

Hua Medicine

2025 Interim Results Presentation



Hua Medicine
华领医药

August 2025

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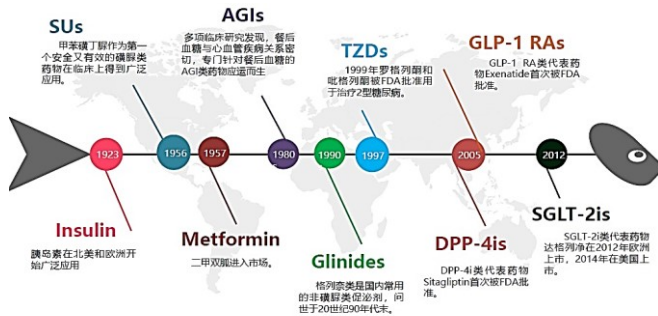
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Company Overview

Diabetes Remains A Global Epidemic

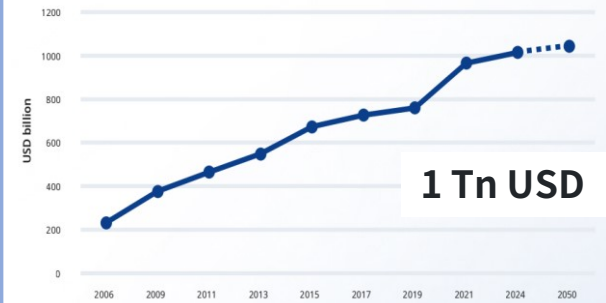
\$ 70.4 Bn in 2024



参考资料：中国糖尿病药物市场现状 (I) 临床药物网产业动态 2015, 15(2): 18-22
Rao P. J. DPP-4 inhibitors in diabetic complications: role of DPP-4 beyond glucose control[J]. Archives of pharmaceutical research, 2016, 39(9): 1114-1128.
Koop F K, Branden A, Vibball T. Exenatide: pharmacokinetics, clinical use, and future directions[J]. Expert opinion on pharmacotherapy, 2017, 18(6): 555-571.

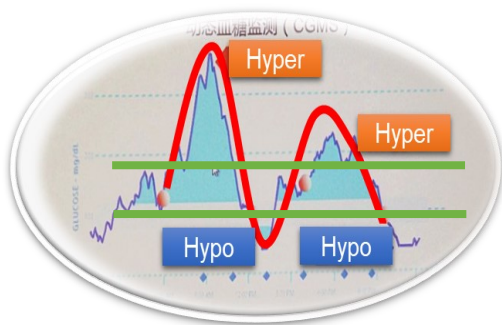
589 Million Diabetes
With more than 10 complications

IDF 2024 Global Diabetes Rel Expense

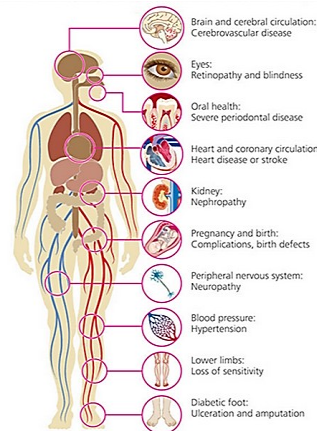


Rank	Country or territory	Total diabetes-related health expenditure in 2024(USD Billion) in adults (20-79years)
1	United States of America	404.5
2	China	168.9
3	Brazil	45.1
4	Germany	40.4
5	Japan	34
6	United Kingdom	23.6
7	France	22.5
8	Mexico	19.5
9	Argentina	15.4
10	Italy	15.4

Impaired Glucose Homeostasis



Harms of Diabetes



Source: Cheng Y, Chen L. Global J Obesity, Diabetes and Metabolic Syndrome 2020, 7: 018-023

Source: IDF DIABETES ATLAS Eleventh edition 2025

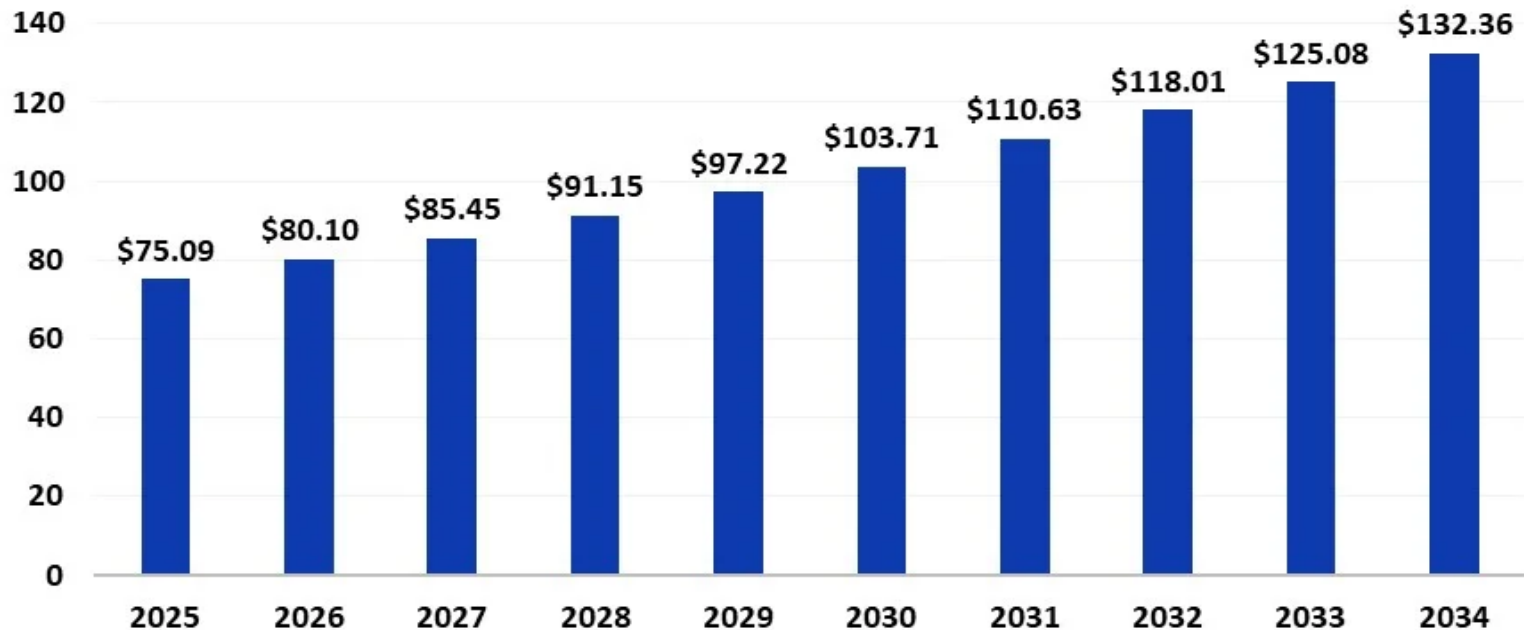
Source: Lu J, Diabetes Care 2021,44:549

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Global Diabetes Drug Market Grows To \$130 Billion

- Global Diabetes drug market growth from \$75 Bn in 2025 to \$132 Bn in 2034.
- Rising diabetes cases due to sedentary lifestyles, unhealthy diets, and obesity are further accelerating market demand globally.

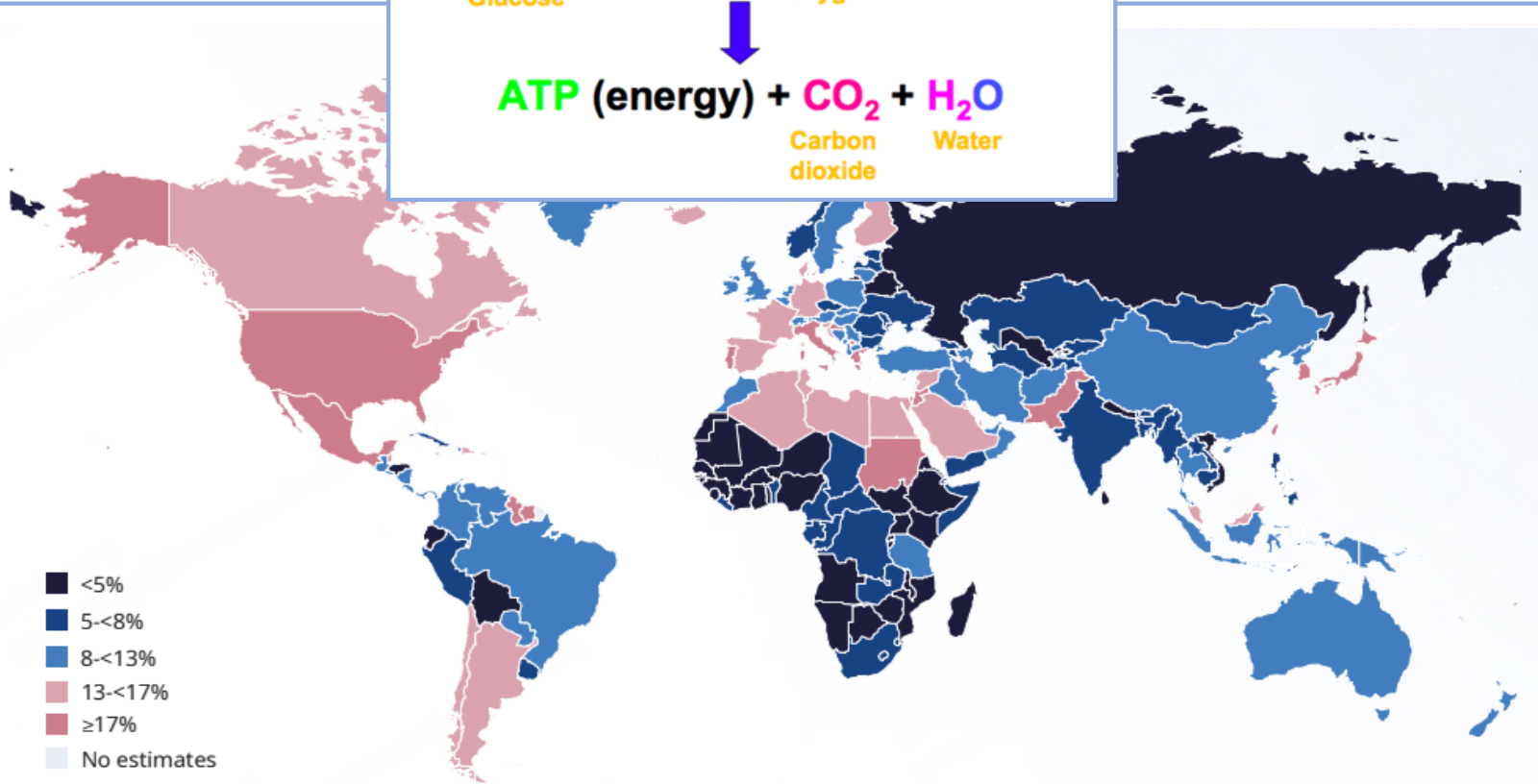
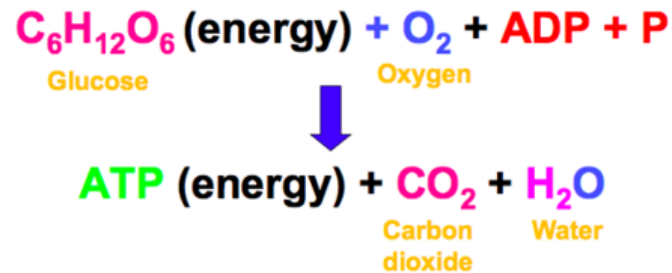
Diabetes Drug Market Size 2025 to 2034 (USD Billion)



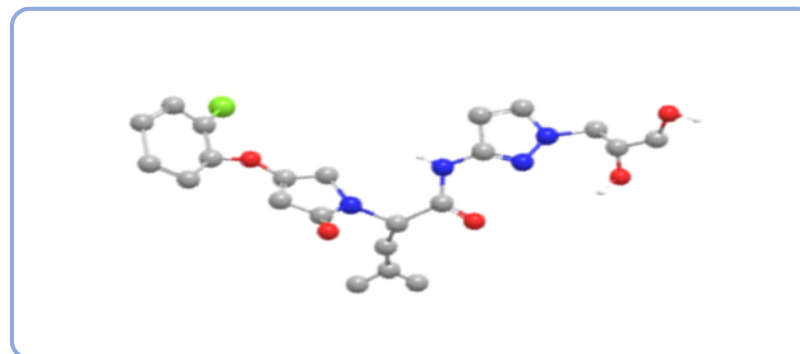
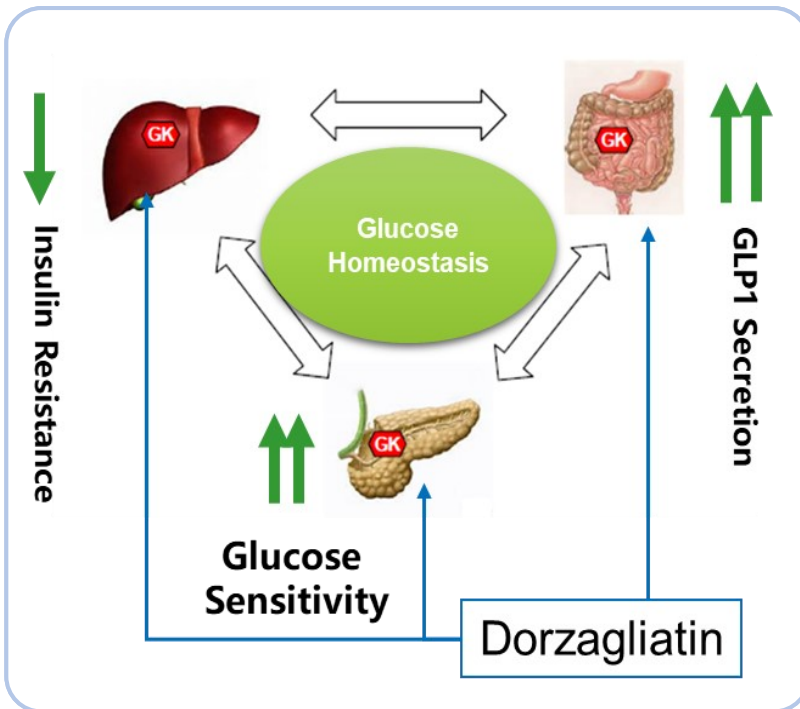
Source: <https://www.precedenceresearch.com/diabetes-drug-market>

Deaths Related to Diabetes Remains High

Diabetes related death among adults (20-79 years) in 2024 is high, especially among the Western world



Dorzagliatin Restores Glucose Homeostasis — A Global First In Class Glucokinase Activator GKA



Novel Concept

Repair sensor, restore glucose homeostasis, treat root cause of Type 2 Diabetes



Novel Mechanism

Positive allosteric modulator of glucokinase enhance glucose sensitivity in insulin and GLP-1 secretion



Novel Structure

Amino acid scaffold with unique PK profile and can be used in patients with renal dysfunction



Novel Technology

Solid solution of Dorzagliatin to enhance targeted organ exposure



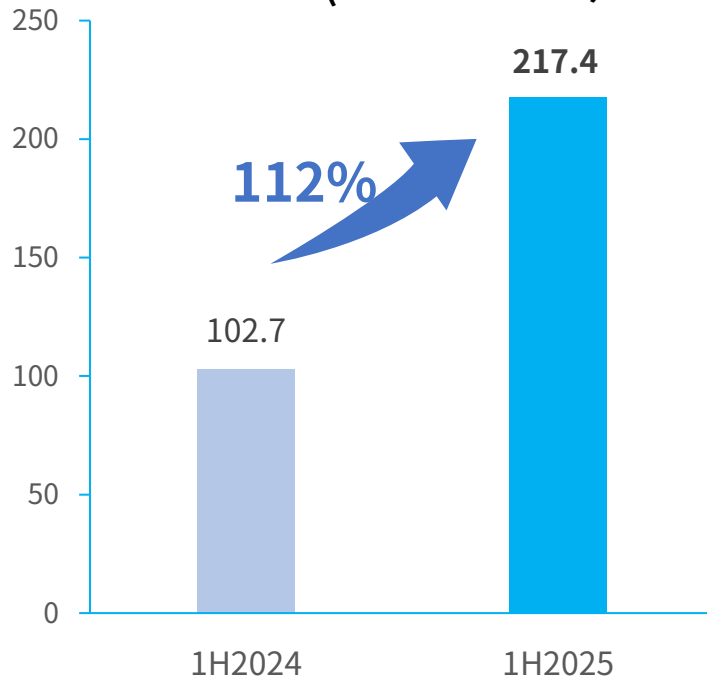
Novel Efficacy

Fast acting and long duration, restore TIR and achieve diabetes remission

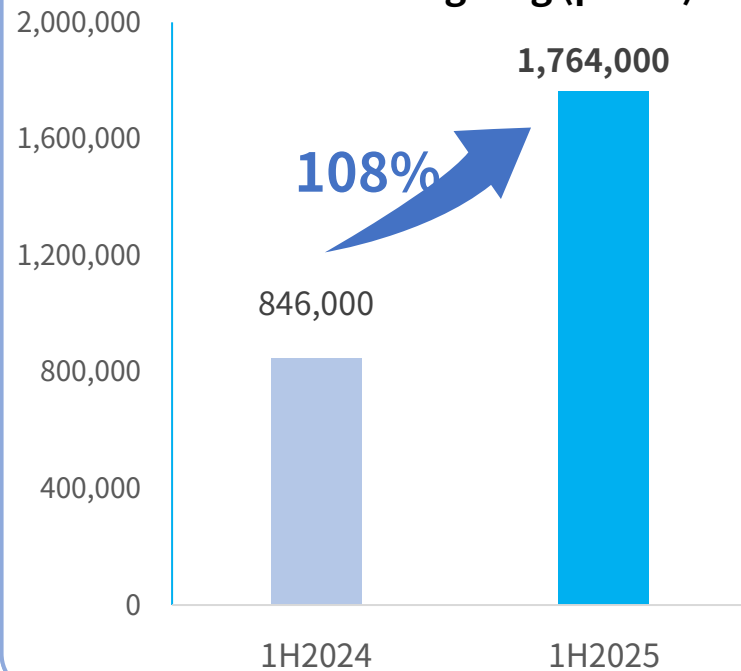
High Sales Growth Leads to Higher Profitability

- We sold approximately **1.764** million packs of HuaTangNing in the first half of 2025, up **108%** from 846,000 packs sold during the same period in 2024. Net sales rose **112%** year-on-year to RMB **217.4** million.
- Prescription volumes expanded significantly across Tier 2 and Tier 3 hospitals during the period, supporting greater patient access and long-term adoption.
- **We are highly confident in achieving our sales target of exceeding RMB 1 billion by 2027.**

Net Sales (RMB' million)

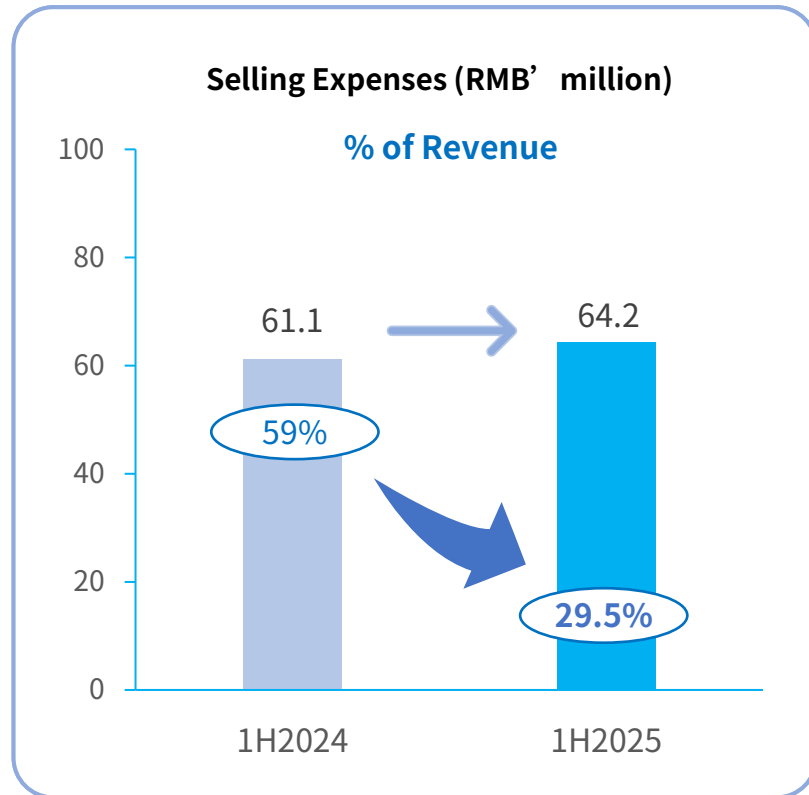
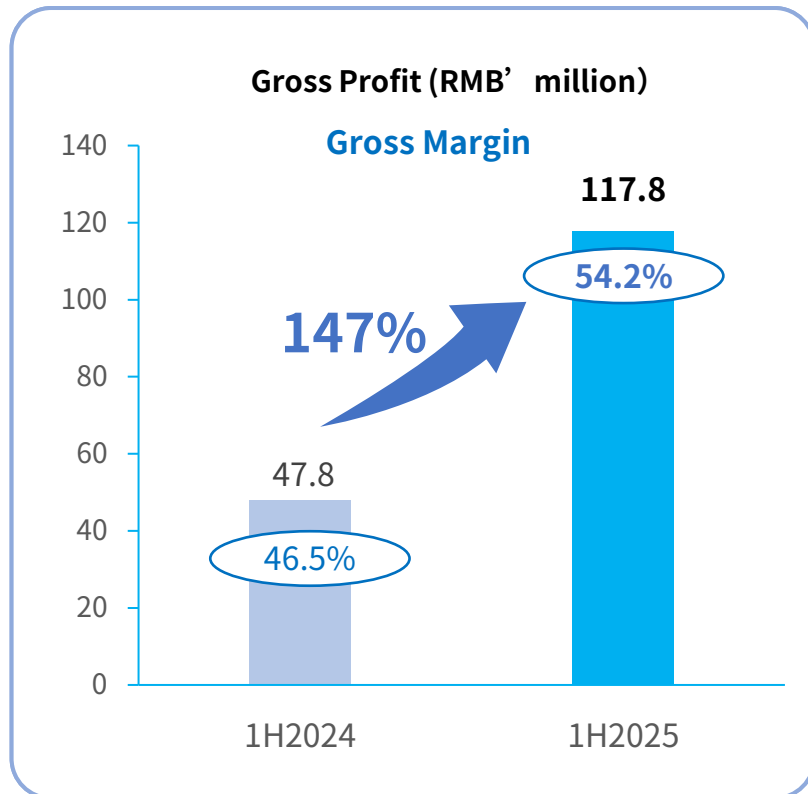


Sales of HuaTangNing (packs)



High Sales Growth Leads to Higher Profitability

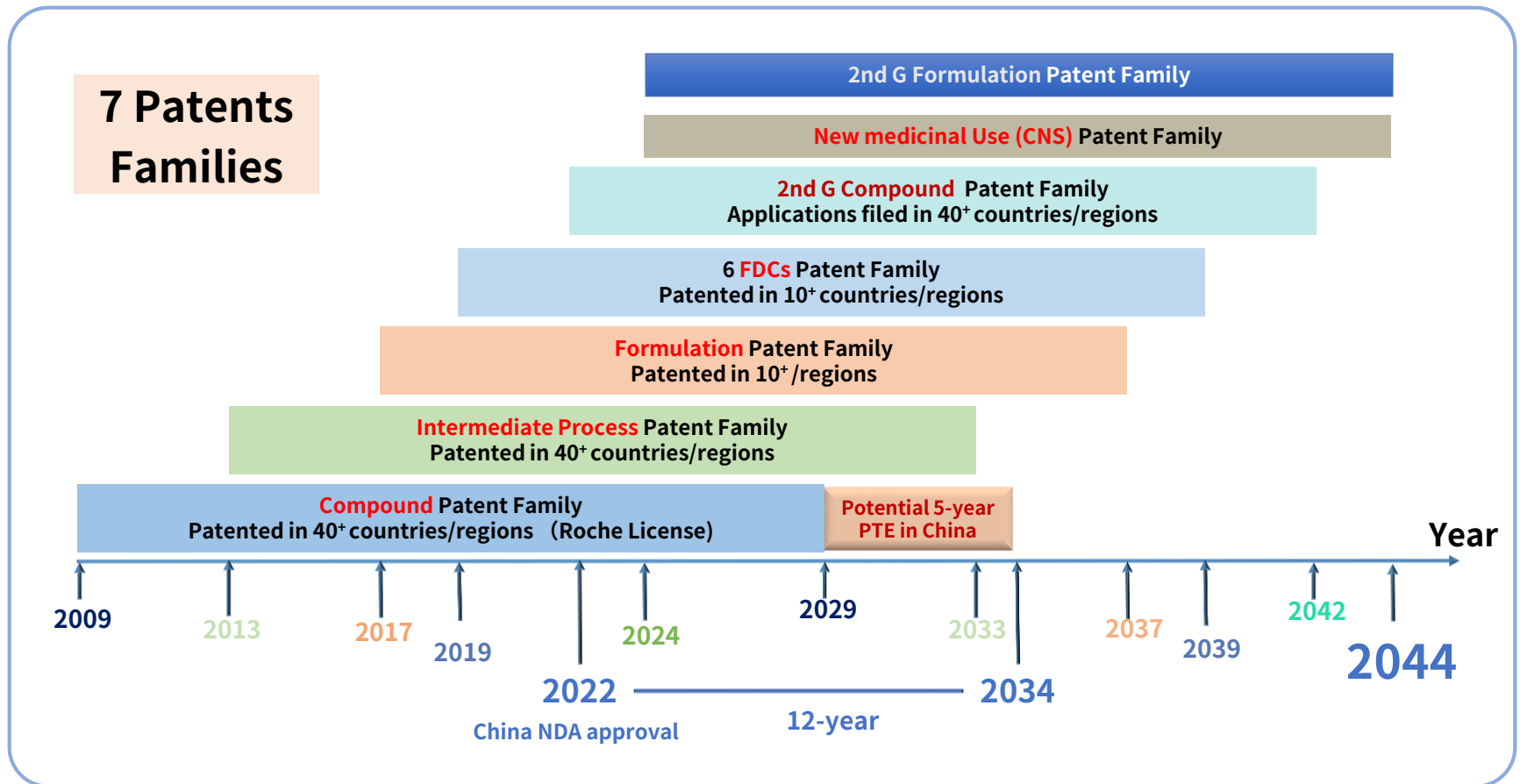
- We have built a sales team of over 100 salespeople directly responsible for our commercialization efforts, and we are projected to grow our sales team by 30% by the end of Q3.
- Increased production scale and efficiency led to significantly improved gross margin, and we expect it to keep growing with sales.
- Selling expenses are directly tied to our commercial efforts of HuaTangNing and well-controlled.





Hua Medicine GKA Global IP Portfolio

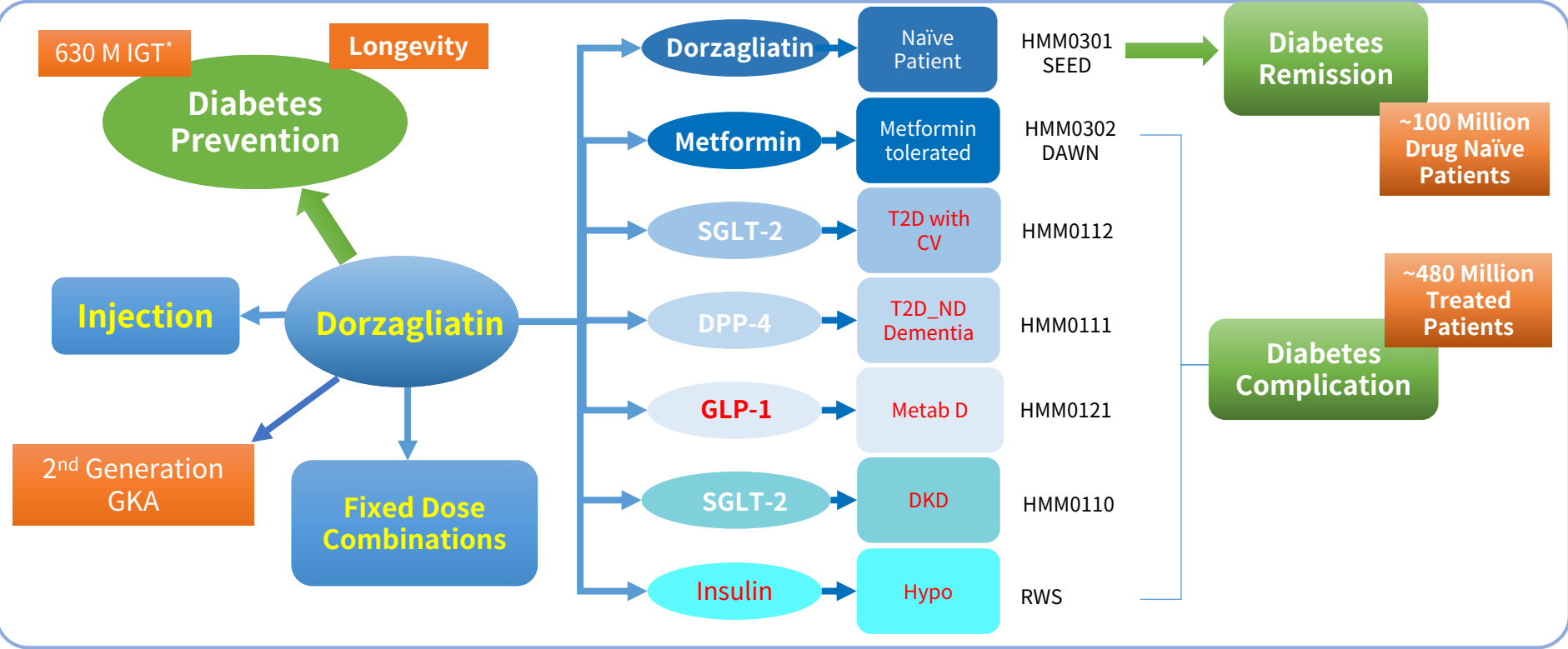
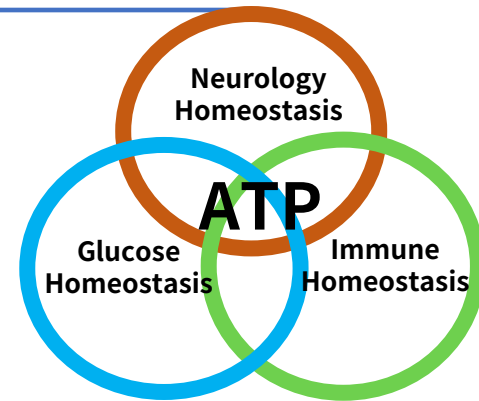
Hua Medicine has filed 391 patent applications globally,
with 334 granted



Restore Glucose Homeostasis — Extend Human Healthy Lifespan



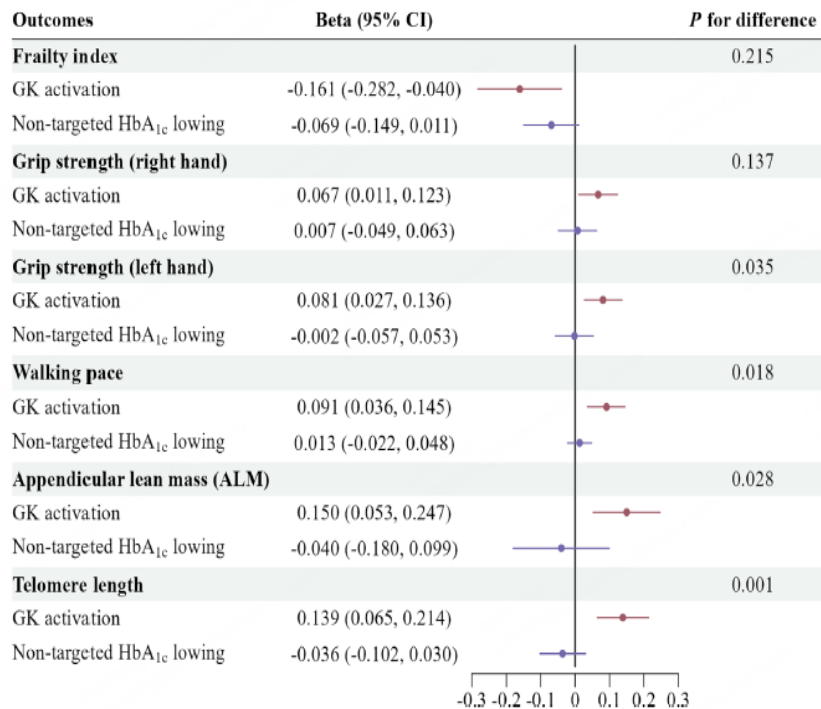
- Early intervention with Dorzagliatin for 100 Million Diabetes Patients to achieve remission
- Dorzagliatin in Prevention of IGT: Over 630 Million IGT patients worldwide
- Prevention of Diabetes Complications with combination therapy: Approximately 480 Million Type 2 Diabetes Patients with One or More Complications



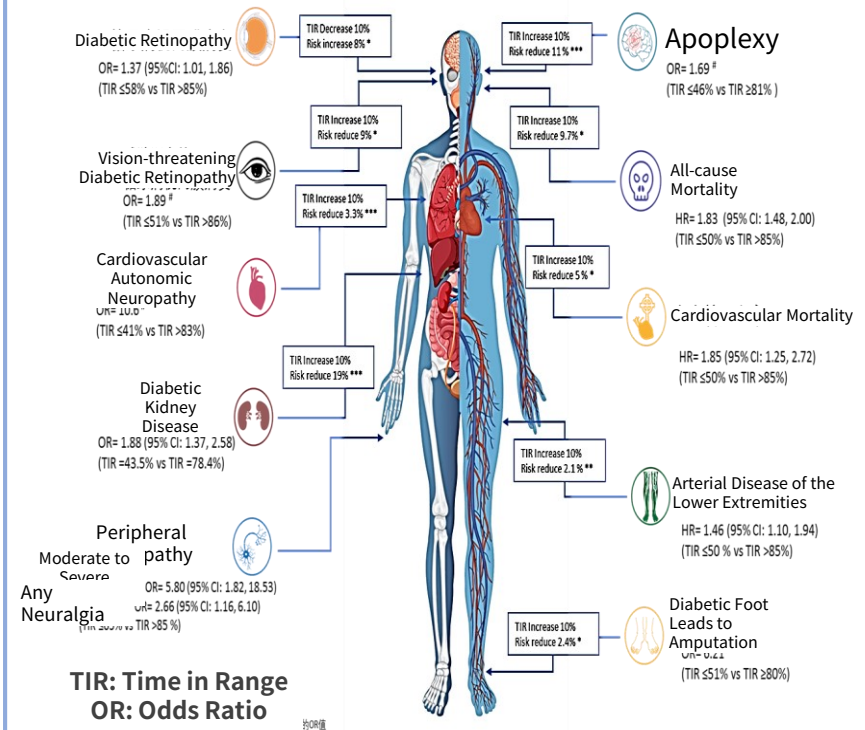
Expansion of GK Regulated Homeostasis

- More indications to be explored with Dorzagliatin and its combinations
 - Diabetes prevention, remission, rejuvenation diabetes complications, CFRD
- 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 HbA1c lowering on frailty-related outcomes.



The relationship between TIR and T2D complications



More Data Reinforce Dorzagliatin's Potential as A Disease-Modifying Therapy



A Real-World Study(BLOOM) further Demonstrates the Broad Applicability and Safety of Dorzagliatin

- BLOOM is being conducted in 2,000 T2D patients across 80 centers in China and completed one-year follow-up in over 1,000 participants.
- Patients receiving dorzagliatin in routine clinical practice present with a heterogeneous mix of comorbidities, including various cardiovascular and renal disorders and are managed with multiple concomitant medications.
- In addition to metformin, more than 60% of patients concurrently used SGLT-2 inhibitors, insulin, GLP-1 receptor agonists, or DPP-IV inhibitors and other anti-diabetic drugs with dorzagliatin. In monotherapy or in combination with the popular above-mentioned antidiabetic drugs, dorzagliatin was generally well tolerated, and its safety profile remained consistent with previously established data.

Long Term Administration of Dorzagliatin Combined with Sitagliptin for the Management of Glucose Homeostasis in High Fat Diet Induced Obesity Mice

- DIO mice have impaired GLP-1 secretion, elevated glucose, insulin and glucagon levels.
- Following 30 days of treatment, glucose levels were improved with increased secretion of insulin, the combination of GKA and DPP4i was superior to dorzagliatin alone with the improved GLP-1 secretion.
- In addition to increased insulin secretion by GKA, the enhanced GLP-1 secretion also played a significant role in improving glucose homeostasis, and the addition of DPP4i amplified these effects.

Mechanisms of Action of Dorzagliatin

- Dorzagliatin is a novel, first-in-class, glucokinase(GK) activator.
- Its mechanism of action primarily revolves its ability to enhance the activity of glucokinase(GK), an enzyme that plays a central role in glucose homeostasis.
- Dorzagliatin can improve glucose sensing in beta-cells and in liver, also increases liver insulin sensitivity and improves GLP-1 secretion.

Products Pipeline and Market Potential



Dorzagliatin 25 for Diabetes Prevention

- Dorzagliatin 75
- Dorzagliatin 75 + Metformin 850
- Dorzagliatin 75 + Empagliflozin 10
- Dorzagliatin + GLP-1Ra**
- Dorzagliatin + Insulin**

Hong Kong

11 countries in SEA
700 M People
70 M Diabetes or more
40% DKD

Mainland China
150 M Diabetes or More
40% DKD
65% MASLD
Medical Expense: 1T RMB

Macao



9 Portuguese speaking countries
250 M People
30 M Diabetes or more
90% diabetes are in Brazil: 3rd in medical expense

Global 2nd Generation GKA Leads US 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 such as Diabetes Kidney Diseases
- Global rights till 2042 with 100% owned by Hua Medicine

Dorzagliatin: Second Generation

Acceleration in technology to advance medicine

~100 years

4 generations of insulin

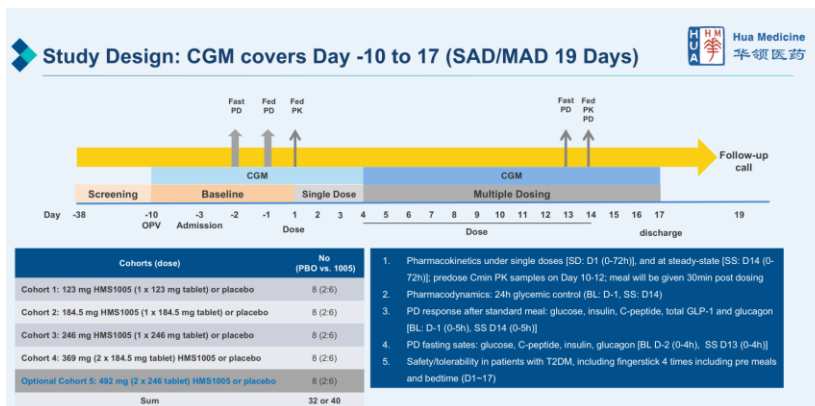
20 years

4 generations of GLP-1

10 years

2 generations of GKA

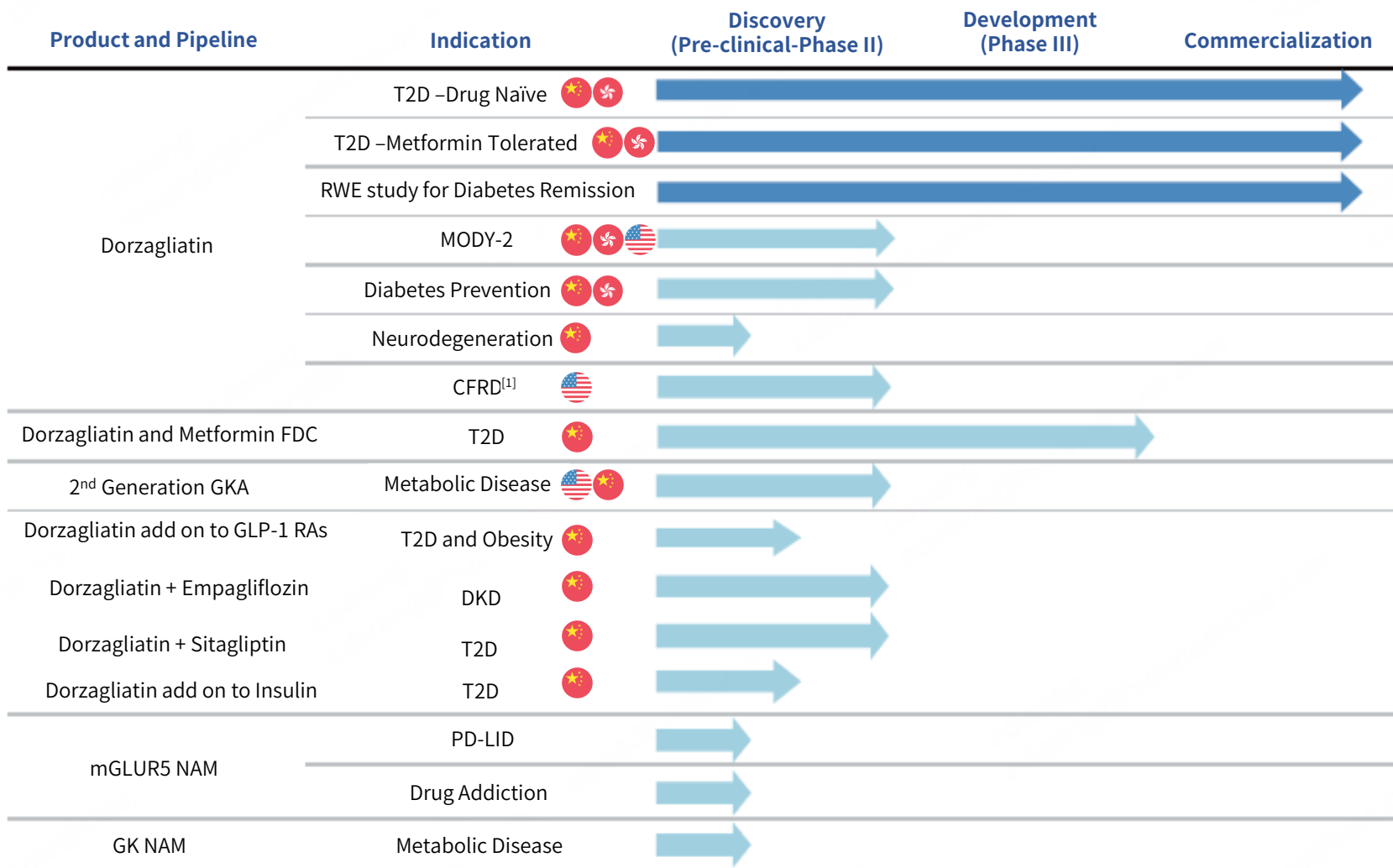
Advanced 2nd generation of GKA in MAD in U.S.



CLINICAL STUDIES USA PHASE 1 TRIAL

- SAD HM-002-1005 rapidly converts to Dorzagliatin in human body, with very low exposure of the prodrug in blood and urine.
- 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.
- MAD dose up to 246 and 369 mg/day to achieve MTD for better glycemic control
- Potential to drive higher rate of diabetes remission at elevated dose in the population with increased insulin resistance and obesity
- Additional benefits in neuro-protection and delays frailty in aging population

Hua Medicine R&D Pipeline



[1] The University of Pennsylvania will conduct an investigator-initiated trial with dorzagliatin for cystic fibrosis-related diabetes in the United States.

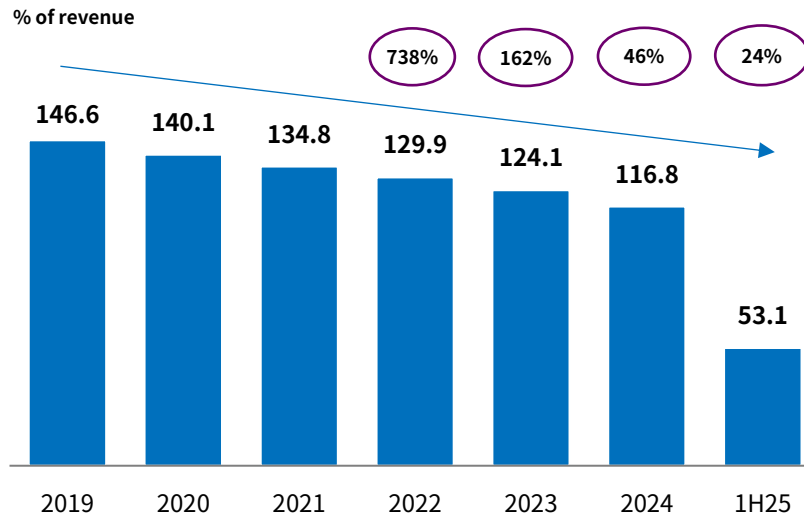


Financial Section

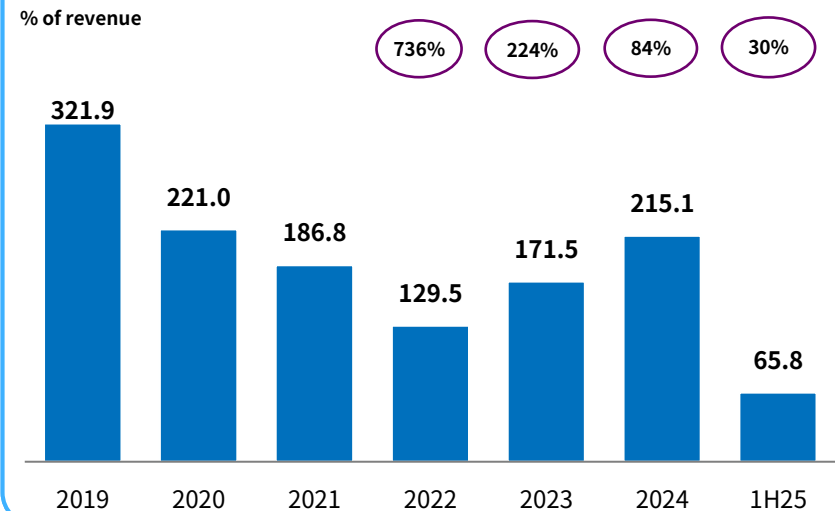
R&D and Admin Expenses Under Control

- Administrative expenses decreased by RMB8 million to RMB53.1million for the six months ended June 30, 2025 from RMB61.1 million for the six months ended June 30, 2024.
 - A decrease of RMB4.1 million in labor cost.
 - A decrease of RMB2.7 million in operating and meeting expenses.
- R&D expenses decreased by RMB 54 million to RMB65.8 million for the six months ended June 30, 2025 from RMB119.8 million for the six months ended June 30, 2024.
 - A decrease of RMB6.7 million for clinical trials and research, which was primarily attributable to the advancement of the clinical study related to 2nd generation GKA.
 - A decrease of RMB40.7 million in chemical, manufacturing, and control expenses, which was primarily attributable to the completion of major validation projects related to capacity expansion.
 - With confidence from stable sales growth, we will raise R&D spending above last year's level.**

Administrative Expenses



Research & Development Expenses



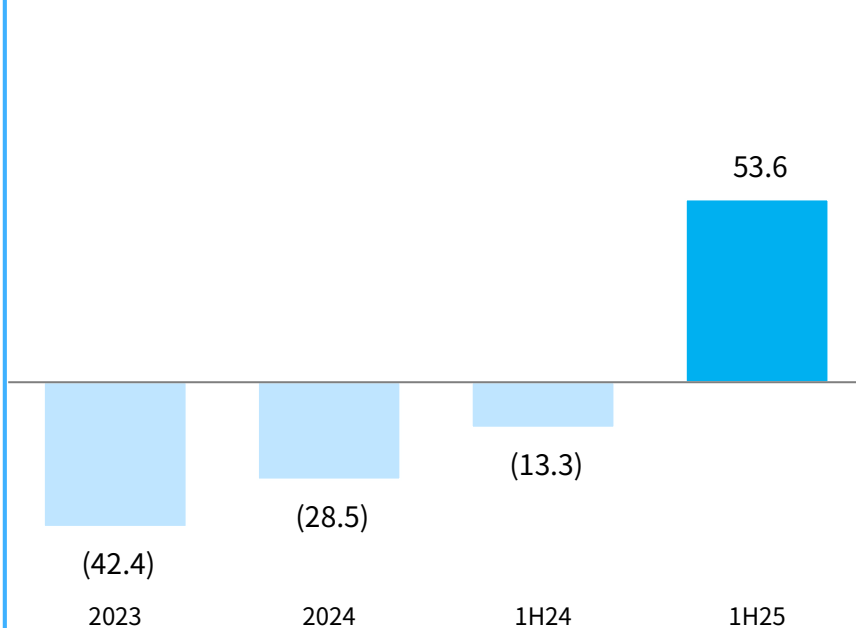
Increasing Profitability



- Driven by significantly improved sales figures, the actual net loss has narrowed substantially.
- The strong financial performance was further supported by the one-time release of RMB1.24 billion in previously deferred income associated with the Agreement.
- The Company's first reported half-year profit of RMB1.18 billion is a key milestone in Hua's turn towards sustainable profitability.**

Operation Profit of Commercial Center[1]

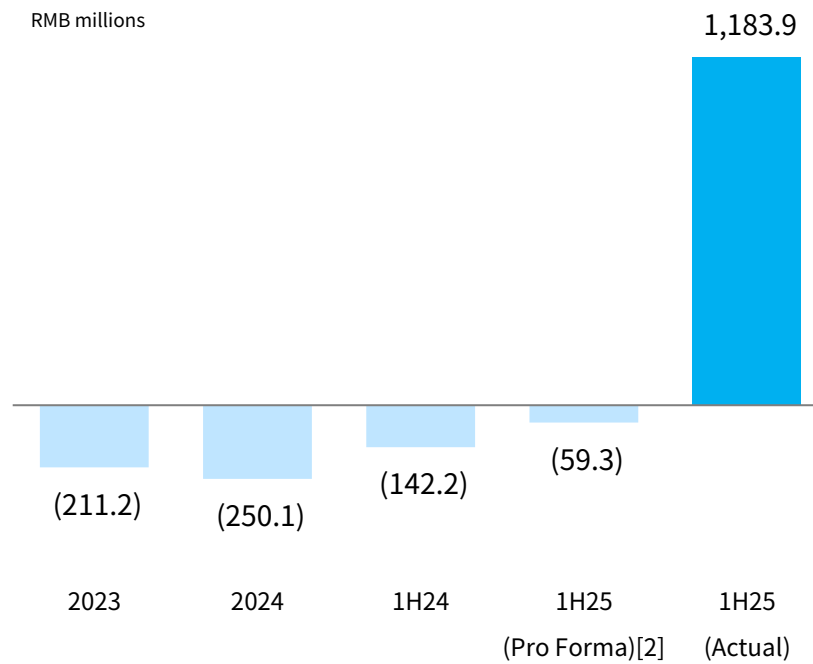
RMB millions



[1] Operation profit of commercial center = gross profit – selling expenses

Net Profit

RMB millions

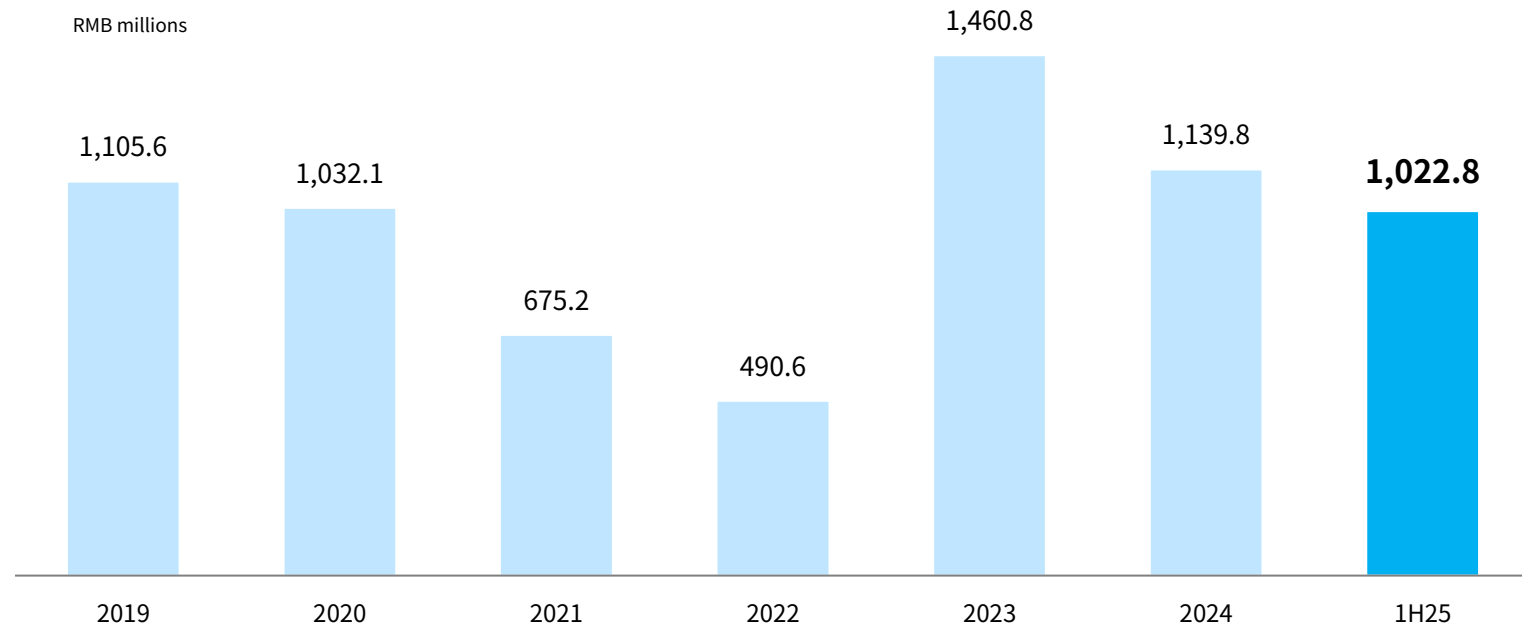


[2] Pro forma for the elimination of approximately RMB 1.2 billion unamortized contract liabilities upon termination of the Bayer agreement on January 1, 2025.

Strong Cash Position

- Cash balance remained at a healthy level. Bank balances and cash position was approximately RMB1,022.8 million as of June 30, 2025.
- The primary use of our cash was to fund our research and development activities, manufacturing activities, regulatory and other clinical trial costs, and related supporting administration.

Cash Balance





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