信達生物製藥

INNOVENT BIOLOGICS, INC.

(Incorporated in the Cayman Islands with Limited Liability)

(Stock Code: 1801)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The board (the "**Board**") of directors (the "**Directors**") of Innovent Biologics, Inc. (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2020 (the "**Reporting Period**"), together with the comparative figures for the year ended 31 December 2019. The consolidated financial statements of the Group for the Reporting Period have been reviewed by the audit committee of the Company and audited by the Company's auditors, Deloitte Touche Tohmatsu.

In this announcement, "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group. Certain amount and percentage figure included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

FINANCIAL HIGHLIGHTS

IFRS Measure:

- **Total revenue** was RMB3,843.8 million for the year ended 31 December 2020, representing an increase of 266.9% from 1,047.5 million for the year ended 31 December 2019. Product revenue increased by 133.0% to RMB2,367.5 million for the year ended 31 December 2020, compared to RMB1,015.9 million in the prior year, mainly driven by the strong year-over-year growth of leading product TYVYT® (sintilimab injection) coupled with revenue contribution of three newly approved antibody drugs in the second half of 2020. License fee and service income, including upfront and milestone payments from our collaboration or out-licensing arrangements, were RMB1,476.3 million for the year ended 31 December 2020, as compared with RMB31.6 million for the year ended 31 December 2019, which also reinforced the growth of total revenue in the reporting period.

- **Gross profit margin** of product sales was 83.6% for the year ended 31 December 2020, decreasing slightly as compared with 87.7% for the year ended 31 December 2019, primarily due to the lowered effective price of TYVYT® (sintilimab injection) with the National Reimbursement Drug List ("**NRDL**") implementation but partially offset by significant volume increase and notable manufacturing efficiencies. Gross profit margin of product sales for the year ended 31 December 2020 increased by 3.7% as compared with 79.9% for the first half of 2020, mainly as the production line of TYVYT® (sintilimab injection) was moved from the smaller scale disposable bioreactors to the large scale stainless steel bioreactors in the fourth quarter of 2020.

- **Research and development expenses *("R&D expenses")*** increased by RMB556.8 million from RMB1,294.7 million for the year ended 31 December 2019 to RMB1,851.5 million for the year ended 31 December 2020. The steadily growing R&D expenses were mainly spent on progressing clinical trials of late-stage and prioritized assets towards our robust pipeline globally, and expanding collaboration and licensing programs to further enhance our all-rounded R&D capabilities.

- **Selling and marketing expenses** were RMB1,340.9 million, or 34.9% of total revenue, or 56.6% of product revenue for the year ended 31 December 2020, as compared with RMB692.5 million, or 66.1% of total revenue, or 68.2% of product revenue in the prior year. Such planned increase in spending was primarily due to broader commercialisation activities with respect to TYVYT® (sintilimab injection), BYVASDA® (bevacizumab biosimilar), SULINNO® (adalimumab biosimilar) and HALPRYZA® (rituximab biosimilar). Our sales and marketing team was also expanded from 688 members as at 31 December 2019 to 1,284 members as at 31 December 2020. The selling and marketing expense ratio was lowered due to the improved efficiency along with favorable revenue impacts from the rapid growth.

- **Loss and total comprehensive expenses** were RMB998.4 million for the year ended 31 December 2020, representing a decrease of 42.0% or RMB721.5 million from RMB1,719.9 million for the year ended 31 December 2019, primarily driven by increased revenue both in inspiring product sales and license fee income.

- **Net cash from financing activities** was RMB4,912.1 million for the year ended 31 December 2020, mainly attributable to proceeds generated from our successful placements in February 2020 and July 2020. As of 31 December 2020, the Company had approximately US$1,244.6 million cash on hand.

Non-IFRS Measure:

- **Adjusted loss and total comprehensive expenses**[1] were RMB595.9 million for the year ended 31 December 2020, representing a decrease of RMB998.4 million from RMB1,571.8 million for the year ended 31 December 2019, primarily attributable to the significant increase of total revenue, partially offset by continuously investment in R&D and efforts on commercialization.

1 Adjusted loss and total comprehensive expenses for the year is not a financial measure defined under the IFRS. It represents the loss and total comprehensive expenses for the year excluding the effect brought by certain non-cash item, namely share-based compensation expenses. For the calculation and reconciliation of this non-IFRS measure, please refer to "Management Discussion and Analysis – Financial Review – 10. Non-IFRS Measure".

BUSINESS HIGHLIGHTS

During the year ended 31 December 2020, our Company has continued to make significant achievements with consistently strong execution with respect to our drug pipeline and business operations, including the following major milestones and achievements:

- During the year of 2020, despite the challenges of COVID-19 pandemic, our Company have made great efforts to minimize the impact on our business operation with uninterrupted production supply, quick recovery of product sales and controllable clinical development progress.

- We generated product revenue of RMB2,367.5 million for the year ended 31 December 2020, an increase of 133.0% compared to RMB1,015.9 million in the prior year, mainly driven by the strong year-over-year growth of leading product TYVYT® (sintilimab injection) coupled with revenue contribution of three newly approved antibody drugs in the second half of 2020.

- The leading product TYVYT® (sintilimab injection) generated RMB2,289.8 million in revenue for the year ended 31 December 2020. This represents an increase of 125.4% from RMB1,015.9 million in the prior year, despite the lowered price of TYVYT® (sintilimab injection) after its inclusion in the NRDL effective from 1 January 2020.

- During the year of 2020, we have successfully expanded our manufacturing capacity from 5,000L to 24,000L, among which the 18,000L stainless bioreactor production line (the M1b site) has started commercial production since the fourth quarter of 2020. In 2020, we have started the construction of a new production facility (the M2 site) that's designed to house additional twelve 3,000L stainless bioreactor production capacities.

- In January 2020, we entered into a collaboration agreement with Coherus Biosciences, Inc. ("**Coherus**") to out-license commercial rights for our IBI-305 (bevacizumab biosimilar) in the United States ("**U.S.**") and Canada.

- In January 2020, we entered into a strategic collaboration with Sirnaomics Inc. ("**Sirnaomics**") to use TYVYT® (sintilimab injection) and Sirnaomics' RNAi drug candidate STP705 (cotsiranib) to conduct clinical studies for combination treatment in advanced cancers, such as Hepatocellular Carcinomas ("**HCC**"), with high unmet need in the U.S..

- In February 2020, we successfully raised approximately HK$2.3 billion through a placing of new shares.

- In March 2020, we entered into an in-licensing agreement with Alector Inc. ("**Alector**"), to develop and commercialize AL008, a first-in-class anti-signal regulatory protein ("**SIRP**") alpha antibody, for the treatment of oncology indications in China.

- In April 2020, the National Medical Products Administration of China (the "**NMPA**") accepted the supplemental new drug application ("**sNDA**") in China for TYVYT® (sintilimab injection), in combination with ALIMTA® (pemetrexed) and platinum chemotherapy as first-line therapy chemotherapy in non-squamous non-small cell lung cancer ("**nsqNSCLC**") without sensitizing epidermal growth factor receptor ("**EGFR**") mutation or anaplastic lymphoma kinase ("**ALK**") rearrangement.

- In May 2020, we entered into a strategic collaboration agreement with the University of Texas MD Anderson Cancer Center to co-develop TYVYT® (sintilimab injection) in rare cancers in the U.S..

- In June 2020, we entered into a strategic collaboration with Roche Group ("**Roche**") that focuses on the discovery and development of bispecific antibodies and multiple cell therapies, which enables us to access certain Roche technologies in the discovery and development of specific 2:1 T-cell bispecific antibodies (TCB) as well as its universal CAR-T platform.

- In June 2020, BYVASDA® (bevacizumab biosimilar) was officially approved by the NMPA for patients with advanced non-small cell lung cancer ("**NSCLC**") and metastatic colorectal cancer in China, becoming the second approved product of our Company.

- In June 2020, the "B" marker was removed from the Company's stock name and stock short name.

- In July 2020, we successfully raised approximately HK$2.8 billion through a new placing of shares, mainly to fund our production facility expansion and increased international clinical trial needs.

- In August 2020, the NMPA accepted our sNDA for TYVYT® (sintilimab injection) in combination with GEMZAR® (gemcitabine for injection) and platinum chemotherapy as first-line therapy in squamous non-small cell lung cancer ("**sqNSCLC**").

- In August 2020, we entered into a strategic milestone expanding licensing agreement to license out the exclusive rights of TYVYT® (sintilimab injection) for geographies outside of China to Eli Lilly and Company ("**Lilly**"), which plans to pursue registration of TYVYT® (sintilimab injection) in the U.S. and other markets. We have recognised upfront payment income of US$200 million in 2020. We will also be eligible for up to US$825 million in potential development and commercial milestones, as well as tiered double-digit royalties on net sales.

- In September 2020, the Company's stock is included into the Hang Seng Composite Index and the Stock Connect.

- In September 2020, SULINNO® (adalimumab biosimilar) was firstly approved by the NMPA for the treatment of rheumatoid arthritis, ankylosing spondylitis and psoriasis. In November and December 2020, SULINNO® (adalimumab biosimilar) was granted new indication approvals by the NMPA for polyarticular juvenile idiopathic arthritis, pediatric plaque psoriasis and non-infectious uveitis. SULINNO® (adalimumab biosimilar) is the third approved products of the Company.

- In September 2020, HALPRYZA® (rituximab biosimilar) was approved by the NMPA for patients with diffuse large B cell lymphoma ("**DLBCL**"), follicular lymphoma ("**FL**"), and chronic lymphocytic leukemia ("**CLL**") in China. HALPRYZA® (rituximab biosimilar) is the fourth approved products of the Company.

- In October 2020, the Company appointed Dr. Yong Jun Liu, a renowned world class scientist and successful leader in biopharmaceutical industry as president, responsible for the Company's global R&D, portfolio strategy, business development as well as international operation.

- During the year ended 31 December 2020, we entered into registrational or pivotal clinical trials for five of our assets, including IBI-310 (anti-cytotoxic T-lymphocyte-associated protein 4 ("**CTLA-4**")), IBI-375 (fibroblast growth factor receptor ("**FGFR**") tyrosine kinase inhibitor ("**TKI**"), IBI-376 (Parsaclisib, PI3Kδ inhibitor), IBI-306 (proprotein convertase substilisin/kexin type 9 enzyme ("**PCSK9**") antibody), and IBI-326 (BCMA CAR-T therapy).

- During the year ended 31 December 2020, we have made significant progress on other clinical stage assets with exceptional clinical and commercial potential both in China and overseas, including IBI-188 (anti-cluster differentiation 47 ("**CD47**" antibody), IBI-322 (programmed cell death protein-Ligand 1 ("**PD-L1**")/CD47 bispecific antibody), IBI-318 (anti-programmed cell death protein 1 ("**PD-1**"/PD-L1 bispecific antibody)，IBI-939 (T-cell immunoreceptor with Ig and ITIM domains ("**TIGIT**")) antibody), IBI-110 (LAG-3 antibody) in oncology areas, IBI-302 (anti-vascular endothelium growth "**VEGF**")/ complement bispecific fusion protein) and IBI-362 ("**OXM3**") in non-oncology areas.

- During the year ended 31 December 2020, we received investigational new drug ("**IND**") approvals for seven new pipeline candidates, including IBI-322 (PD-L1/CD47), IBI-939 (TIGIT), IBI-362 (OXM3), IBI-112 (IL-23), IBI-102 (GITR), IBI-319 (PD-1/4-1BB) and IBI-323 (PD-L1/LAG3).

We have continued to make significant progress in our drug pipeline and business operations after the end of the Reporting Period and up to the date of this announcement, including the following major milestones and achievements:

– In January 2021, the NMPA accepted the sNDA for TYVYT® (sintilimab injection) in combination with BYVASDA® (bevacizumab injection) as first-line therapy in HCC.

– In January 2021, the NMPA accepted the sNDA for TYVYT® (sintilimab injection) as second-line therapy in sqNSCLC.

– In January 2021, we entered into an agreement with PT Etana Biotechnologies Indonesia ("Etana") to out-license BYVASDA® (Bevacizumab Biosimilar)'s development and commercialization rights in Indonesia to Etana.

– In January 2021, the Company successfully raised approximately HK$4.7 billion through a placing of new shares, mainly to expedite the investment and development of various clinical programs for our leading innovative products globally, to fund potential product licensing and possible merger & acquisition ("**M&A**") activities, and to further expand the production capacity, etc.

– In February 2021, TYVYT® (sintilimab injection) was approved by the NMPA in combination with pemetrexed and platinum chemotherapy as first-line therapy for the treatment of nsqNSCLC.

For details of any of the foregoing, please refer to the rest of this announcement and, where applicable, the Company's prior announcements published on the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

We are a global biopharmaceutical company committed to developing and commercialising high-quality innovative therapeutics that are affordable to ordinary people. Founded in 2011 by Dr. De-Chao Michael Yu, we have instituted global quality standards in every aspect of our business operations, and have built a fully-integrated multi-functional biopharmaceutical platform consisting of R&D, chemistry, manufacturing and controls ("**CMC**"), clinical development and commercialisation capabilities.

We have developed a rich pipeline covering a variety of novel and validated therapeutic targets and drug modalities (including monoclonal antibodies, bispecific antibodies, fusion proteins, CAR-T and small molecules), spanning multiple major therapeutic areas including oncology, metabolic, immunology and ophthalmology diseases, and promising tremendous clinical and commercial potential as monotherapies or combination therapies to address unmet medical needs.

During the year of 2020 and to the date of this announcement, our Company has continued to make significant achievements on the business operation with consistently strong execution. We have also kept improving the company organization structure toward cultivating our long term strategic goals in launching potential global first-in-class product and realizing the globalization of our business.

We have continued successful commercial operation, with strong growth of the core product TYVYT® (sintilimab injection) and launch of three more antibody drugs. As a high quality PD-1 inhibitor, our core product TYVYT® (sintilimab injection) has become one of the leading brands in China PD-(L)1 market within less than two years since launched. For the year ended 31 December 2020, we achieved revenue of RMB2,289.8 million for sales of TYVYT® (sintilimab injection), an increase of approximately 125.4% as compared to the year ended 31 December 2019. During the year, we have leveraged our unique advantage as the only PD-1 inhibitor with NRDL coverage, to expedite the process of entering hospital channels, expanding coverage in both major cities and lower tier cities, and building up recognition from doctors and patients. Besides, during the year of 2020 and up to the date of this announcement, we have filed sNDA for TYVYT® (sintilimab injection) for four more indications, with the sNDA for 1L nsqNSCLC approved in February 2021, and the other three sNDA under regulatory review.

During the year of 2020, we have successfully added three more antibody drugs to our commercial portfolio with the NMPA approval of BYVASDA® (bevacizumab biosimilar), SULINNO® (adalimumab biosimilar) and HALPRAZA® (rituximab biosimilar), making us the only biopharmaceutical company that successfully launched four antibody drugs in China in only nine year's history since inception.

We have started registrational/pivotal clinical trials for five late stage assets. During the year ended 31 December 2020 to the date of this announcement, we entered into registrational or pivotal clinical trials for five of our late stage assets, including (i) IBI-310 (CTLA-4) in combination with TYVYT® (sintilimab injection) in Phase 3 trial for adjuvant treatment of melanoma, pivotal Phase 2 trial for the second line or after of cervical cancer, and Phase 3 trial for the first line of HCC; (ii) IBI-376 (Parsaclisib, PI3Kδ inhibitor) in pivotal Phase 2 trial in China with recurrent or refractory follicular lymphoma ("**r/r FL**") and marginal zone lymphoma ("**MZL**"); (iii) IBI-375 (FGFR TKI) in pivotal Phase 2 trial in China for second-line advanced or metastatic cholangiocarcinoma ("**mCCA**"); (iv) IBI-306 (PCSK9 antibody) in Phase 3 trial in China for non-familial hypercholesterolemia; and (v) IBI-326 (BCMA CAR-T) in pivotal phase 2 for r/r MM.

We fast progressed our prioritized assets with exceptional clinical and commercial potential. For our oncology pipeline: (i) We completed Phase 1a dosage escalation for IBI-188 (CD47 antibody) in the U.S. and China, and have started Phase 1b for IBI-188 in 2020; (ii) we started Phase 1 of IBI-322 (PD-L1/CD47 bispecific antibody) in China in 2020, and started Phase 1 in the U.S. in February 2021; (iii) we completed Phase 1a dosage escalation for IBI-318 (PD-1/PD-L1bispecific antibody), and entered multiple Phase 1b trials to explore the potential of IBI-318 across cancer indications in 2020; (iv) We started Phase 1a and Phase 1b study of IBI-939 (TIGIT antibody) in China in 2020, we received IND application approval for IBI-939 in the U.S.; (v) we completed patient enrolment for IBI-110 (LAG-3 antibody) in Phase 1b; (vi) we received IND approval for IBI-323 (PD-L1/LAG-3 bispecific antibody). For non oncology pipeline, (i) we have completed the Phase 1a study of IBI-302 (VEGF/compliment protein) with promising preliminary data presented for wet age-related macular degeneration ("**wet AMD**"); and (ii) we conducted Phase1b/2 study of IBI-362 (OXM3) in both obesity objects and diabetes patients.

We have entered into collaborations with world-class partners, including the strategic collaborations with Lilly and Roche. We have made a series of collaborations with international and regional partners during the year of 2020. In particular, the strategic expanded licensing out agreement with Lilly on the exclusive rights of TYVYT® (sintilimab injection) outside of China marks the first major step in bringing our innovative portfolio to the global market. Besides, our collaboration with Roche on the discovery and development of bispecific antibodies and multiple cell therapies shows the recognition of our drug discovery and R&D capabilities by a global top-tier pharmaceutical company, and could also further enrich our potential first-in-class pipeline down the road.

We expanded manufacturing capacity from 5,000L to 24,000L in 2020, and started new manufacturing facility construction. In 2020, we have expanded our manufacturing capacity from 5,000L to a total of 24,000L production capacity to support our production needs for both our commercial product and clinical stage candidates in the pipeline. The 24,000L production capacity consists of the first manufacturing facilities housing six 1,000L disposable bioreactors (M1a) and the second manufacturing facilities housing six 3,000L stainless steel bioreactors (M1b), both of which have received Good Manufacturing Practice ("**GMP**") certification from the NMPA for the manufacturing TYVYT® (sintilimab injection) and other varies of productions. The capacity expansion should ensure the sufficient supply of our near term production needs as well as strengthen the cost advantage of TYVYT® (sintilimab injection) by materially lowering the production cost. In 2020, we have also started the construction of a new manufacturing facility (the M2 site) that is designed to house additional twelve 3,000L production capacities, which once completed, will expand our production capacity to a total of 60,000L.

We kept increasing our talent pool, with the appointment of President of Dr. Yong Jun Liu for the Company's long term strategic development. In the year of 2020, we have expanded our team from about 2,000 employees as at 31 December 2019 to more than 3,200 employees as at 31 December 2020, consisting of about 950 employees in R&D, 1,300 employees in commercialization, 750 employees in CMC and 300 employees in general and administrative functions. In particular, we appointed Dr. Yong Jun Liu, a renowned world class scientist and successful leader in biopharmaceutical industry as the president of the Company, responsible for our global R&D, portfolio strategy, business development as well as international operation. We believe the vision and leadership of our world-class senior management team, the continuously improving company structure and the enrolment of more talents has been laying a solid foundation for long term development of our company.

We have made fruitful capital market achievements. During 2020 to the date of this announcement, we have successfully raised a total of approximately HK$9.8 billion, or US$1.3 billion fund from three rounds of new share placements, backed by strong subscription of well-known international and regional investors. As of the date of this announcement, we have approximately US$1.8 billion cash on hand, providing a strong support to our drug R&D, potential business collaboration, production facility expansion and increased international operation needs. In 2020, the "B" marker was also successfully removed from the Company's stock name, and stocks was also included in the Hang Seng Composite Index and the Stock Connect.

During the year of 2021, we will continue to make efforts to achieve milestones in various aspect in terms of commercialization, CMC, R&D, global expansion, etc. Besides, we will also strategically plan ahead to fulfill our company mission and strategy in the long term.

We will keep strengthen our commercial capability, with TYVYT® (sintilimab injection) remains as the strategic focus and three biosimilar products emerge as new growth drivers. In 2021, we are committed to maintain the leadership of TYVYT® (sintilimab injection) among China PD-(L)1 market. TYVYT® (sintilimab injection) has been approved for two indications and the sNDA for three more major cancer indications are currently under NMPA review, as of the date of this announcement. We believe the expansion of indications in 2021 will bring TYVYT® (sintilimab injection) to broader patient groups with unmet medical needs and support continued revenue growth of the product, backed by sufficient production capacity and competitive production cost under our large scale stainless steel bioreactor production lines. Meanwhile, we anticipate the three biosimilars products BYVASDA® (bevacizumab biosimilar), SULLINO® (adalimumab biosimilar) and HALPRAZA® (rituximab biosimilar) would also play as important growth drivers of our business in 2021.

We expect five NDA approvals in the rest of 2021 and early 2022. We expect to receive sNDA approval for TYVYT® (sintilimab injection) in the first line of sqNSCLC in the first half to the mid of 2021. We expect to receive sNDA approval for TYVYT® (sintilimab injection) and BYVASDA® (bevacizumab biosimilar) as combination therapy for the first line of HCC in the second half of 2021, respectively. We expect to receive sNDA approval for TYVYT® (sintilimab injection) for the second line of sqNSCLC by the end of 2021 to the early of 2022. We also expect to receive NDA approval in Taiwan market for IBI-375 (FGFR TKI) in the first half of 2021.

We expect nine NDA filings in 2021 to early 2022. In the year 2021 to early 2022, we expect four NDA filings for TYVYT® (sintilimab injection), including: (i) we plan to file sNDA to the NMPA for TYVYT® (sintilimab injection) for the first line treatment of esophageal squamous cell carcinoma ("**ESCC**") in the second half of 2021; (ii) we plan to file sNDA to the NMPA for TYVYT® (sintilimab injection) for post-TKI treatment of NSCLC patients with EGFR mutation between late 2021 to early 2022; (iii) we plan to file sNDA to the NMPA for TYVYT® (sintilimab injection) for the first line of gastric cancer ("**GC**") between late 2021 to early 2022; and (iv) our partner Lilly also anticipates the biologic license application ("**BLA**") filing for TYVYT® (sintilimab injection) in the U.S. for the treatment of NSCLC in 2021. In addition, we plan to file NDAs for IBI-375 (FGFR TKI) in both mainland China and Hong Kong around the mid of 2021, respectively. We also plan to file NDA for IBI-376 (Parsaclisib, PI3Kδ inhibitor) in China for r/r FL between late 2021 to early 2022. Our partner PT Etana Biotechnologies Indonesia ("**Etana**") anticipates to file NDA for BYVASDA® (bevacizumab biosimilar) in Indonesia in 2021. Between the end of 2021 to early 2022, we and Nanjing IASO Biotherapeutics ("**IASO Bio**") plan to file rolling submission of NDA to the NMPA for IBI-326 for the treatment of relapsed/refractory multiple myeloma ("**r/r MM**").

We expect multiple late stage and early stage data readouts or release in 2021 to early 2022. In 2021, we plan to present the results of TYVYT® (sintilimab injection) or read out data in Phase 3 studies including: (i) the second line treatment of sqNSCLC; (ii) the first line treatment of ESCC; (iii) the post-TKI treatment of NSCLC with EGFR mutation; and (iv) the first line treatment of GC. We also plan to announce pivotal Phase 2 data of: (i) the result of pivotal Phase 2 study of IBI-375 (FGFR TKI) in the second line treatment of mCCA; (ii) the result of pivotal Phase 2 study of IBI-376 (Parsaclisib, PI3Kδ inhibitor) in r/r FL between late 2021 to 2022. We also plan to read out data for IBI-306 in phase 3 for HeFH. We also plan to announce Phase 1 or Phase 2 clinical study data readouts for a series of clinical stage assets such as our IBI-310 (CTLA-4), IBI-362 (OXM3), IBI-302 (VEGF/compliment fusion protein), IBI-318 (PD1/PD-L1 bispecific antibody), IBI-322 (PD-L1/CD47 bispecific antibody), IBI-110 (LAG-3), IBI-939 (TIGIT) and IBI-315 (PD1/HER2 bispecific antibody), etc.

We will keep progressing our pipeline to further clinical studies in 2021. In addition to the undergoing clinical studies, we will keep advancing our pipelines. (i) We will keep prioritizing the development of our CD47 franchise. We will start Phase 3 or pivotal trial for IBI-188 (CD47 antibody) in China for the first line treatment of myelodysplastic syndrome ("**MDS**") in 2021. We will enter Phase 1b for IBI-322 (PD-L1/CD47 bispecific antibody) and get preliminary Proof-of-Concept ("**PoC**") data in 2021. (ii) We plan to start the China part of the Incyte-sponsored global Phase 3 trial for IBI-376 (Parsaclisib, PI3Kδ inhibitor) in the second line of MF in the first half of 2021. (iii) We will enter Phase 2 clinical study for IBI-362 (OXM3) for obesity and diabetes. (iv) We will enter Phase 2 clinical study for IBI-302 for wet AMD. (v) We will keep advancing the development of our other clinical stage assets such as IBI-326 (BCMA CAR-T), IBI-939 (TIGIT), IBI-110 (LAG-3), IBI-135 (PD-L1/HER2), IBI-319 (PD-1/4-1BB bispecific antibody), IBI-323 (LAG-3/PD-L1 bispecific antibody), etc. In addition, we plan to progress multiple preclinical stage new molecules into IND stage in 2021, for which the targets have not been disclosed yet.

We are strategically enhancing our R&D toward global innovation. In order to meet the Company's goal of growing into a global biopharmaceutical company, we are upgrading our R&D to a global innovation platform. With a clear strategy and execution plan, we are committed to building a world class R&D organization with deep understanding in science, cutting edge technology platform, international collaboration, and global professionals. We are upgrading our R&D to a fully functional structure with global scope, global talents and global vision. Our lab in the US is already under construction. We will recruit a bunch of world class scientists in China and the US to join our drug discovery engine Innovent Academy. We will keep adding global resources in our R&D. Meanwhile, we will fully leverage our strong execution in drug research and clinical development in China to accelerate the R&D for global innovation.

We will continue our global expansion footprint. We entered multiple out-license agreements in 2020 and early 2021 on our products TYVYT® (sintilimab injection) and BYVASDA® (bevacizumab biosimilar). As our partner Lilly plans to file BLA for TYVYT® (sintilimab injection) in the U.S. for the treatment of NSCLC in 2021, Etana plans to file NDA for BYVASDA® (bevacizumab biosimilar) in Indonesia in 2021, we anticipate our brands could be brought to global patients within the next two years.

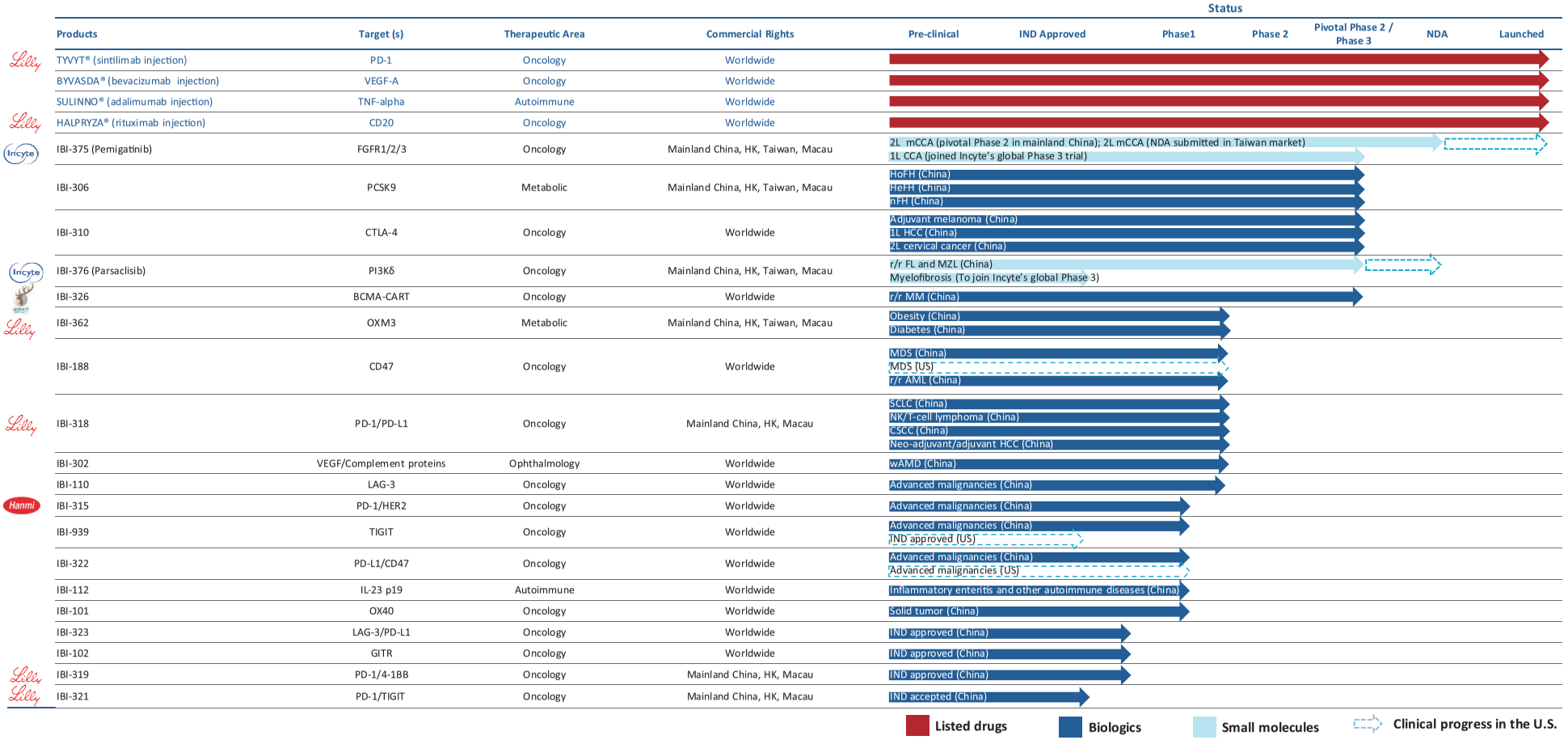
In 2021, we will keep the development of our global-potential pipeline candidates outside of China. With subsidiaries set up in both EU and the U.S., we will keep enlarging our overseas talent team in 2021 to fit the clinical operation needs. Meanwhile, we will keep looking for any potential collaboration opportunities with global partners that should strategically fit the development of the Company in any potential license in/license out, equity investment and M&As.

We plan to further expand our manufacturing facilities. We have started the construction of a new commercial facility (the M2 site) in Suzhou site that is designed to house additional twelve 3,000L production capacities. We anticipate to finish the M2 facility construction by the end of 2021 in order to provide sufficient capacity to commensurate with our growing and maturing drug pipeline and to support our continued business expansions.

Pipeline summary

Leveraging the Company's fully-integrated multi-functional platform and strategic partnerships and collaborations, the Company has developed a robust pipeline of 23 valuable assets in a total of more than 50 ongoing clinical trials, as of the date of this announcement. The Company's pipeline assets cover a variety of novel and validated therapeutic targets and drug modalities (including monoclonal antibodies, bispecific antibodies, fusion proteins, CAR-T and small molecules), span multiple major therapeutic areas including oncology, metabolic, immunology and ophthalmology diseases, and promise tremendous clinical and commercial potential as monotherapies or combination therapies to address unmet medical needs.

The following chart summarizes the therapeutic targets, therapeutic areas, commercial rights and development status of our pipeline assets as of the date of this announcement.



BUSINESS REVIEW

Our Commercial Stage Products

TYVYT® (sintilimab injection): *an innovative fully human anti-PD-1 monoclonal antibody co-developed with Lilly); accepted into the National Major New Drugs Innovation and Development Program; approved in China*

Commercial Development Milestones and Achievements

- During the year of 2020, our core product TYVYT® (sintilimab injection) generated RMB2,289.8 million in revenue, representing an increase of 125.4% over the same period of last year, despite the lowered effective price since the implementation of NRDL effective from 1 January 2020.

- As a high quality PD-1 inhibitor, TYVYT® (sintilimab injection) has become leading brand in China PD-(L)1 market within less than two years since launched, in terms of both the revenue share and volume share that the product has achieved in 2020.

- During the year of 2020, we have fully leveraged our unique advantage as the first and only PD-1 inhibitor with NRDL coverage. We have expedited the process of entering hospital channels, expanding and deepening our coverage in both major cities and lower tier cities, and building up recognition from doctors and patients.

- Our sales and marketing team of TYVYT® (sintilimab injection) has expanded from about 700 employees as of 31 December 2019 to over 1,200 employees as of 31 December 2020.

- Our coverage of TYVYT® (sintilimab injection) has expanded from about 2,000 hospitals and 500 Direct-To-Patient ("**DTP**")/pharmacies at the end of 2019 to about 4,000 hospitals and 900 DTP/pharmacies across more than 300 cities as of 31 December 2020.

Post-Reporting Period (Expected) Commercial Development Plans

- In 2021, we will continue to strategically focus on the commercialisation of TYVYT® (sintilimab injection). We will keep leveraging our early mover advantage in NRDL to enter more hospital channels for TYVYT® (sintilimab injection). We will also further expand our commercial team to broaden and deepen the coverage of TYVYT® (sintilimab injection) in different tiers of cities and hospitals. Meanwhile, we will provide more comprehensive academic marketing supported by the potential sNDA approval of TYVYT® (sintilimab injection) in multiple major cancer indications in 2021 to early 2022, including the first-line of nsqNSCLC (approved in February 2021), the first-line of sqNSCLC, the first-line of HCC and the second-line of sqNSCLC. We anticipate TYVYT® (sintilimab injection) could benefit broader patient group in 2021.

Clinical Development Milestones and other Major Achievements during Reporting Period

We are executing a broad clinical development program for TYVYT® (sintilimab injection) and are currently conducting over 20 clinical studies to evaluate its efficacy and safety in a wide variety of cancer indications, including 12 registrational or pivotal clinical trials ongoing or completed, both as a monotherapy and as part of a combination therapy, and both in China and in the U.S.

The following chart summarizes the clinical development programs on-going for TYVYT® (sintilimab injection) as of the date of this announcement.

INDICATION	MONO-/COMBO-THERAPY (OTHER COMPONENTS)	STATUS					
		PHASE 1					
		1A	1B	PHASE 2	PHASE 3	NDA FILED	NDA APPROVED
China							
r/r Classical Hodgkin's Lymphoma	Mono						●
1L Non-squamous NSCLC	Combo (pemetrexed and cisplatin)						●
1L Squamous NSCLC	Combo (gemcitabine and platinum)					●	
2L Squamous NSCLC	Mono					●	
1L Hepatocellular Carcinoma	Combo (IBI-305 /biosimilar to bevacizumab)					●	
EGFR+ TKI Failure NCSLC *(MRCT)*	Combo (IBI-305 /biosimilar to bavecizumab)				◐		
1L Gastric Cancer	Combo (capecitabine and oxaliplatin)				◐		
1L Gastric Cancer (CPS≥10)	Combo (Ramucizumab)				◐		
1L Esophageal Carcinoma *(MRCT)*	Combo (paclitaxel and cisplatin/5-FU and cisplatin)				◐		
2L Classical Hodgkin's Lymphoma	Combo (ICE)				◐		
Melanoma (adjuvant)	Combo (IBI-310/CTLA-4 mAb)				◐		
1L Hepatocellular Carcinoma	Combo (IBI-310/CTLA-4 mAb)				◐		
2L Hepatocellular Carcinoma	Combo (IBI-310/CTLA-4 mAb)			◐			
2L/+ Cervical cancer	Combo (IBI-310/CTLA-4 mAb)			◐			
2L ESCC	Mono			●			
r/r NK/T-cell Lymphoma	Mono			●			
3L CRC	Combo (IBI-310/CTLA-4 mAb)			●			
Refractory Gastrointestinal Cancer	Mono		●				
1L Gastric Cancer	Combo (capecitabine and oxaliplatin)		●				
2L NSCLC	Mono		●				
1L/2L Melanoma	Mono		●				
1L Squamous NSCLC	Combo (gemcitabine and cisplatin)		●				
1L/2L Neuroendocrine Tumor	Combo (EP/IP)		●				
Solid Tumors/colorectal cancer	Combo (Fruquintinib)		◔				
Solid Tumors/cholangiocarcinoma	Combo (Surufatinib)		◐				
3L colorectal cancer	Combo (Chidamide)		◐				
2L Hepatocellular Carcinoma	Combo (siRNA)		◔				
U.S.							
1L Esophageal Carcinoma *(MRCT)*	Combo (paclitaxel and cisplatin/5-FU and cisplatin)				◐		
Solid Tumors	Mono		●				
Late Stage Endometrial Carcinoma	Mono		●				

Symbols: ● = completed; ◔ = completed patient enrollment; ◐ = in progress; ◔ = to be initiated within next quarter.

Note: r/r: relapsed/refractory; 2L: second-line; 1L: first-line; NSCLC: non-small cell lung cancer; EGFR+TKI: epidermal growth factor receptor-tyrosine kinase inhibitor; ESCC: esophageal squamous cell carcinoma.

During the reporting period for the year ended December 31, 2020, we have achieved major milestones for TYVYT® (sintilimab injection) including:

- Two sNDA for TYVYT® (sintilimab injection) accepted in China by the NMPA:
  - In April 2020, NMPA accepted the sNDA for TYVYT® (sintilimab injection) in China in combination with pemetrexed and platinum chemotherapy as the first-line therapy in nsqNSCLC without sensitizing EGFR mutation or ALK rearrangement; and
  - In August 2020, the NMPA accepted the sNDA for TYVYT® (sintilimab injection) in combination with GEMZAR® (gemcitabine) and platinum chemotherapy as first-line therapy in sqNSCLC.
- Met primary endpoint in major clinical studies including:
  - the Phase 3 ORIENT-12 study to evaluate TYVYT® (sintilimab injection) in combination with gemcitabine and platinum chemotherapy in first-line sqNSCLC;
  - the Phase 2/3 study to evaluate TYVYT® (sintilimab injection) in combination with our BYVASDA® (bevacizumab biosimilar), as a first-line treatment for patients with advanced HCC in China (ORIENT-32); and
  - the Phase 2 ORIENT-2 study in China to evaluate TYVYT® (sintilimab injection) as a monotherapy as a second-line treatment for patients with advanced or metastatic ESCC.
- Completed the patient enrollment in major clinical trials including:
  - the Phase 3 trial for TYVYT® (sintilimab injection) in combination with capecitabine and oxaliplatin in the treatment of first line GC (ORIENT-16);
  - the China part of the global Phase 3 study of TYVYT® (sintilimab injection) in combination with paclitaxel and cisplatin or 5-FU and cisplatin in first-line ESCC (ORIENT-15); and
  - the Phase 1b trial of TYVYT® (sintilimab injection) in combination with fruquitinib (developed by Hutchison China MediTech Limited) in advanced solid tumors.
- Continued the patient enrollment in major clinical trials including:
  - the Phase 3 for trial for TYVYT® (sintilimab injection) with BYVASDA® (bevacizumab biosimilar) and pemetrexed and cisplatin in the treatment of NSCLC patients with EGFR mutation after the failure of TKI treatment (ORIENT-31).

- Initiated patient enrollment in major clinical trials including:

  – the initiation of a global Phase 3 ORIENT-15 study in the U.S. for TYVYT® (sintilimab injection) in combination with paclitaxel and cisplatin or 5-FU and cisplatin in first-line ESCC.

- Submitted IND application for major clinical trials including:

  – the Phase 3 study for TYVYT® (sintilimab injection) in combination with Lilly's Cyramza® (ramucirumab) in the first line treatment of advanced GC in China;

- Presented five key late stage results from clinical studies of TYVYT® (sintilimab injection) by online posters/abstracts at multiple major conferences, including:

  – In June 2020, we presented the results of the pivotal Phase 2 study ORIENT-2 in China to evaluate TYVYT® (sintilimab injection) as a monotherapy as a second-line treatment for patients with advanced or metastatic ESCC;

  – In August 2020, we presented the interim analysis data of the phase 3 trial ORIENT-11 to evaluate TYVYT® (sintilimab injection) in combination with ALIMTA® (pemetrexed) and platinum chemotherapy as first-line therapy in nsqNSCLC at the 2020 World Conference on Lung Cancer Virtual Presidential Symposium;

  – In September 2020, we presented the biomarker data of the Phase 3 ORIENT-11 study to evaluate TYVYT® (sintilimab injection) in combination with pemetrexed and platinum chemotherapy in first-line nsqNSCLC at the virtual annual meeting of European Society for Medical Oncology ("**ESMO**");

  – In September 2020, we presented the interim data of the Phase 3 ORIENT-12 study to evaluate TYVYT® (sintilimab injection) in combination with gemcitabine and platinum chemotherapy in first-line sqNSCLC at the virtual annual meeting of ESMO; and

  – In November 2020, we presented the interim data of the Phase 2/3 ORIENT-32 study to evaluate TYVYT® (sintilimab injection) in combination with our BYVASDA® (bevacizumab biosimilar) as the first-line treatment for patients with advanced HCC at the annual meeting of ESMO Asia Congress.

- Entered into major collaborations with strategic partners to maximize the potential of TYVYT® (sintilimab injection), including:

  – In January 2020, the collaborations with Sirnaomics to conduct clinical studies combining TYVYT® (sintilimab injection) and Sirnaomics' RNAi drug candidate STP705 (cotsiranib), for combination treatment in advanced cancers, such as HCC, with high unmet need in the U.S.;

  – In May 2020, we entered the collaboration with University of Texas MD Anderson Cancer Center to co-develop TYVYT® (sintilimab injection) in rare cancers in the U.S.. The collaboration will provide us with opportunities to pursue approval of TYVYT® (sintilimab injection) by the U.S. Food and Drug Administration ("**FDA**") for multiple rare cancer indications in addition to larger cancer indications for TYVYT® (sintilimab injection) that are being independently pursuing for approval;

– In August 2020, we entered into a strategic milestone expanded licensing agreement to license out the exclusive rights of TYVYT® (sintilimab injection) for geographies outside of China to Lilly, which plans to pursue registration of TYVYT® (sintilimab injection) in the U.S. and other markets. We have recognised upfront payment income of US$200 million in the second half of 2020. We will also be eligible for up to US$825 million in potential development and commercial milestones, as well as tiered double-digit royalties on net sales.

Post-Reporting Period (Expected) Milestones and Achievements

- In 2021 to early 2022, we expect five sNDAs applications accepted by the NMPA for TYVYT® (sintilimab injection), including:

  – In January 2021, the sNDA for TYVYT® (sintilimab injection) in combination with BYVASDA® (bevacizumab injection) as first-line therapy in HCC has been accepted by the NMPA and is under priority review by Center for Drug Evaluation ("**CDE**");

  – In January 2021 the sNDA for TYVYT® (sintilimab injection) as second-line therapy in sqNSCLC has been accepted by the NMPA;

  – In the second half of 2021, we plan to submit the sNDA of TYVYT® (sintilimab injection) in combination with paclitaxel and cisplatin or 5-FU and cisplatin chemotherapy as first-line therapy in ESCC;

  – Between the late of 2021 to early 2022, we plan to submit the sNDA of TYVYT® (sintilimab injection) in combination with BYVASDA® (bevacizumab biosimilar) and pemetrexed and cisplatin in the treatment of NSCLC patients with EGFR mutation after the failure of TKI treatment; and

  – Between the late of 2021 to early 2022, we plan to submit the sNDA of TYVYT® (sintilimab injection) in combination with capecitabine and oxaliplatin in the treatment of first-line GC.

- In 2021 to early 2022, we expect to receive four sNDA approval by NMPA for TYVYT® (sintilimab injection) in China:

  – In February 2021, TYVYT® (sintilimab injection) was already approved by the NMPA in combination with pemetrexed and platinum chemotherapy as first-line therapy for the treatment of nsqNSCLC.

  – In the first half to the mid of 2021, we expect to receive sNDA approval by the NMPA for TYVYT® (sintilimab injection) in combination with GEMZAR® (gemcitabine) and platinum chemotherapy as first-line therapy in sqNSCLC.

  – In the second half of 2021, we expect sNDA approval by the NMPA for TYVYT® (sintilimab injection) in combination with BYVASDA® (bevacizumab injection) as first-line therapy in HCC; and

  – Between the late of 2021 to early 2022, we expect sNDA approval by the NMPA for TYVYT® (sintilimab injection) as second-line therapy in sqNSCLC.

- In 2021, our partner Lilly anticipates to submit BLA application for TYVYT® (sintilimab injection) to the U.S. FDA for the treatment of NSCLC.

- In 2021, we plan to complete the patient enrolment of the clinical trial for TYVYT® (sintilimab injection) including:

  – the ex-China part of the global Phase 3 ORIENT-15 study for TYVYT® (sintilimab injection) in combination with paclitaxel and cisplatin or 5-FU and cisplatin in first-line esophageal carcinoma.

- In 2021, we plan to continue the clinical trial for TYVYT® (sintilimab injection) including:

  – the Phase 3 study for TYVYT® (sintilimab injection) in combination with Cyramza (ramucirumab) in the first line treatment of advanced GC in China.

- We plan to present results of three Phase 3 trials for TYVYT® (sintilimab injection) at medical meetings in 2021, including:

  – the interim result of the Phase 3 study to evaluate TYVYT® (sintilimab injection) as a monotherapy in second-line sqNSCLC in China (ORIENT-3);

  – the interim result of the Phase 3 study to evaluate TYVYT® (sintilimab injection) in combination with paclitaxel and cisplatin or 5-FU and cisplatin chemotherapy as first-line therapy in ESCC; and

  – the interim result of the Phase 3 study to evaluate TYVYT® (sintilimab injection) in combination with BYVASDA® (bevacizumab biosimilar) and pemetrexed and cisplatin in the treatment of NSCLC patients with EGFR mutation after the failure of TKI treatment.

BYVASDA® (bevacizumab biosimilar)*, a fully-human anti-VEGF monoclonal antibody; accepted into the National Major New Drugs Innovation and Development Program; approved in China*

Milestones and Achievements during Reporting Period

- In January 2020, we entered into an out-license agreement with Coherus, a leading biosimilar company, to commercialise our IBI-305 (bevacizumab biosimilar) in the U.S. and Canada.

- In June 2020, BYVASDA® (bevacizumab biosimilar) was firstly approved by the NMPA for patients with advanced NSCLC and metastatic colorectal cancer. BYVASDA® (bevacizumab biosimilar) is the second approved products of the Company.

- In December 2020, BYVASDA® (bevacizumab biosimilar) was granted new indication approval by the NMPA for adult recurrent glioblastoma.

- By the end of 2020, we have largely completed the NRDL listing for BYVASDA® (bevacizumab biosimilar) in most provinces and made significant progress in hospital channel entrance, which have laid a solid foundation for the subsequent commercialisation of BYVASDA® (bevacizumab biosimilar).

Post-Reporting Period (Expected) Milestones and Achievements

- In January 2021, the NMPA accepted the sNDA for BYVASDA® (bevacizumab injection) in combination with TYVYT® (sintilimab injection) as first-line therapy in HCC. This is the fourth indication that the Company seeks for BYVASDA® (bevacizumab injection) in China.

- In January 2021, we reached an agreement with Etana to out-license BYVASDA® (bevacizumab biosimilar)'s development and commercialization rights in Indonesia to Etana.

- Supported by the solid foundation of provincial NRDL listing and hospital channel entrance in 2020, we will leverage the rich promotion experience of our oncology sales and marketing team in the promotion of BYVASDA® (bevacizumab biosimilar) in 2021.

- Our partner Etana anticipates to file NDA for BYVASDA® (bevacizumab biosimilar) in Indonesia in 2021.

SULINNO® (adalimumab biosimilar): *a fully-human anti-TNF-α monoclonal antibody; accepted into the National Major New Drugs Innovation and Development Program; approved in China*

Milestones and Achievements during Reporting Period

- In September 2020, SULINNO® (adalimumab biosimilar) was firstly approved by the NMPA for the treatment of rheumatoid arthritis, ankylosing spondylitis and psoriasis. SULINNO® (adalimumab biosimilar) is the third approved product of the Company.

- In November 2020, SULINNO® (adalimumab biosimilar) was granted new indication approval by the NMPA for the treatment of polyarticular juvenile idiopathic arthritis.

- In December 2020, SULINNO® (adalimumab biosimilar) was granted new indication approvals by the NMPA for the treatment of pediatric plaque psoriasis and non-infectious uveitis.

Post-Reporting Period Expected Milestones and Achievements

- We have been actively working on provincial NDRL listing and hospital channel access of SULINNO® (adalimumab biosimilar) since the approval in September 2020. Besides, as SULINNO® (adalimumab biosimilar) is the first approved non-oncology product in our pipeline, we have established a professional and experienced marketing and sales team responsible for the commercialisation of the product. We will continue to work on the market access and academic marketing promotion of SULINNO® (adalimumab biosimilar) in 2021.

HALPRYZA® (rituximab biosimilar): *A recombinant chimeric murine/human anti-CD20 monoclonal antibody co-developed with Lilly; accepted into the National Major New Drugs Innovation and Development Program; Approved in China*

Milestones and Achievements during Reporting Period

- In September 2020, HALPRYZA® (rituximab biosimilar) was approved by the NMPA for patients with DLBCL, FL, and CLL in China. HALPRYZA® (rituximab biosimilar) is the fourth approved products of the Company.

Post-Reporting Period Expected Milestones and Achievements

- We have been actively working on provincial NDRL listing and hospital channel access for HALPRAZA® (rituximab biosimilar) since approval in late September 2020. We will continue to leverage the rich promotion experience of our oncology sales and marketing team in the commercialisation of HALPRAZA® (rituximab biosimilar) in 2021.

Our Late Clinical Stage Drug Candidate

IBI-375 (pemigatinib): *a novel FGFR inhibitor in-licensed from Incyte Biosciences International Sarl ("**Incyte**", a subsidiary of Incyte Corporation (Nasdaq ticker symbol: INCY))*

Milestones and Achievements during Reporting Period

- In January 2020, Incyte announced that the European Medicines Agency validated the Incyte's marketing authorization application for pemigatinib for the treatment of adults with locally advanced or metastatic cholangiocarcinoma with FGFR2 fusion or rearrangement that is relapsed or refractory after at least one line of systemic therapy.

- In April 2020, Pemazyre® (pemigatinib) was approved by the U.S. FDA as the first targeted therapy for the treatment of adults with previously treated, unresectable locally advanced mCCA with an FGFR2 fusion or other rearrangement.

- In the first half of 2020, we submitted an NDA application in Taiwan for IBI-375 (pemigatinib) for the treatment of patients with second-line mCCA with FGFR2 fusions or rearrangements.

- In 2020, we have completed the patient enrollment of the Phase 2 trial of IBI-375 (pemigatinib) as treatment for patients with second-line mCCA with FGFR2 fusions or rearrangements in mainland China.

Post-Reporting Period (Expected) Milestones and Achievements

- In January 2021, Incyte announced that the European Medicines Agency's Committee for Medicinal Products for Human Use issued a positive opinion recommending the conditional marketing authorization of pemigatinib for the treatment of adults with unresectable locally advanced or metastatic cholangiocarcinoma with a fibroblast growth factor receptor 2 ("FGFR2") fusion or rearrangement that is relapsed or refractory, after at least one line of systemic therapy.

- We joined the Incyte-sponsored global Phase 3 clinical trial (FIGHT-302) evaluating the efficacy and safety of IBI-375 (pemigatinib) versus gemcitabine plus cisplatin chemotherapy in first-line treatment of mCCA with FGFR2 rearrangement. FIGHT-302 has started patient recruitment globally.

- In the first half of 2021, we expect to receive NDA approval for IBI-375 from Taiwan FDA for the treatment of patients with second-line mCCA with FGFR2 fusions or rearrangements.

- Around the mid of 2021, we plan to file NDA for IBI-375 for the treatment of patients with second-line mCCA with FGFR2 fusions or rearrangements in both mainland China and Hong Kong.

IBI-376 (parsaclisib), *a novel PI3Kδ inhibitor in-licensed from Incyte*

Milestones and Achievements during Reporting Period

- In April 2020, we started the patient enrolment in a pivotal Phase 2 trial in China evaluating the efficacy and safety of IBI-376 in patients with r/r FL and MZL in China.

- In end 2020, we filed IND application for IBI-376 in China for the Incyte-sponsored global Phase 3 clinical study evaluating IBI-376 in combination with ruxolitinib for the second line treatment of myelofibrosis.

Post-Reporting Period Expected Milestones and Achievements

- In 2021, we plan to start the patient enrolment of IBI-376 in China for the Incyte-sponsored global Phase 3 clinical study evaluating IBI-376 in combination with ruxolitinib for the second line treatment of myelofibrosis.

- We plan to complete the patient enrolment of IBI-376 for the pivotal Phase 2 trial of IBI-376 for r/r FL and MZL in China.

- Between late 2021 to early 2022, we plan to submit NDA to the NMPA for IBI-376 (Parsaclisib, PI3Kδ inhibitor) for r/r FL.

IBI-310, *an anti-CTLA-4 monoclonal antibody*

Milestones and Achievements during Reporting Period

- We initiated two registrational and/or pivotal trials for IBI-310 in 2020:

  – In April 2020, we have started the patient enrolment for the Phase 3 clinical study in China evaluating IBI-310 in combination with TYVYT® (sintilimab injection) in the adjuvant treatment of melanoma; and

  – In December 2020, we have started the patient enrolment for the pivotal Phase 2 clinical study in China evaluating IBI-310 in combination with TYVYT® (sintilimab injection) for the treatment of patients with second-line or above advanced cervical cancer.

- In June 2020, we announced the preliminary results of a Phase 1 clinical study of IBI-310 and its combination with TYVYT® (sintilimab injection) in the form of online publication at the 56th annual meeting of American Society of Clinical Oncology ("**ASCO**").

Post-Reporting Period (Expected) Milestones and Achievements

- In January 2021, we have started the patient enrolment for the Phase 3 clinical study in China evaluating IBI-310 in combination with TYVYT® (sintilimab injection) for the treatment of patients with first-line advanced HCC.

- In 2021, we plan to complete the patient enrolment for the above-mentioned Phase 3 study for first-line HCC and pivotal Phase 2 study for second-line or above cervical cancer.

- In 2021, we plan to present the Phase 1b study data of IBI-310 in HCC.

IBI-306, *a novel anti-PCSK9 monoclonal antibody; accepted into the National Major New Drugs Innovation and Development Program;*

Milestones and Achievements during Reporting Period

- In 2020, we have completed the patient enrolment for a Phase 3 clinical trial in China for heterozygous familial hypercholesterolemia ("**HeFH**").

- During 2020, we have kept patient enrolment for the pivotal Phase 2 clinical trial for homozygous familial hypercholesterolemia.

Post-Reporting Period Expected Milestones and Achievements

- In January 2021, we have completed the patient enrolment for a Phase 3 clinical trial in China evaluating IBI-306 for the treatment of non-familial hypercholesterolemia.

- We plan to have data read out for the Phase 3 study of IBI-306 in HeFH in 2021.

IBI-326*, a novel fully-human anti-BCMA CAR-T therapy, co-developed with IASO Bio*

Milestones and Achievements during Reporting Period

- In September 2019, we received IND approval from the NMPA to evaluate IBI-326 in hematology. During 2020, we and IASO Bio have kept been enrolling patients for the ongoing Phase 1/2 clinical trial for the treatment of r/r MM.

Post-Reporting Period (Expected) Milestones and Achievements

- In January 2021, the clinical study results of IBI-326 were published in Blood, a leading journal in the field of hematology, with the title of "A Phase 1 Study of a Novel Fully Human BCMA-targeting CAR (CT103A) in Patients with Relapsed/Refractory Multiple Myeloma."

- In February 2021, IBI-326 received breakthrough therapy designation from the NMPA for the indication of r/r MM, based on the results observed in ongoing Phase 1/2 study for the treatment of adults with r/r MM being conducted in China.

- Between end 2021 to early 2022, we and IASO Bio plan to file rolling submission of NDA to the NMPA for IBI-326 for the treatment of r/r MM.

Other Selected Clinical Stage Drug Candidate

IBI-188, *a novel fully human anti-CD47 monoclonal antibody; with best-in-class potential*

Milestones and Achievements during Reporting Period

- In June 2020, we completed the Phase 1a dosage escalation study to evaluate IBI-188 in advanced malignant tumors and lymphoma in the U.S., and we are finalizing the Phase 1a trial to evaluate IBI-188 in advanced malignant tumors in China with exploration on expanded dosage.

- In November 2020, we presented the results of the phase 1a study to evaluate IBI-188 in advanced malignant tumors and lymphomas in the U.S. at the annual meeting of Society for Immunotherapy of Cancer.

- In the second half of 2020, we have further initiated trials for IBI-188 including:

  – the Phase 1b/2 trial in China for IBI-188 in relapsed/refractory acute myeloid leukemia ("**r/r AML**") with patient enrolment of the Phase 1b study started in the second half of 2020;

  – the Phase 1b/3 trial in China for IBI-188 in MDS with patient enrolment of the Phase 1b study started in the second half of 2020; and

  – a Phase 1b trial in the U.S. for MDS in the second half of 2020.

Post-Reporting Period Expected Milestones and Achievements

- In 2021, we plan to start Phase 3 or pivotal trial in China for IBI-188 in MDS.

IBI-322, *a novel first-in-class anti-CD47/PD-L1 bispecific antibody*

Milestones and Achievements during Reporting Period

- In January 2020, we received IND approvals from the NMPA and the U.S. FDA, respectively.

- In August 2020, we started the patient enrolment of IBI-322 in a Phase 1a/1b clinical study to evaluate IBI-322 in the treatment of patients with advanced malignancies in China.

Post-Reporting Period (Expected) Milestones and Achievements

- In early 2021, we have started the patient enrolment for the Phase 1 study for IBI-322 in the U.S..

- In 2021, we plan to publish the preliminary Phase 1a study result of IBI-322 for advanced malignancies at academic conference.

- In 2021, we plan to enter Phase1b trial for IBI-322 in China and get preliminary PoC data.

IBI-302, *a potential first-in-class anti-VEGF/complement bispecific fusion protein; accepted into the National Major New Drugs Innovation and Development Program*

Milestones and Achievements during Reporting Period

- In the first half of 2020, we have completed Phase 1a study of IBI-302 for wet AMD.
- In the second half of 2020, we have completed patient enrolment of a Phase 1b study in China to evaluate IBI-302 for wet AMD.
- We presented the clinical results of the Phase 1 study at the annual meeting of American Academy of Ophthalmology in November 2020.

Post-Reporting Period Expected Milestones and Achievements

- In the first half of 2021, we plan to start the Phase 2 trial of IBI-302 for wet AMD.
- In 2021, we plan to start a Phase 1b/2 trial of IBI-302 for the treatment of diabetic macular edema.
- We plan to present the clinical results of the Phase 1b study in wet AMD at academic meeting in the second half of 2021.

IBI-362, *an oxyntomodulin analog (OXM3) in-licensed from Lilly, potential global best-in-class clinical-stage diabetes drug candidate*

Milestones and Achievements during Reporting Period

- In 2020, we completed the patient enrolment of Phase 1b clinical trial in China to evaluate the safety and tolerability of IBI-362 in overweight or obese subjects.
- In 2020, we received IND approval and have started the patient enrolment of Phase 1b clinical trial in China to evaluate the safety and tolerability of IBI-362 in diabetic patients, with last patient enrolment completed in January 2021.

Post-Reporting Period Expected Milestones and Achievements

- In June 2021, we plan to present the Phase1b study data of IBI-362 in obesity at the annual meeting of American Diabetes Association.
- Around end 2021, we plan to present the Phase1b study data of IBI-362 in diabetic patients at academic meetings.
- In 2021, we plan to start Phase 2 clinical study of IBI-362 in obesity subjects.
- In 2021, we plan to start Phase 2 clinical study of IBI-362 in diabetic patients.

IBI-318, *a first-in-class anti-PD-1/PD-L1 bispecific antibody co-developed with Lilly*

Milestones and Achievements during Reporting Period

- In the first half of 2020, we have completed dosage escalation of the Phase 1a study of IBI-318 in advanced malignancies in China.

- In June 2020, we presented the preliminary results of the Phase 1a study of IBI-318 in patients with advanced tumors at the 56th annual meeting of ASCO.

- In the second half of 2020, we initiated Phase1b/2 trials for IBI-318 across multiple malignancies:

  – We started the Phase1b part of the Phase1b/2 trial for IBI-318 in Nasal natural killer / T-cell lymphoma patients;

  – We started the Phase1b part of the Phase1b/2 trial for IBI-318 in cutaneous squamous cell carcinoma patients;

  – We started the Phase1b trial for IBI-318 in the neoadjuvant/adjuvant treatment of HCC patients; and

  – We started the Phase 1b part of the Phase1b/3 trial for IBI-318 in small cell lung cancer patients.

Post-Reporting Period Expected Milestones and Achievements

- We plan to complete the above mentioned Phase1b trials of IBI-318 in 2021.

IBI-939*, a novel anti-TIGIT monoclonal antibody*

Milestones and Achievements during Reporting Period

- In January 2020, we received IND approval from the NMPA for IBI-939 in the treatment of advanced solid tumors and hematological malignancies.

- In May 2020, we started the patient enrolment in a Phase 1a clinical study conducted in China to evaluate IBI-939 in the treatment of patients with advanced malignancies.

- We submitted IND application for a Phase 1 study of IBI-939 in the U.S. in December 2020, with IND approval received in Jan 2021.

Post-Reporting Period Expected Milestones and Achievements

- We plan to complete patient enrolment for the Phase 1a study of IBI-939 in first half of 2021.

- We started enrolling patients for Phase 1b of IBI-939 in combination with TYVYT® (sintilimab injection) for advanced lung cancer in early 2021 and we plan to complete Phase 1b study in 2021.

- We plan to publish the preliminary Phase 1 study result of IBI-939 for advance solid tumors at academic conferences in 2021.

IBI-112, *a novel anti-IL-23 (p19 subunit) monoclonal antibody*

Milestones and Achievements during Reporting Period

- In 2020, we received IND approval from the NMPA and we have started Phase 1 study for IBI-112 in inflammatory enteritis and other autoimmune diseases in China.

Post-Reporting Period Expected Milestones and Achievements

- In 2021, we plan to complete Phase 1 and start Phase 2 clinical study for IBI-112 in patients with psoriasis.

IBI-315, *a first-in-class anti-PD-1/Human epidermal growth factor receptor 2 bispecific antibody co-developed with Hanmi Pharmaceutical Co., Ltd.*

Milestones and Achievements during Reporting Period

- Since the first patient was dosed in November 2019 for the Phase 1a trial in patients with advanced malignancies in China, we have been enrolling patients for the trial in 2020.

Post-Reporting Period (Expected) Milestones and Achievements

- We plan to publish the preliminary Phase 1a study result of IBI-315 for advanced malignancies at academic conference around the end of 2021.

- We plan to enter Phase1b trial for IBI-315 in China and get preliminary PoC data in 2021.

IBI-110, *a novel anti-LAG-3 monoclonal antibody*

Milestones and Achievements during Reporting Period

- In 2020, we have completed the patient enrolment for the Phase 1a study to evaluate IBI-110 in advanced solid tumors.

- In Jan 2021, we completed the patient enrolment for the Phase 1b study for IBI-110 in combination with sintilimab injection for advanced malignancies.

Post-Reporting Period Expected Milestones and Achievements

- We plan to publish the Phase 1 study data of IBI-110 for advanced solid tumors at medical conference in 2021.

- We will continue the clinical development of IBI-110 to get PoC data in 2021.

IBI-319, *a novel PD-1/4-1BB bispecific antibody*

Milestones and Achievements during Reporting Period

- In the second half of 2020, we submitted and received IND application approval by the NMPA for IBI-319 in advanced cancer.

Post-Reporting Period Expected Milestones and Achievements

- In the first half of 2021, we plan to start the patient enrolment of Phase 1 clinical study of IBI-319.

IBI-323, *a novel LAG-3/PD-L1 bi-specific antibody*

Milestones and Achievements during Reporting Period

- We submitted and received IND application approval for IBI-323 in advanced cancer in the second half of 2020.

Post-Reporting Period Expected Milestones and Achievements

- We plan to start the patient enrolment of Phase 1 clinical study of IBI-323 in 2021.

IBI-321, *a novel PD-1/TIGIT bi-specific antibody co-developed with Lilly*

Post Reporting Period Expected Milestones and Achievements

- We submitted IND application for IBI-321 in early 2021. We antipate to received IND approval in 2021.

Cautionary Statement required by Rule 18A.08(3) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"): The Company cannot guarantee that it will be able to develop, or ultimately market, any of the products in its pipeline successfully. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the shares of the Company.

Our strategic collaboration with domestic and overseas partners

- In January 2020, we entered a strategic collaboration with Sirnaomics to use our TYVYT® (sintilimab injection) and Sirnaomics' RNAi drug candidate STP705 (cotsiranib) to conduct clinical studies for combination treatment in advanced cancers, such as HCC, with high unmet need in the U.S..

- In January 2020, we entered into an out-license agreement with Coherus to commercialise IBI-305 (bevacizumab biosimilar) in the U.S. and Canada.

- In March 2020, the Company entered into an in-licensing agreement with Alector to develop and commercialize AL008, a first-in-class anti-SIRP-alpha antibody targeting CD47-SIRP-alpha pathway, a potent survival pathway co-opted by tumors to evade the innate immune system, for the treatment of oncology indications in China. AL008 has a unique dual mechanism of action that non-competitively antagonizes the CD47-SIRP-alpha pathway by inducing the internalization and degradation of the inhibitory receptor on macrophages to relieve immune suppression (a "don't eat me signal") while also engaging FcγR2A, an activating IgG Fc receptor, to promote immuno-stimulatory pathways that drive anti-tumor immunity.

- In May 2020, we entered into a strategic collaboration agreement with the University of Texas MD Anderson Cancer Center to co-develop TYVYT® (sintilimab injection) in rare cancers in the U.S..

- In June 2020, we announced a strategic collaboration with Roche that focuses on the discovery, clinical development and commercialization of bispecific antibodies and multiple cell therapies. The collaboration enables us to access certain Roche technologies in the discovery and development of specific 2:1 T-cell bispecific antibodies (TCB) as well as its universal CAR-T platform. We believe the collaboration with Roche significantly enhances our R&D capability in cell therapy, and also extends our cross-company collaboration one step ahead from drug clinical development and commercialization to the core drug discovery stage across technology platforms, which shows the recognition of global top-tier pharmaceutical company on our drug discovery and R&D capability.

- In August 2020, we entered into a strategic milestone agreement to license out the exclusive rights of TYVYT® (sintilimab injection) outside of China to Lilly, which plans to pursue registration of TYVYT® (sintilimab injection) in the U.S. and other markets. We have recognised upfront payment income of US$200 million in the second half of 2020. We will also be eligible for up to US$825 million in potential development and commercial milestones, as well as tiered double-digit royalties on net sales. In December 2020, Lilly has disclosed the plan to file BLA for TYVYT® (sintilimab injection) in the U.S. for the treatment of NSCLC.

- In September 2020, we entered a worldwide licensing agreement with the University of Zurich to develop and commercialize a preclinical novel HER2-targeted antibody for the treatment of cancer globally.

- In January 2021, we entered into an agreement with Etana to out-license BYVASDA® (Bevacizumab Biosimilar)'s development and commercialization rights in Indonesia to Etana. Etana is committed to launch BYVASDA® in the local market. In return, the Company will receive milestones for development and commercialization as well as double-digit royalties on net sales.

Our Manufacturing Facilities

- In 2020, we have significantly expanded our manufacturing capacity from 5,000L to a total of 24,000L production capacity to support our production needs for both our commercial product and clinical stage candidates in the pipeline. The 24,000L production capacity is consisted of the first manufacturing facilities housing six 1,000L disposable reactors and the second manufacturing facilities housing six 3,000L stainless steel bioreactors, both of which have received GMP certification from the NMPA the manufacturing TYVYT® (sintilimab injection) and other varies of productions. The capacity expansion should ensure the sufficient supply of our near term production needs as well as strengthen the cost advantage of TYVYT® (sintilimab injection) by materially lowering the production cost, as we believe.

- Besides, we plan to further expand our manufacturing facilities to provide sufficient capacity to commensurate with our growing and maturing drug pipeline and to support our continued business expansions. In 2020, we have started the construction of a new commercial facility in Suzhou site that is designed to house additional twelve 3,000L production capacities.

Other Corporate Development

- In February 2020, in support of our solid business and commercial operations, we drew strong financial backing and raised approximately HK$2.3 billion through a placing of new shares, with overwhelming subscription from well-known international and local investors.

- In June 2020, the Stock Exchange approved the dis-application of Rules 18A.09 to 18A.11 of the Listing Rules given we have satisfied the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules. As a result of the approval by the Stock Exchange, the "B" marker was removed from the Company's stock name and stock short name.

- In July 2020, the Company successfully raised approximately HK$2.8 billion through a placing of new shares mainly to fund our production facility expansion and increased international clinical trial needs.

- In September 2020, the Company's stock was successfully included in the Hang Seng Composite Index and the Stock Connect.

- In October 2020, the Company appointed Dr. Yong Jun Liu, a renowned world class scientist and successful leader in biopharmaceutical industry as president, responsible for the Company's global R&D, portfolio strategy, business development as well as international operation.

- In January 2021, the Company successfully raised approximately HK$4.7 billion through a placing of new shares. The proceeds are planned to be used to expedite the investment and development of various clinical programs for our leading innovative products globally, fund potential product licensing and possible M&A activities, further expand the production capacity, and for working capital and other general corporate use.

- We have substantially expanded our patent portfolio. As of 31 December 2020, we owned 30 issued patents and 149 patent applications in China, 5 issued patents and 21 patent applications in the U.S., and 35 issued patents and 196 patent applications in the rest of the world relating to our products and technologies. These patent applications included 56 international patent applications under the Patent Cooperation Treaty.

FINANCIAL REVIEW

Year Ended 31 December 2020 Compared to Year Ended 31 December 2019

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Revenue from contracts with customers	**3,843,819**	1,047,525
Cost of sales	**(387,761)**	(124,878)
Gross profit	**3,456,058**	922,647
Other income	**246,787**	144,081
Other gains and losses	**(479,965)**	15,075
Research and development expenses	**(1,851,453)**	(1,294,724)
Administrative and other expenses	**(436,872)**	(255,299)
Selling and marketing expenses	**(1,340,861)**	(692,515)
Royalties and other related payments	**(384,057)**	(499,725)
Finance costs	**(68,350)**	(59,490)
Loss before tax	**(858,713)**	(1,719,950)
Income tax expense	**(139,708)**	–
Loss and total comprehensive expenses for the year	**(998,421)**	(1,719,950)
Non-IFRS measure:		
Adjusted loss and total comprehensive expenses for the year	**(595,921)**	(1,571,876)

Note: Comparative figures of royalties and other related payments have been split from selling and marketing expenses to conform to the current year's presentation as the Directors consider that the new presentation is more relevant and appropriate to the consolidated financial statements.

1. Revenue

For the year ended 31 December 2020, the Group generated revenue from contracts with customers of RMB3,843.8 million. The Group generates revenue from (i) sales of pharmaceutical products; (ii) license fee income; and (iii) R&D services provided to its customers. The following table sets forth the components of the revenue from contracts with customers for the years presented:

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Timing of revenue recognition:		
A point in time		
Sales of pharmaceutical products	**2,367,531**	1,015,871
License fee income	**1,397,077**	10,000
	3,764,608	1,025,871
Overtime		
Research and development service fee income	**175**	3,786
License fee income	**79,036**	17,868
	79,211	21,654
Total revenue from contracts with customers	**3,843,819**	1,047,525

As of 31 December 2020, the Group recorded revenue from sales of pharmaceutical products of RMB2,367.5 million, of which revenue from sales of TYVYT® (sintilimab injection) was RMB2,289.8 million, as compared with RMB1,015.9 million for the year ended 31 December 2019.

During the year ended 31 December 2020, the Group recorded one-time license fee income of RMB1,397.1 million, of which RMB1,344.6 million was generated from expanded licensing agreement for TYVYT® (sintilimab injection) with Lilly for geographies outside of China during the second half of 2020.

The Group recorded over-time license fee income under the Exclusive License and Collaboration Agreement for China and Co-Development Agreement entered into between the Group and Lilly in March 2015 (the "**Lilly China Agreement**") on the products of TYVYT® (sintilimab injection) and HALPRYZA® (rituximab biosimilar). The group received collaboration payments and started to recognise revenue at the commercialization stage of relevant products. During the years ended 31 December 2020 and 31 December 2019, such license fee income recorded for TYVYT® (sintilimab injection) was RMB79.0 million and RMB17.9 million, respectively.

In addition, the Group continued to provide R&D services to customers. During the year ended 31 December 2020, the Group generated R&D service revenue of approximately RMB0.2 million, as compared with RMB3.8 million for the year ended 31 December 2019.

2. Cost of Sales

The Group's cost of sales consists of cost of raw material, direct labor, manufacturing cost and manufacturing overhead related to the production of the products sold. For the year ended 31 December 2020, the Group recorded cost of sales of RMB387.8 million, as compared with RMB124.9 million for the year ended 31 December 2019.

3. Other Income

The Group's other income consists of bank interest income and government grants income. Government grants consist of (i) government subsidies specifically for the capital expenditure related to the purchase of plant and machinery, which is recognised over the useful life of related assets; (ii) incentive and other subsidies for R&D activities, which are recognized upon compliance with certain conditions; and (iii) incentive which has no specific conditions attached to the grants.

For the year ended 31 December 2020, other income of the Group increased by RMB102.7 million to RMB246.8 million, from RMB144.1 million for the year ended 31 December 2019. The increase was primarily due to (i) interest earned on the total proceeds of three placements of new shares for approximately RMB6,736.6 million in October 2019, February 2020 and July 2020; and (ii) recognition and continuous support from government to the Group.

4. Other Gains and Losses

The Group's other gains and losses consist of (i) changes in foreign currency exchange rates; (ii) fair value changes of other financial assets (financial assets mandatorily measured at fair value through profit or loss ("**FVTPL**")); and (iii) loss on disposal of property, plant and equipment.

For the year ended 31 December 2020, other gains and losses of the Group was a loss of RMB480.0 million, as compared with a gain of RMB15.1 million for the year ended 31 December 2019, which included losses of RMB509.7 million as a result of the weakening of certain major currency USD against the RMB, partially offset by a gain of approximately RMB31.0 million related to the investment on other financial assets.

5. Research and Development Expenses

The Group's R&D expenses comprise of third-party contracting costs, including clinical trial expenses, raw material cost, staff costs, initial costs and subsequent milestone payment under collaboration and license agreements during development stage, and depreciation and amortisation.

For the year ended 31 December 2020 and 31 December 2019, the group incurred R&D expenses of RMB1,851.5 million and RMB1,294.7 million, respectively. The increase was mainly driven by (i) increased expense of clinical trials and other associated R&D activities; and (ii) increased staff costs accompanied with expanding of relative R&D departments.

6. Administrative and Other Expenses

For the year ended 31 December 2020, administrative and other expenses of the Group increased to RMB436.9 million from RMB255.3 million for the year ended 31 December 2019. The significant increase was caused by new hiring of administrative staff, increased share-based compensation, increased donations to various charitable organizations and other expenses in relation to our operations.

7. Selling and Marketing Expenses

Selling and marketing expenses represent staff costs for selling and marketing personnel and related expenses of marketing and promotion activities. Selling and marketing expenses were RMB1,340.9 million for the year ended 31 December 2020, as compared with RMB692.5 million for the year ended 31 December 2019. The Group continuously devotes commercialization efforts to build sales channels and explore potential markets to maximize the commercial value of our products.

8. Royalties and Other Related Payments

Royalties and other related payments were RMB384.1 million for the year ended 31 December 2020, as compared with RMB499.7 million for the year ended 31 December 2019. This represents the royalties, sales based milestones, profit sharing, as well as other related payments to the third parties for various co-development and licensing-in products.

9. Income Tax Expense

Income tax expense was RMB139.7 million for the year ended 31 December 2020, which represented the withholding tax paid for out-license income generated from ex-China. The Group had no provision for taxation for the year ended 31 December 2019.

10. Non-IFRS Measure

To supplement the Group's consolidated financial statements, which are presented in accordance with the IFRS, the Company also uses adjusted loss and total comprehensive expenses for the year and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, the IFRS. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS. The Company's presentation of such adjusted figure may not be comparable to a similarly titled measure presented by other companies. However, the Company believes that this and other non-IFRS measures are reflections of the Group's normal operating results by eliminating potential impacts of items that the management do not consider to be indicative of the Group's operating performance, and thus facilitate comparisons of operating performance from year to year and company to company to the extent applicable.

Adjusted loss and total comprehensive expenses for the year represents the loss and total comprehensive expenses for the year excluding the effect of certain non-cash item, namely share-based compensation expenses. The table below sets forth a reconciliation of the loss and total comprehensive expenses for the year to adjusted loss and total comprehensive expenses for the year during the years indicated:

Non-IFRS measure

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Loss and total comprehensive expenses for the year	**(998,421)**	(1,719,950)
Added:		
Share-based compensation expenses	**402,500**	148,074
Adjusted loss and total comprehensive expenses for the year	**(595,921)**	(1,571,876)

Selected Data from Statement of Financial Position

	As at 31 December 2020	As at 31 December 2019
	RMB'000	*RMB'000*
Total current assets	**9,466,681**	5,455,423
Total non-current assets	**2,368,315**	1,775,106
Total assets	**11,834,996**	7,230,529
Total current liabilities	**1,485,851**	1,043,556
Total non-current liabilities	**1,569,375**	1,430,842
Total liabilities	**3,055,226**	2,474,398
Net current assets	**7,980,830**	4,411,867

11. Liquidity and Source of Funding and Borrowing

As at 31 December 2020, the Group's bank balances and cash and current portion of other financial assets increased to RMB8,121.1 million from RMB4,695.2 million as at 31 December 2019. The increase primarily resulted from the placement of new shares for approximately RMB4,613.9 million in February 2020 and July 2020, partly offset by investment in ongoing R&D projects, commercialisation activities and capacity expansion.

As at 31 December 2020, the current assets of the Group were RMB9,466.7 million, including bank balances and cash of RMB7,763.8 million and other financial assets of RMB357.3 million. As at 31 December 2020, the current liabilities of the Group were RMB1,485.9 million, including trade payables of RMB120.6 million, other payables and accrued expenses of RMB973.7 million, contract liabilities of RMB120.4 million, borrowings of RMB255.0 million and lease liabilities of RMB16.2 million. As at 31 December 2020, the Group has available unutilized long-term bank loan facilities of approximately RMB593.8 million.

12. Key Financial Ratios

The following table sets forth the key financial ratios for the dates indicated:

	As at 31 December 2020	As at 31 December 2019
Current ratio[2]	**6.4**	5.2
Quick ratio[3]	**5.9**	4.9
Gearing ratio[4]	**NM[4]**	NM[4]

13. Significant Investments

The Group did not hold any significant investments that accounted for 5% or more of the Company's total assets during the year ended 31 December 2020.

14. Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies for the year ended 31 December 2020.

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2 Current ratio is calculated using current assets divided by current liabilities as of the same date.

3 Quick ratio is calculated using current assets less inventories and divided by current liabilities as of the same date.

4 Gearing ratio is calculated using interest-bearing borrowings less cash and cash equivalents divided by (deficiency of) total equity and multiplied by 100%. Gearing ratio is not meaningful as our interest-bearing borrowings less cash equivalents was negative.

15. Pledge of Assets

As at 31 December 2020, the Group had a total of RMB527.5 million of property, plant and equipment, RMB51.6 million of land use rights, RMB60.0 million of bank deposits and RMB73.0 million of financial assets pledged to secure its loans and banking facilities.

16. Contingent Liabilities

As at 31 December 2020, the Group did not have any material contingent liabilities.

17. Foreign Exchange Exposure

During the year ended 31 December 2020, the Group mainly operated in China and a majority of its transactions were settled in Renminbi (RMB), the functional currency of the Company's primary subsidiaries. As at 31 December 2020, a significant amount of the Group's bank balances and cash was denominated in U.S. dollars. Except for certain bank balances and cash, other receivables, and trade and other payables denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations as at 31 December 2020. We currently do not have a foreign currency hedging policy as our Directors consider that our foreign exchange risk exposure is minimal. We will consider hedging significant foreign currency exposure if such need arises.

18. Employees and Remuneration

As at 31 December 2020, the Group had a total of 3,279 employees. The following table sets forth the total number of employees by function as of 31 December 2020:

	Number of employees	**% of total**
Function		
Research and Development	947	29
Manufacturing	764	23
Selling and Marketing	1,284	39
General and Administrative	284	9
Total	**3,279**	**100**

The total remuneration cost incurred by the Group for the year ended 31 December 2020 was RMB1,360.3 million, as compared to RMB796.6 million for the year ended 31 December 2019.

The remuneration of the employees of the Group comprises salaries, bonuses, employees provident fund and social security contributions, other welfare payments and share-based payment expenses. In accordance with applicable Chinese laws, the Group has made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for the Group's employees.

The Company also has adopted a Pre-IPO Share Incentive Plan (the "**Pre-IPO Plan**"), a post-IPO share option scheme (the "**Post-IPO ESOP**"), the Innovent Biologics, Inc. 2018 Restricted Share Plan (the "**2018 RS Plan**") and the Innovent Biologics, Inc. 2020 Restricted Share Plan (the "**2020 RS Plan**"). Please refer to the section headed "Statutory and General Information – D. Equity Plan" in Appendix IV to the prospectus of the Company dated 18 October 2018 (the "**Prospectus**") for further details of the Pre-IPO Plan, the Post-IPO ESOP and the 2018 RS Plan and the circular of the Company dated 28 May 2020 for further details of the 2020 RS Plan, the termination of the 2018 RS Plan and the survival of the restricted shares granted or earmarked pursuant to the 2018 RS Plan.

FINAL DIVIDEND

The Board does not recommend the distribution of a final dividend for the year ended 31 December 2020.

ANNUAL GENERAL MEETING

The annual general meeting is scheduled to be held on Thursday, June 24, 2021 (the "**AGM**"). A notice convening the AGM will be published and dispatched to the shareholders of the Company in the manner required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") in due course.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, June 21, 2021 to Thursday, June 24, 2021, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, during which period no share transfers will be registered. To be eligible to attend and vote at the AGM, unregistered holders of shares must lodge all properly completed transfer forms accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, June 18, 2021.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company was incorporated in the Cayman Islands on 28 April 2011 as an exempted company with limited liability, and the shares of the Company were listed on the Stock Exchange on 31 October 2018 (the "**Listing**").

1. Compliance with the Corporate Governance Code

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

During the year ended 31 December 2020, the Company has complied with all applicable code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Listing Rules except for the following deviation.

Pursuant to code provision A.2.1 of the CG Code, the roles of the chairman of the Board and the chief executive should be segregated and should not be performed by the same individual. The Company does not have separate chairman of the Board and chief executive officer, and Dr. De-Chao Michael Yu, our executive Director, currently performs these two roles. The Board believes that vesting the roles of both chairman of the Board and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Further information concerning the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended 31 December 2020.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

2. Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules to regulate all dealings by Directors and relevant employees in securities of the Company and other matters covered by the Model Code.

Specific enquiry has been made to all the Directors and they have confirmed that they have complied with the Model Code during the year ended 31 December 2020. No incident of non-compliance of the Model Code by the relevant employees has been noted by the Company during the year ended 31 December 2020.

3. Scope of Work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

4. Audit Committee

The Company has established an audit committee with written terms of reference in accordance with the Listing Rules. The audit committee comprises of three non-executive Directors (including independent non-executive Directors), namely, Ms. Joyce I-Yin Hsu, Mr. Shuyun Chen and Dr. Kaixian Chen. Ms. Joyce I-yin Hsu, an independent non-executive Director is the chairman of the audit committee.

The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2020 and has met with the independent auditor, Messrs. Deloitte Touche Tohmatsu. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control, risk management and financial reporting matters with senior management members of the Company.

5. Other Board Committees

In addition to the audit committee, the Company has also established a nomination committee, a remuneration committee and a strategy committee.

6. Purchase, Sale or Redemption of the Company's Listed Securities

(a) On 12 February 2020, the Company and Morgan Stanley & Co. International plc (the "**Sole Placing Agent**") entered into a placing agreement, pursuant to which the Company agreed to appoint the Sole Placing Agent, and the Sole Placing Agent has agreed to act as placing agent for the purpose of procuring, as agent of the Company, placees for, or failing which to purchase itself, 78,000,000 placing shares at the placing price of HK$30.20 per placing share on the terms and subject to the conditions set out in the placing agreement. The placing was completed on 20 February 2020.

For further details, please refer to the announcements of the Company dated 13 February 2020 and 20 February 2020.

(b) On 23 July 2020,

(i) the Company and the Sole Placing Agent entered into a placing agreement (the "**Primary Placing Agreement**"), pursuant to which the Company agreed to appoint the Sole Placing Agent, and the Sole Placing Agent agreed to act as placing agent for the purpose of procuring, as agent of the Company, placees for, or failing which to purchase itself, 56,200,000 new shares at the placing price of HK$50.0 per share on the terms and subject to the conditions set out in the Primary Placing Agreement. The placing was completed on 30 July 2020.

(ii) Each of (i) Dr. Yu De-Chao Michael ("**Dr. Yu**"), an executive Director, and Ms. Gloria Bingqingzi Yu ("**Ms. Yu**") as trustee of Yu Tong Family Irrevocable Trust and (ii) Seacliff (Cayman) Ltd. and Dwyer (Cayman) Ltd., each being a shareholder of the Company, entered into a placing agreement (the "**Secondary Placing Agreements**") with the Sole Placing Agent, pursuant to which each of Dr. Yu, Ms. Yu as trustee of Yu Tong Family Irrevocable Trust, Seacliff (Cayman) Ltd. and Dwyer (Cayman) Ltd. (together, the "**Vendors**") agreed to sell or procure the sale of, and the Sole Placing Agent agreed, as agent of each of the Vendors, to procure purchasers to purchase an aggregate of 36,800,000 existing shares at the HK$50.0 per share on the terms and subject to the conditions set out in each of the Secondary Placing Agreements. The placing was completed on 27 July 2020.

For further details of the Primary Placing Agreement and the Secondary Placing Agreements, please refer to the announcements of the Company dated 23 July 2020 and 30 July 2020.

Save as disclosed in this announcement, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year ended 31 December 2020.

7. Material Litigation

The Company was not involved in any material litigation or arbitration during the year ended 31 December 2020. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the year ended 31 December 2020.

8. Use of Proceeds

(a) Use of Net Proceeds from Global Offering

The Company's shares were listed on the Stock Exchange on 31 October 2018 with a total of 271,802,000 offer shares (including shares issued as a result of the full exercise of the over-allotment option) issued and the net proceeds raised during the global offering were approximately HK$3,645.9 million (approximately RMB3,234.7 million).

As at 31 December 2020, net proceeds of the global offering had been utilized in accordance with the intended purposes as previously disclosed in the Prospectus as follows:

	Allocation of net proceeds from the global offering in the proportion disclosed in the Prospectus *Note* *RMB million*	**Utilization as at 31 December 2019** *RMB million*	**Unutilized as at 31 December 2019** *RMB million*	**Utilization as at 31 December 2020** ***RMB million***	**Unutilized as at 31 December 2020** ***RMB million***
Fund ongoing and planned clinical trials, preparation for registration filings and commercial launches (including production, sales and marketing) of TYVYT® (sintilimab injection)	1,682.1	1,208.6	473.5	**1,682.1**	**–**
Fund ongoing and planned clinical trials, preparation for registration filings and planned commercial launches (including sales and marketing) of BYVASDA® (bevacizumab biosimilar)	258.8	88.7	170.1	**258.8**	**–**
Fund ongoing and planned clinical trials, preparation for registration filings and planned commercial launches (including sales and marketing) of HALPRYZA® (rituximab biosimilar)	129.3	52.8	76.5	**129.3**	**–**
Fund ongoing and planned clinical trials, preparation for registration filings and planned commercial launches (including sales and marketing) of SULINNO® (adalimumab biosimilar)	32.4	25.2	7.2	**32.4**	**–**
For the ongoing and planned clinical trials, preparation for registration filings and potential commercial launches (including sales and marketing) of the other drug candidates in the Group's pipeline	808.7	555.2	253.5	**808.7**	**–**
For working capital and general corporate purposes	323.4	311.2	12.2	**323.4**	**–**
	3,234.7	2,241.7	993.0	**3,234.7**	**–**

Note: The net proceeds figure has been translated to Renminbi for the allocation and the utilization calculation, and has been adjusted slightly due to the fluctuation of the foreign exchange rates since the Listing.

(b) Use of Net Proceeds from the 2019 Placing

The placing of existing shares and top-up subscription of new shares pursuant to the share placing and subscription agreement dated 9 October 2019 was completed on 18 October 2019 (the "**2019 Placing**"). The net proceeds raised from the 2019 Placing were approximately HK$2,351.3 million (approximately RMB2,122.7 million). The net proceeds have been and will be utilised in accordance with the intended use of proceeds as previously disclosed in the Company's announcements relating to the 2019 Placing, that is, for development of key pipeline products, such as late stage clinical and registration trials for our three in-licensed products from Incyte and our two first-in-class bispecific products IBI-302 (anti-VEGF/anti-complement bispecific fusion protein) and IBI-318 (anti-PD-1/anti-PD-L1 bispecific antibody, developed in collaboration with Lilly) that are currently in Phase I clinical trial, and for future capacity expansion and general corporate use, as appropriate.

As at 31 December 2020, approximately RMB1,836.8 million of the net proceeds of the 2019 Placing had been utilised in accordance with the intended use of proceeds as previously disclosed in the Company's announcements relating to the 2019 Placing, and RMB285.9 million remained unutilised. The table below sets out the use of proceeds from the 2019 Placing as at 31 December 2019 and 31 December 2020:

Use of net proceeds from the 2019 Placing as disclosed in the Company's announcements relating to the 2019 Placing	**Utilisation as at 31 December 2019** *RMB million*	**Unutilised as at 31 December 2019** *(2)* *RMB million*	**Utilisation as at 31 December 2020** ***RMB million***	**Unutilised as at 31 December 2020** *(2)* ***RMB million***
Incyte in-licensed products[1]	201.3	N/A	**302.3**	**N/A**
IBI-302 (anti-VEGF/complement bispecific fusion protein)	10.3	N/A	**25.5**	**N/A**
IBI-318 (anti-PD-1/PD-L1 bispecific antibody)	7.7	N/A	**29.5**	**N/A**
Development of other pipeline candidates	–	N/A	**1,060.7**	**N/A**
Future capacity expansion	–	N/A	**151.0**	**N/A**
General corporate use	–	N/A	**267.8**	**N/A**
	219.3	1,903.4	**1,836.8**	**285.9**

Notes:

(1) Incyte in-licensed products include IBI-375 (pemigatinib), IBI-376 (parsaclisib), and IBI-377 (itacitinib).

(2) The use of unutilised proceeds will be dependent upon actual business needs and therefore an exact breakdown is not currently available.

There was no change in the intended use of net proceeds as previously disclosed, and the Company will gradually utilise the residual amount of the net proceeds in accordance with such intended purposes within the upcoming 30 months. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company, and remains subject to change based on current and future development of market conditions and actual business needs.

(c) Use of Net Proceeds from the February 2020 Placing

The placing of new shares pursuant to the placing agreement dated 12 February 2020 was completed on 20 February 2020 (the "**February 2020 Placing**"). The net proceeds raised from the February 2020 Placing were approximately HK$2,330.6 million (approximately RMB2,099.7 million). The net proceeds have been and will be utilised in accordance with the intended use of proceeds as previously disclosed in the Company's announcements relating to the February 2020 Placing, that is, preparing for future capacity expansion of the possible rapid growth due to the inclusion of TYVYT® (sintilimab injection) in the NRDL, as well as in anticipation of the other new drugs the Company expects to launch in the next few years, and general corporate use, as appropriate.

As at 31 December 2020, approximately RMB85.2 million of the net proceeds of the February 2020 Placing had been utilised in accordance with the intended use of proceeds as previously disclosed in the Company's announcements relating to the February 2020 Placing, and RMB2,014.5 million remained unutilised. The table below sets out the use of proceeds from the February 2020 Placing as at 31 December 2020:

Use of net proceeds from the February 2020 Placing as disclosed in the Company's announcements relating to the February 2020 Placing	**Utilisation as at 31 December 2020** ***RMB million***	**Unutilised as at 31 December 2020** ***(Note)*** ***RMB million***
Future capacity expansion	**71.5**	**N/A**
General corporate use	**13.7**	**N/A**
	85.2	**2,014.5**

Note: The use of unutilised proceeds will be dependent upon actual business needs and therefore an exact breakdown is not currently available.

There was no change in the intended use of net proceeds as previously disclosed, and the Company will gradually utilise the residual amount of the net proceeds in accordance with such intended purposes within the upcoming 30 months. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company, and remains subject to change based on current and future development of market conditions and actual business needs.

(d) Use of Net Proceeds from the July 2020 Placing

The placing of new shares pursuant to the placing agreement dated 23 July 2020 was completed on 30 July 2020 (the "**July 2020 Placing**"). The net proceeds raised from the July 2020 Placing were approximately HK$2,787.5 million (approximately RMB2,514.2 million). The net proceeds have been and will be utilised in accordance with the intended use of proceeds as previously disclosed in the Company's announcements relating to the July 2020 Placing, that is, (i) to build our second production facility in Suzhou for TYVYT® (sintilimab injection) and additional capacity commensurate with our growth, (ii) to fund increased international clinical trial needs with expansion of our research & development laboratories in the United States, and (iii) for general corporate use, as appropriate.

As at 31 December 2020, approximately RMB398.5 million of the net proceeds of the July 2020 Placing had been utilised in accordance with the intended use of proceeds as previously disclosed in the Company's announcements relating to the July 2020 Placing, and RMB2,115.7 million remained unutilised. The table below sets out the use of proceeds from the July 2020 Placing as at 31 December 2020:

Use of net proceeds from the July 2020 Placing as disclosed in the Company's announcements relating to the July 2020 Placing	**Utilisation as at 31 December 2020** ***RMB million***	**Unutilised as at 31 December 2020** ***(Note)*** ***RMB million***
Building a second production facility in Suzhou for TYVYT® (sintilimab injection) and additional capacity commensurate with our growth	**379.0**	**N/A**
Funding increased international clinical trial needs with expansion of research & development laboratories in the United States	**19.5**	**N/A**
General corporate use	**–**	**N/A**
	398.5	**2,115.7**

Note: The use of unutilised proceeds will be dependent upon actual business needs and therefore an exact breakdown is not currently available.

There was no change in the intended use of net proceeds as previously disclosed, and the Company will gradually utilise the residual amount of the net proceeds in accordance with such intended purposes within the upcoming 30 months. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company, and remains subject to change based on current and future development of market conditions and actual business needs.

(e) Use of Net Proceeds from the January 2021 Placing

The placing of new shares pursuant to the placing agreement dated 15 January 2021 was completed on 22 January 2021 (the "**January 2021 Placing**"). The net proceeds raised from the January 2021 Placing were approximately HK$4,670.6 million (approximately RMB3,893.3 million). The net proceeds will be utilised in accordance with the intended use of proceeds as previously disclosed in the Company's announcements relating to the January 2021 Placing, with the allocation being as follows: (i) approximately 70% will be for expediting the investment and development of various clinical programs for our leading innovative products globally and funding potential product licensing and possible mergers and acquisitions activities; and (ii) the remaining 30% will be for further expanding the production capacity and for working capital and other general corporate use.

As at the date of this announcement, none of the net proceeds of the January 2021 Placing had been utilised.

There was no change in the intended use of net proceeds as previously disclosed, and the Company will gradually utilise the residual amount of the net proceeds in accordance with such intended purposes within the upcoming 48 months. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company, and remains subject to change based on current and future development of market conditions and actual business needs.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	**2020** ***RMB'000***	2019 *RMB'000*
Revenue from contracts with customers	*4*	**3,843,819**	1,047,525
Cost of sales		**(387,761)**	(124,878)
Gross profit		**3,456,058**	922,647
Other income		**246,787**	144,081
Other gains and losses		**(479,965)**	15,075
Research and development expenses		**(1,851,453)**	(1,294,724)
Administrative and other expenses		**(436,872)**	(255,299)
Selling and marketing expenses		**(1,340,861)**	(692,515)
Royalties and other related payments		**(384,057)**	(499,725)
Finance costs		**(68,350)**	(59,490)
Loss before tax		**(858,713)**	(1,719,950)
Income tax expense	*5*	**(139,708)**	–
Loss and total comprehensive expenses for the year		**(998,421)**	(1,719,950)
Loss per share	*6*		
– Basic (RMB Yuan)		**(0.74)**	(1.46)
– Diluted (RMB Yuan)		**(0.74)**	(1.46)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

	Notes	2020 RMB'000	2019 RMB'000
Non-current assets			
Property, plant and equipment		**1,584,079**	1,344,788
Right-of-use assets		**327,124**	91,516
Intangible assets		**32,625**	–
Deposits for acquisition of property, plant and equipment		**272,278**	84,849
Other receivables and tax recoverables		**139,267**	251,969
Other financial assets		**12,942**	1,984
		2,368,315	1,775,106
Current assets			
Inventories		**705,658**	358,597
Trade receivables	*7*	**475,378**	247,854
Deposits, prepayments and other receivables		**164,515**	151,626
Contract assets		**–**	2,185
Other financial assets		**357,297**	462,519
Bank balances and cash		**7,763,833**	4,232,642
		9,466,681	5,455,423
Current liabilities			
Trade payables	*8*	**120,620**	84,275
Other payables and accrued expenses		**973,634**	885,004
Contract liabilities		**120,440**	41,727
Borrowings		**255,000**	17,000
Lease liabilities		**16,157**	15,550
		1,485,851	1,043,556
Net current assets		**7,980,830**	4,411,867
Total assets less current liabilities		**10,349,145**	6,186,973
Non-current liabilities			
Contract liabilities		**588,141**	581,786
Borrowings		**925,178**	808,000
Government grants		**45,823**	16,518
Lease liabilities		**10,233**	24,538
		1,569,375	1,430,842
Net assets		**8,779,770**	4,756,131
Capital and reserves			
Share capital		**97**	87
Reserves		**8,779,673**	4,756,044
Total equity		**8,779,770**	4,756,131

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

Innovent Biologics, Inc. (the "**Company**") is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Company is an investment holding company. The Company's subsidiaries are principally engaged in research and development of antibody and protein medicine products, sale and distribution of pharmaceutical products, and provision of consultation and research and development services.

The consolidated financial statements have been prepared in accordance with IFRSs issued by the International Accounting Standards Board (the "**IASB**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in IFRS Standards* and the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

The application of the *Amendments to References to the Conceptual Framework in IFRS Standards* and the amendments to IFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Standards that have been issued but are not yet effective:

IFRS 17	Insurance Contracts and the related Amendments[1]
Amendment to IFRS 16	Covid-19-Related Rent Concessions[4]
Amendments to IFRS 3	Reference to the Conceptual Framework[2]
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2[5]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[1]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use[2]
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to IFRS Standards	Annual Improvements to IFRSs 2018-2020[2]

[1] Effective for annual periods beginning on or after 1 January 2023.
[2] Effective for annual periods beginning on or after 1 January 2022.
[3] Effective for annual periods beginning on or after a date to be determined.
[4] Effective for annual periods beginning on or after 1 June 2020.
[5] Effective for annual periods beginning on or after 1 January 2021.

The directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2019.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	2020	2019
	RMB'000	*RMB'000*
Timing of revenue recognition:		
A point in time		
Sales of pharmaceutical products	**2,367,531**	1,015,871
License fee income	**1,397,077**	10,000
	3,764,608	1,025,871
Overtime		
Research and development service fee income	**175**	3,786
License fee income	**79,036**	17,868
	79,211	21,654
Total revenue from contracts with customers	**3,843,819**	1,047,525

Segment information

For the purposes of resource allocation and assessment of segment performance, the chief executive officer of the Company, being the chief operating decision maker, focuses and reviews on the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Geographical information

Substantially all of the Company's operations and non-current assets are located in the PRC. An analysis of the Group's revenue from external customers, analysed by their respective country/region of operation, is detailed below:

Revenue by geographical location

	2020	2019
	RMB'000	*RMB'000*
The PRC	**2,446,742**	1,047,525
United States of America ("**US**")	**1,397,077**	–
	3,843,819	1,047,525

5. INCOME TAX EXPENSE

The income tax represents the withholding tax arising from the license-out income received from customers in the US during the year ended 31 December 2020 (during the year ended 31 Dec 2019: nil).

6. LOSS PER SHARE

(a) Basic

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Year ended 31 December	
	2020	2019
Loss *(RMB'000)*		
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	**(998,421)**	(1,719,950)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,357,011,757**	1,177,686,162

The computation of basic loss per share for the year ended 31 December 2020 excluded the treasury shares and included the vested but unissued restricted shares of the Company.

The computation of basic loss per share for the year ended 31 December 2019 excluded the unvested restricted shares of the Company.

(b) Diluted

31 December 2019 and 2020

The Company had two categories of potential ordinary shares, unvested restricted shares of the Company under the Pre-IPO Plan, the 2018 RS Plan, the 2020 RS Plan and the shares options awarded under the Pre-IPO Plan and the Post-IPO ESOP. As the Group incurred losses for the years ended 31 December 2020 and 2019, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, dilutive loss per share for the year ended 31 December 2020 and 2019 is the same as basic loss per share.

7. TRADE RECEIVABLES

The following is an aging analysis of trade receivables, presented based on the invoice date:

	At 31 December 2020 *RMB'000*	At 31 December 2019 *RMB'000*
0 – 60 days	**475,378**	247,854

8. TRADE PAYABLES

A majority of the trade payables aged less than one year.

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 December 2020 and 2019, nor has any dividend been proposed since the end of the reporting period.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.innoventbio.com. The annual report of the Group for the year ended 31 December 2020 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's shareholders in due course.

By order of the Board
Innovent Biologics, Inc.
Dr. De-Chao Michael Yu
Chairman and Executive Director

Hong Kong, China, 29 March 2021

As at the date of this announcement, the Board comprises Dr. De-Chao Michael Yu as Chairman and Executive Director and Mr. Ronald Hao Xi Ede as Executive Director, Mr. Shuyun Chen as Non-executive Director, and Dr. Charles Leland Cooney, Ms. Joyce I-Yin Hsu and Dr. Kaixian Chen as Independent Non-executive Directors.