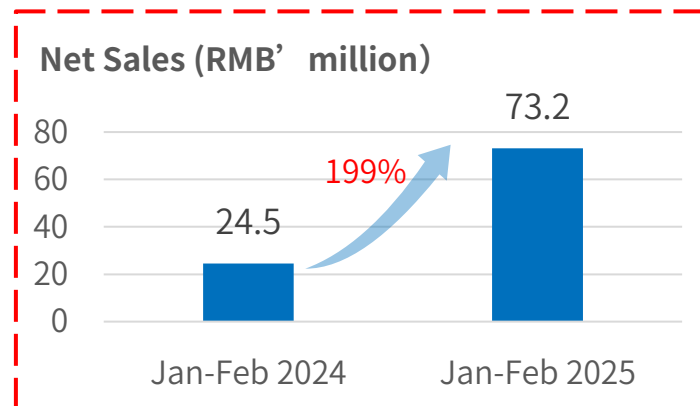
As of December 31, 2024, Hua Medicine had monitored approximately 150,000 patient who have been prescribed HuaTangNing, and dorzagliatin has been observed to be safe and well tolerated by patients.

Hua Medicine Commercialization:100 Day Initiative



Lu Yu
VP, Sales & Marketing

Former senior director - national business at Eli Lilly China (6 years)
Former senior director - regional business at Novo Nordisk China (12 years)
Over 20 years of diabetes commercialization experience in China



Expansion of Dorzagliatin into Asian Markets



Similar Etiology of Diabetes

Looking for Partnerships



Southeast Asia

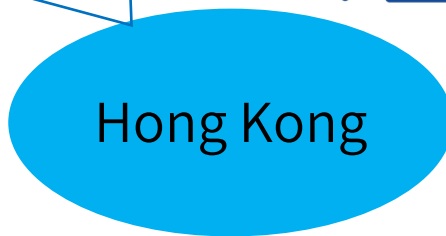
Population: 680,000 million
T2D Prevalence: 10% to 30%

Submit Registration Applications in 2025



Macau

Population: 0.68 million
T2D Prevalence: 10%



Hong Kong

Population: 7.5 million
T2D Prevalence: 10%



SENSITIZE 3 Clinical Study

- New dosage forms of 25mg and 50mg Dorzagliatin
 - Prediabetes, treatment and prevention of T2D
 - MODY-2, genetic deactivating mutations

Global 2nd Generation GKA Leads Expansion



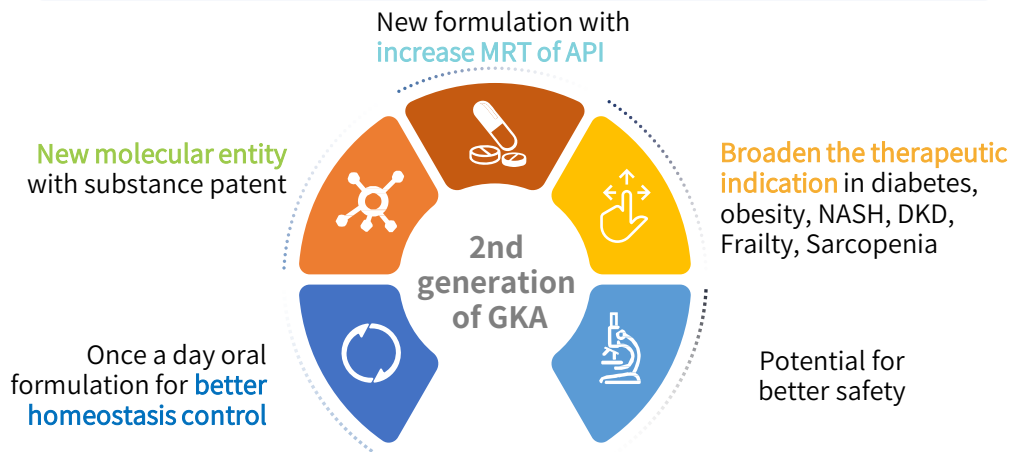
- Focusing on Western markets: the T2D patients with obesity and once a day oral therapy
- Personalized diabetes care: restore impaired glucose homeostasis, restore Insulin and GLP-1 secretion, prevention of diabetes and complications
- Global rights till 2042 with 100% owned by Hua Medicine

Dorzagliatin: Second Generation

Acceleration in technology to advance medicine



Advanced 2nd generation of GKA in Phase I in U.S.

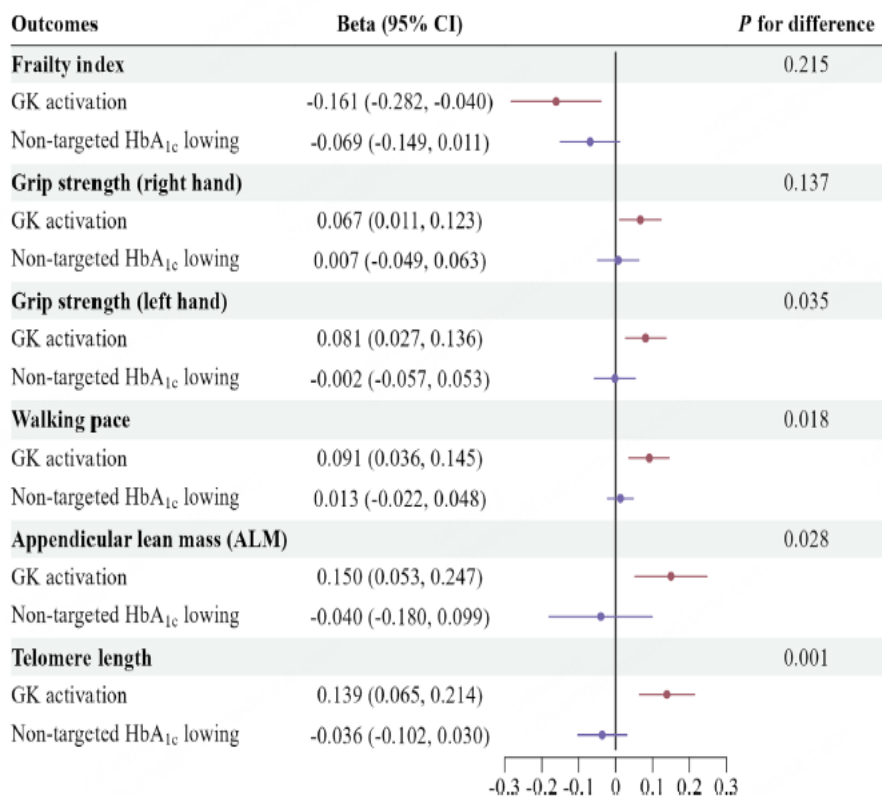


CLINICAL DATA FROM SUCCESSFUL AND COMPLETED USA PHASE 1A TRIAL

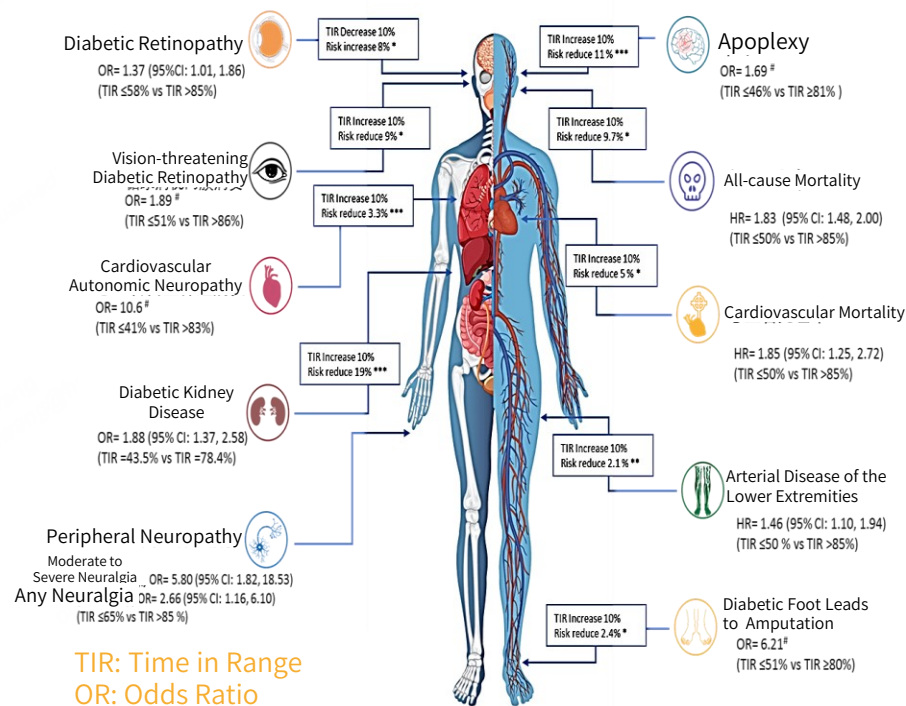
- HM-002-1005 rapidly converts to Dorzagliatin in human body, with very low exposure of the prodrug in blood and urine.
- The bioavailability of HM-002-1005 61.5mg is close to that of Dorzagliatin 50mg (approximately 95%).
- Compared with Dorzagliatin, the T_{max} and T_{1/2} of HM-002-1005 are prolonged.
- The C_{max} of HM-002-1005 184.5mg single-dose is similar to that of Dorzagliatin 75 mg QD.
- The AUC_{inf} of HM-002-1005 184.5mg single-dose is similar to that of Dorzagliatin 75 mg BID.

Expansion of GK Regulated Homeostasis

- More indications to be explored with Dorzagliatin and its combinations
 - Diabetes prevention, remission, rejuvenation diabetes complications
- More beneficial effects of GKA have been supported by human genetic studies.
 - memory loss, frailty and sarcopenia, heart failure, coronary artery disease, dyslipidemia

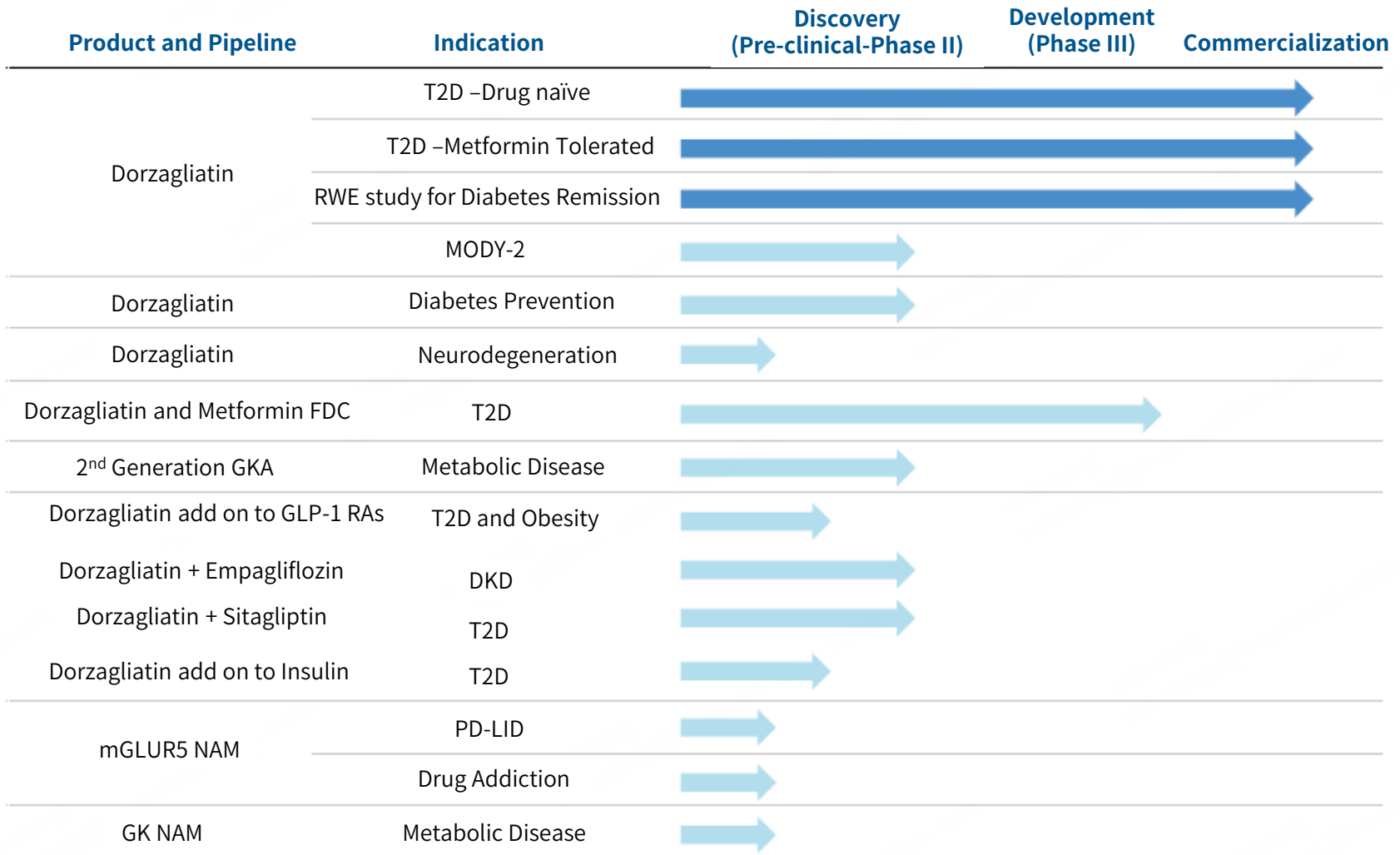


Comparing the effects of genetically proxied glucokinase activation and genetically proxied non-targeted HbA_{1c} lowering on frailty-related outcomes.



The relationship between TIR and T2D complications

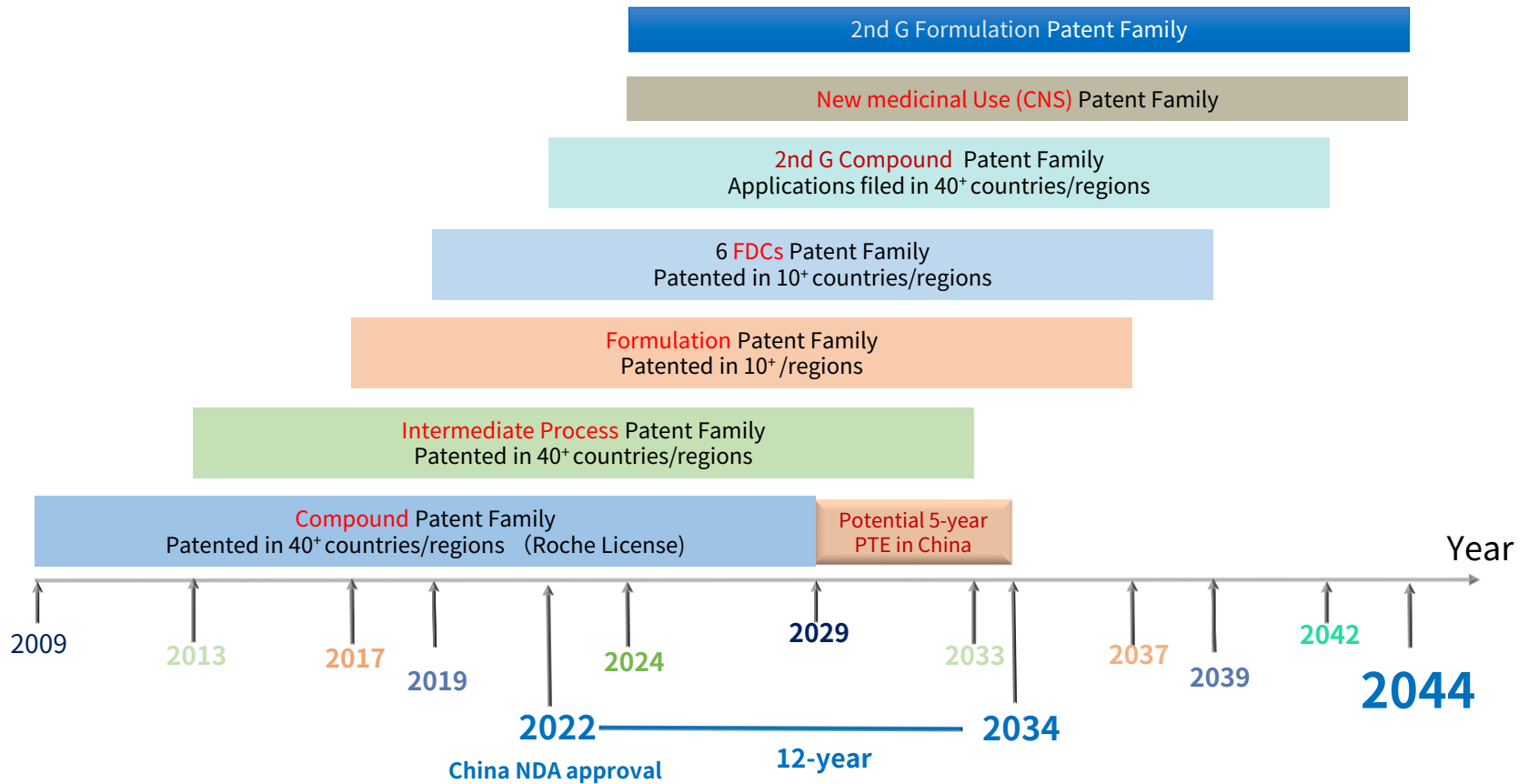
Hua Medicine R&D Pipeline



GKA and Homeostasis Management Patent Portfolio



We continue to strengthen our intellectual property rights globally.
As of December 31, 2024, we owned more than 200 granted patents covering our proprietary technology worldwide.





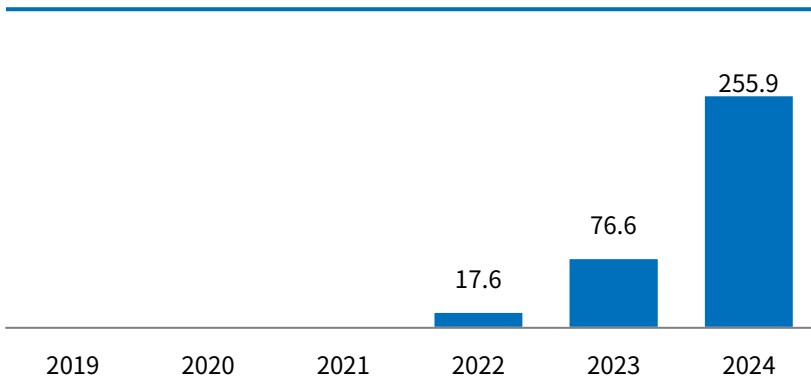
Financial Section

Revenue and Profit

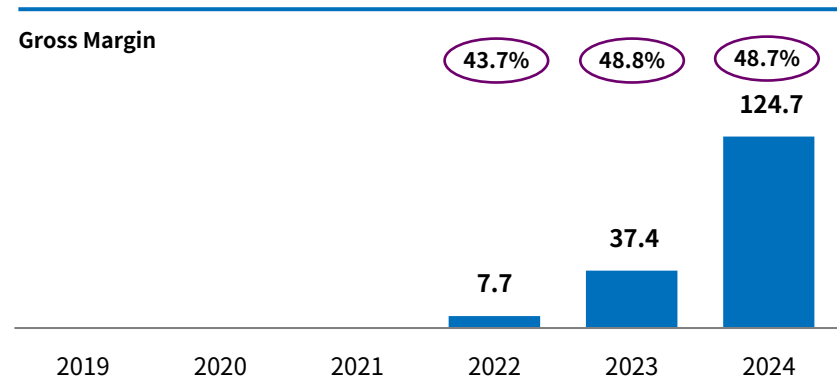


- Net sales increased by 234% for the fiscal year, with sales volume increasing 740%.
- Despite a 64.1% drop in price from RMB420 / pack (out-of-pocket price) to RMB150.92 / pack (under the NRDL), gross margin only decreased by 0.1% as compared to 48.8% for 2023.
- Loss before tax increased by approximately RMB38.9 million, or approximately 18%, to approximately RMB250.1 million, which was mainly attributable to the increase of R&D expense.
- The unamortized contact liabilities amounting to **RMB1,243,499,000** will be recognized as a gain in 2025.

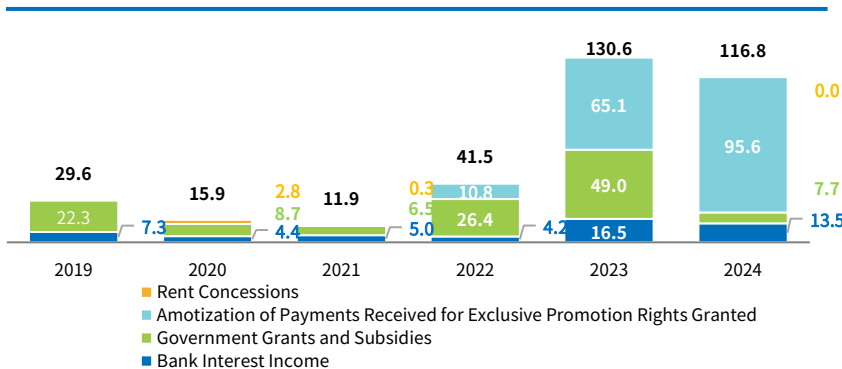
Revenue



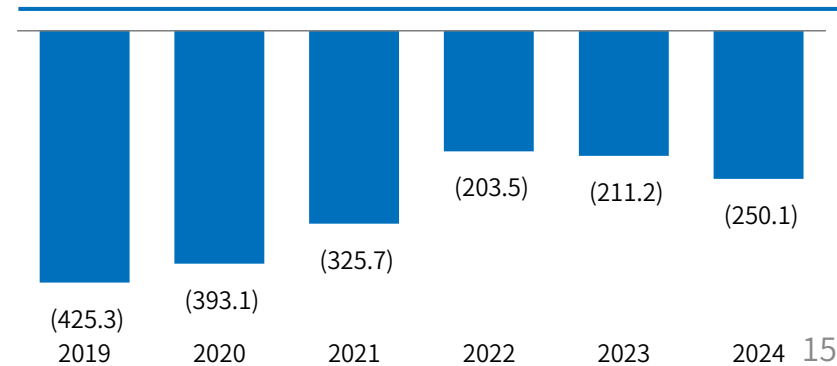
Gross Profit



Other Income



Net Loss



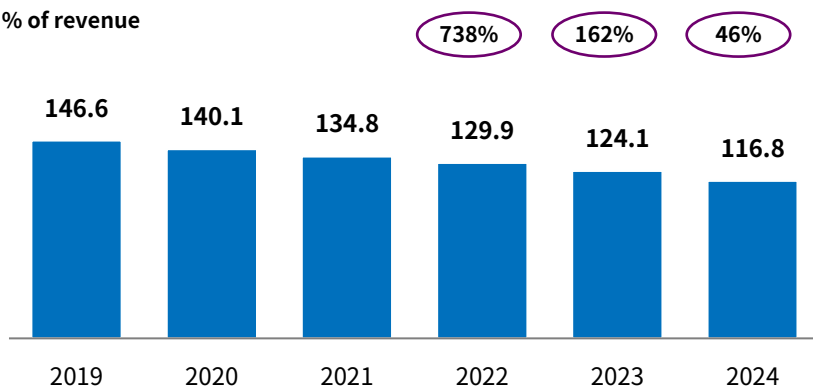
Key Operational Expense



- Administrative expenses decreased by RMB7.4 million to RMB116.8 million in the year ended December 31, 2024.
- Selling expenses increased to RMB153.2 million in the year ended December 31, 2024, which was mainly attributable to the increased sales scale.
- R&D expenses increased by RMB43.6 million to RMB215.1 million in the year ended December 31, 2024, which was primarily attributable to the multi-center post-marketing observational study and 2nd generation GKA study conducted in year 2024

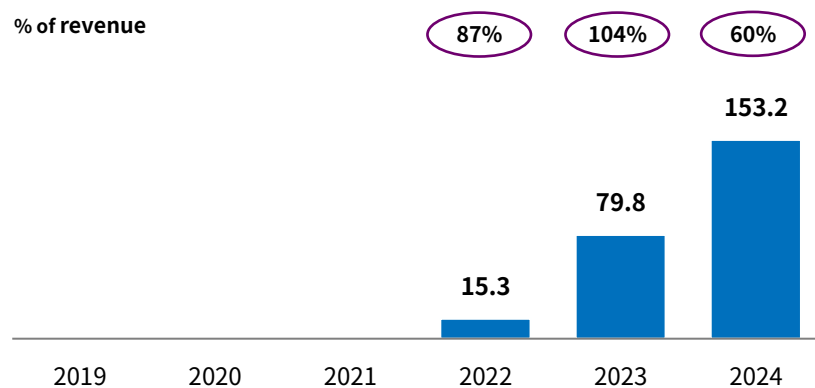
Administrative Expenses

% of revenue



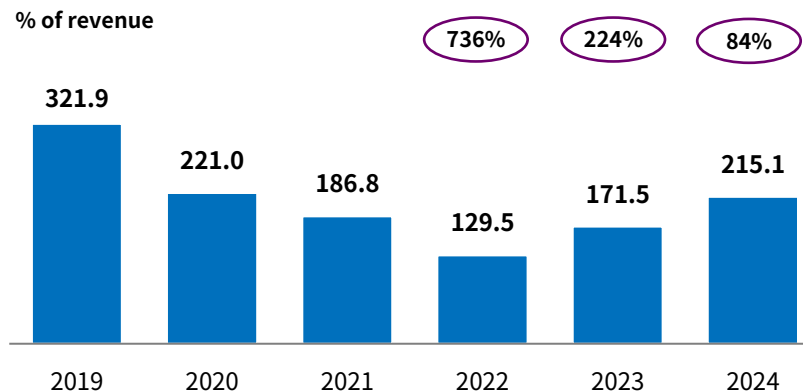
Selling Expenses

% of revenue



Research & Development Expenses

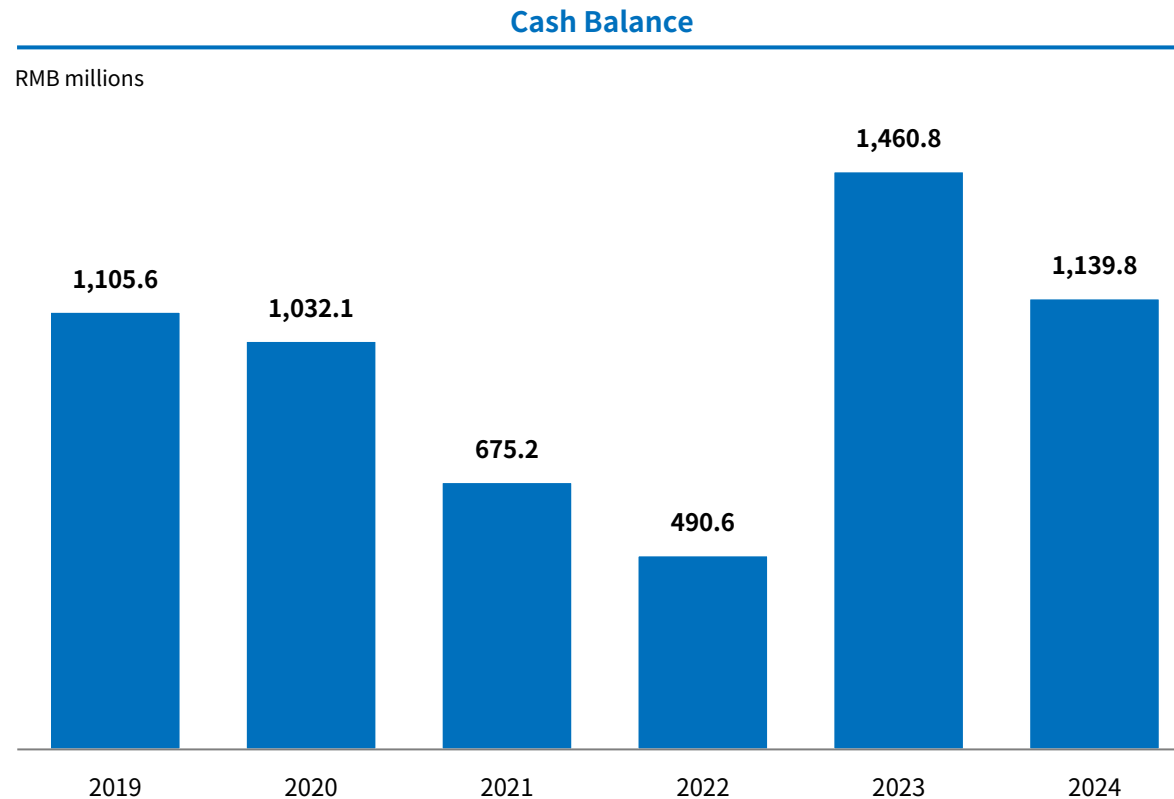
% of revenue



Cashflow and Balance



- As of December 31, 2024, Hua Medicine maintained a strong balance sheet with a cash balance of RMB1,139.8 million to support our full-scale commercialization, business development and R&D function.
- We are confident that we can sustain the growth of net income and gross margin and reduce the proportion of our sales expenses in the coming years.
- We expect to achieve net sales of more than RMB1 billion and break even in 2027.





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