信達生物製藥

INNOVENT BIOLOGICS, INC.

(Incorporated in the Cayman Islands with Limited Liability)

(Stock Code: 1801)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

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 unaudited condensed consolidated results of the Group for the six months ended 30 June 2021 (the "**Reporting Period**"). These interim results have been reviewed by the Company's audit committee and 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 amounts and percentage figures 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 RMB1,941.8 million for the six months ended 30 June 2021, representing an increase of 97.3% from RMB984.2 million for the six months ended 30 June 2020. Product revenue increased by 101.4% to RMB1,854.6 million for the six months ended 30 June 2021, compared to RMB920.9 million in the same period last year, mainly driven by the broader commercialisation activities which led to the continued strong growth of our leading product TYVYT® (sintilimab injection) coupled with revenue contribution from three antibody drugs which were launched in the second half of 2020 and a newly approved drug in June 2021.

- **Gross profit margin** of product sales was 87.3% for the six months ended 30 June 2021, increased as compared with 79.9% for the six months ended 30 June 2020, primarily due to the significant volume increase and notable manufacturing efficiency improvement as the 6*3,000L stainless steel bioreactor production lines were put in use since the fourth quarter of 2020. The large scale stainless steel bioreactor production lines provided market competitive cost advantage of TYVYT® (sintilimab injection).

- **Research and development (R&D) expenses** increased by RMB234.1 million from RMB808 million for the six months ended 30 June 2020 to RMB1,042.1 million for the six months ended 30 June 2021. The steadily growing R&D expenses were mainly spent on clinical trials of late-stage and prioritized assets from our robust pipeline globally to further expand our existing product line's indications as well as develop new products in our pipeline, including pre clinical product developments.

- **Selling and marketing expenses** were RMB1,137.3 million, or 61.3% of product revenue for the six months ended 30 June 2021, as compared with RMB446.6 million, or 48.5% of product revenue in the same period of last year, as compared with RMB894.3 million, or 61.8% of product revenue for the six months ended 31 December 2020. Such a planned increase in spending was primarily due to the broader commercialisation activities with respect to TYVYT® (sintilimab injection), BYVASDA® (bevacizumab biosimilar), SULINNO® (adalimumab biosimilar) and HALPRYZA® (rituximab biosimilar), sales and marketing team expansion from 1,284 members as at 31 December 2020 to 2,117 members as at 30 June 2021, as well as a much lower-than-normal and not usual commercialisation activities for the six months ended 30 June 2020 due to the outbreak of COVID-19.

- **Loss and total comprehensive expenses** were RMB1,175.3 million for the six months ended 30 June 2021, representing an increase of 93.2% or RMB567.1 million from RMB608.2 million for the six months ended 30 June 2020. The increase was primarily due to (i) continuous investment in R&D; (ii) effect of unrealized net foreign exchange adjustment in the current period; and (iii) increased share-based compensation expenses.

- **Net cash from financing activities** were RMB4,503.6 million for the six months ended 30 June 2021, mainly attributable to proceeds generated from our successful placement in January 2021. As at 30 June 2021, the Company had approximately US$1,728.2 million cash on hand.

Non-IFRS Measure:

- **Adjusted loss and total comprehensive expenses** were RMB676.9 million for the six months ended 30 June 2021, an increase of RMB144.5 million from RMB532.4 million for the six months ended 30 June 2020, the change was primarily attributable to continuous investment in R&D. Adjusted loss and total comprehensive expenses for the period represents the loss and total comprehensive expenses for the period excluding the effect of certain items including share-based compensation expenses and net foreign exchange gains or losses.

BUSINESS HIGHLIGHTS

During the six months ended 30 June 2021, our Company has continued to make significant achievements with consistently strong execution with respect to commercial operation, R&D, globalization, and business collaboration etc., including the following major milestones and achievements:

- We generated product revenue of RMB1,854.6 million for the six month ended 30 June 2021, an increase of 101.4% compared to RMB920.9 million in the same period of the prior year, mainly driven by the strong year-over-year growth of our leading product TYVYT® (sintilimab injection), coupled with revenue ramp up of three newly launched antibody drugs in the second half of 2020 and one new product approved in June.

- During the six months ended 30 June 2021 and up to the date of this announcement, we have expanded our clinical-stage pipeline from 23 assets to 25 assets, with major achievements including: 1) the expansion of our commercial product portfolio from four to five, with the approval of PEMAZYRE® (pemigatinib, IBI-375) in Taiwan market; 2) the first Biologics License Application ("**BLA**") of sintilimab in the United States (the "**U.S.**") for the treatment of first line ("**1L**") non-squamous non-small cell lung cancer ("**nsqNSCLC**") was accepted by the U.S. Food and Drug Administration (the "**US FDA**"); 3) we expanded New Drug Application ("**NDA**") stage and pivotal stage assets from four to six, including IBI-310 (CTLA-4 antibody), IBI-306 (PCSK9 antibody), IBI-376 (PI3K inhibitor), IBI-326 (BCMA CAR-T), IBI-344 (ROS1/NTRK inhibitor) and IBI-348 (BCR-ABL inhibitor); 4) we moved two new assets into phase 2 clinical studies, including IBI-302 (VEGF/Complement bispecific fusion protein) and IBI-362 (OXM3); 5) we opened phase 1 clinical studies for several new assets, including IBI-322 (CD47/ PD-L1 bispecific antibody) in the U.S., IBI-319 (PD-1/4-1BB bispecific antibody), IBI-321 (TIGIT/PD-1 bispecific antibody), and IBI-323 (LAG-3/PD-L1 bispecific antibody).

- 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® (bevacizumab biosimilar) in the local market. In return, the Company will receive milestones for development and commercialization as well as double-digit royalties on net sales.

- In February 2021, the National Medical Products Administration of China (the "**NMPA**") has approved the supplemental New Drug Application ("**sNDA**") of TYVYT® (sintilimab injection) in combination with pemetrexed and platinum chemotherapy as first-line therapy for nsqNSCLC.

- In March 2021, the Center for Drug Evaluation of the NMPA has granted Breakthrough Therapy Designation for Parsaclisib (IBI-376) for the treatment of patients with relapsed/ refractory follicular lymphoma ("**r/r FL**").

- In May 2021, the U.S. FDA accepted for review a BLA for sintilimab injection in combination with pemetrexed and platinum chemotherapy for the first-line treatment for nsqNSCLC;

- In June 2021, the NMPA of China has approved the sNDA for TYVYT® (sintilimab injection) in combination with gemcitabine and platinum chemotherapy as first-line therapy for people with unresectable locally advanced or metastatic squamous non-small cell lung cancer (sqNSCLC).

- In June 2021, the NMPA has approved the sNDA for TYVYT® (sintilimab injection) in combination with BYVASDA® (bevacizumab biosimilar) as a first-line treatment for patients with advanced or unresectable hepatocellular carcinoma ("**HCC**"). This is the worldwide first regulatory approval of a PD-1 inhibitor-based combination therapy for the first-line treatment for HCC. The results of the ORIENT-32 study – the study that the approval was based on – were published in *The Lancet Oncology* on 15 June 2021.

- In June 2021, the ORIENT-15 study met the predefined overall survival primary endpoint. ORIENT-15 is a global randomized, double-blind, multi-center clinical study evaluating sintilimab in combination with chemotherapy (cisplatin plus paclitaxel or cisplatin plus 5-fluorouracil [5-FU]) for the first-line treatment of patients with unresectable, locally advanced recurrent or metastatic esophageal squamous cell carcinoma ("**ESCC**").

- In June 2021, we entered into an exclusive agreement with AnHeart Therapeutics Co., Ltd. ("**Anheart**") for the co-development and commercialization of AnHeart's lead drug candidate, taletrectinib – a next-generation tyrosine-kinase inhibitor ("**TKI**") designed to effectively target ROS1 and NTRK – in Greater China, including mainland China, Hong Kong, Macau and Taiwan.

- In June 2021, we entered into a non-exclusive, target-specific license agreement with Synaffix B.V. ("**Synaffix**") in an ADC technology deal. Synaffix will provide all the necessary proprietary ADC technologies to enable us to rapidly progress one of its antibodies as a best-in-class ADC candidate. We will be responsible for the research, development, manufacturing and commercialization of the ADC product.

- In June 2021, the data of the phase 1 clinical trial of IBI-362, a glucagon-like petide-1 ("**GLP-1**") and glucagon receptor dual agonist in overweight or obese Chinese participants was presented in an e-poster at the American Diabetes Association 81st Scientific Sessions. IBI-362 has shown good safety, robust weight loss efficacy and multiple benefits in metabolic profile in the phase 1 clinical study.

- In June 2021, the Taiwan Food and Drug Administration has approved Pemazyre® (pemigatinib) for the treatment of adults with previously treated, unresectable locally advanced or metastatic cholangiocarcinoma with a fibroblast growth factor receptor 2 ("**FGFR2**") fusion or rearrangement.

- In June 2021, the results of the Phase 1a/1b study of IBI-110 were released at the American Association for Clinical Oncology ("**ASCO**") Annual Meeting 2021. The phase 1 study is a dose-escalation trial evaluating IBI-110 as a single agent and in combination with sintilimab in patients with advanced solid tumors refractory to standard of care therapy. The phase 1 study has shown encouraging safety profile and preliminary efficacy data.

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 July 2021, we entered into a multifaceted strategic collaboration with Ascentage Pharma Group International ("**Ascentage Pharma**"). The collaboration includes: i) the joint commercialization of olverembatinib in China; ii) the collaborative clinical development of our anti-CD20 monoclonal antibody HALPRYZA® (rituximab biosimilar) and the anti-CD47 monoclonal antibody letaplimab (IBI-188) with Ascentage Pharma's Bcl-2 inhibitor APG-2575 (lisaftoclax); and iii) the equity investment in Ascentage Pharma.

- In July 2021, we entered into a collaboration agreement with Laekna Therapeutics Shanghai Co., Ltd. ("**Laekna**"), to evaluate the combination treatment of our PD-1 inhibitor sintilimab and Laekna's pan-AKT kinase inhibitor afuresertib.

- In July 2021, the NMPA has accepted the NDA for PEMAZYRE® (pemigatinib) for the treatment of adults with previously treated, unresectable locally advanced or metastatic cholangiocarcinoma with a FGFR2 fusion or rearrangement.

- In July 2021, the Drug Office of Hong Kong Department of Health has accepted the NDA of PEMAZYRE® (pemigatinib) for the treatment of adults with previously treated, unresectable locally advanced or metastatic cholangiocarcinoma with a FGFR2 fusion or rearrangement.

- In August 2021, the phase 3 study of IBI-306 (PCSK-9) met the primary endpoint of low-density lipoprotein cholesterol ("**LDL-C**") levels for the treatment of Chinese heterozygous familial hypercholesterolemia ("**HeFH**").

- In August 2021, the ORIENT-16 study met the predefined primary overall survival endpoint. ORIENT-16 is a randomized, double-blind, multi-center phase 3 clinical trial evaluating TYVYT® (sintilimab injection) in combination with chemotherapy (oxaliplatin and capecitabine) for the first-line treatment of patients with unresectable, locally advanced, recurrent or metastatic gastric or gastroesophageal junction ("**G/GEJ**") adenocarcinoma.

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 six months ended 30 June 2021 and to the date of this announcement, bearing the ambition of growing into a premier biopharmaceutical company, we have continuously made significant achievements in terms of pipeline R&D, global expansion, business collaboration as well as commercial operation.

We have continued to expand commercial portfolio, expand commercial team and build up commercial capability.

– In the first half of 2021, we successfully expanded our commercial product from four to five products with the approval of PEMAZYRE® (pemigatinib, FGFR1/2/3 inhibitor) in Taiwan market. During the first half of 2021, we generated product revenue of RMB1,854.6 million, representing a 101.4% growth from RMB920.9 million in the same period last year, driven by the continued strong growth of our leading product TYVYT® (sintilimab injection) coupled with revenue ramp-up from other products. In the first half of 2021, TYVYT® (sintilimab injection) received approvals for three additional indications including first line nsqNSCLC, first line squamous non-small cell lung cancer ("**sqNSCLC**") and first line HCC. The approval in major cancer indications, our competitive marketing strategy and strong commercial capability has enabled TYVYT® (sintilimab injection) to maintain continuous growth on the sales revenue and sales volume compared with the second half of 2020, further strengthening its leading position in the market. Besides, revenue generated from the new products BYVASDA® (bevacizumab biosimilar), SULINNO® (adalimumab biosimilar), HALPRAZA® (rituximab biosimilar) and PEMAZYRE® (pemigatinib) also significantly contributes to the fast product revenue growth in the first half of 2021.

– In the first half of 2021, we have further expanded our commercial network. Our sales and marketing team has expanded from about 1,200 employees as of 31 December 2020 to over 2,000 employees as of 30 June 2021. Our coverage has expanded from about 4,000 hospitals and 900 Direct-To-Patient ("**DTP**")/pharmacies at the end of 2020 to about 4,700 hospitals and 1,000 DTP/pharmacies across more than 300 cities as of 30 June 2021. The extensive commercial network and full-fledged sales and marketing team will enable our product portfolio and potential novel medicines in the pipeline to reach nationwide patient in medical need rapidly and efficiently.

We have kept making progress on clinical development of our promising oncology and non-oncology pipeline. As of today, we have built up a strong pipeline of 25 assets, of which five are approved, one NDA under NMPA review, five under pivotal stage, and 14 in other clinical stage.

– **We anticipate to file sNDA for TYVYT® (sintilimab injection) for three more major indications to the NMPA by the end of 2021 to early 2022.** In the first half of 2021, our leading product TYVYT® (sintilimab injection) has received additional three approval including first line nsqNSCLC, first line sqNSCLC and first line HCC. TYVYT® (sintilimab injection)'s sNDA for second line sqNSCLC is also under NMPA review and we expect to receive approval by the end of 2021. By the end of 2021 to early 2022, we anticipate to file three more sNDA for TYVYT® (sintilimab injection) to the NMPA, for the indications including first line ESCC, first line G/GEJ adenocarcinoma and post-TKI treatment epidermal growth factor receptor ("**EGFR**") positive non-small cell lung cancer ("**NSCLC**").

– **We have one product under NDA review by China NMPA.** The NDA of IBI-348 (olverembatinib, BCR-ABL TKI) is under NMPA review since last year. Once approved, our commercial portfolio will expand to six products.

– **We anticipate to file NDA for IBI-376 (PI3K inhibitor) and IBI-326 (BCMA CAR-T) by the end of 2021 to early 2022.** We will file NDA for IBI-376 (PI3K inhibitor) and IBI-326 (BCMA CAR-T) around the end of 2021 to early 2022. Besides, following the approval of PEMAZYRE® (pemigatinib, IBI-375) in Taiwan market, we have also filed NDA for PEMAZYRE® (pemigatinib) in Mainland China and Hong Kong market this year.

– **We keep progressing another three phase 3 or pivotal stage assets including IBI-310 (CTCA-4), IBI-306 (PCSK9) and IBI-344 (ROSI/NTRK).** We are exploring our IBI-310 (CTLA-4) in combo with TYVYT® (sintilimab injection) in pivotal trials for multiple indications including HCC, ovarian cancer and melanoma. Besides, leading the development progress of PCSK9 inhibitors in China, IBI-306 has achieved primary endpoint for one of its ongoing phase 3 clinical trials in HeFH. Besides, IBI-344 (ROS1/NTRK), the potential first in class and best in class next generation ROS1/NTRK inhibitor, is under multiple phase 2 trials and we anticipate the patients enrolment will be complete for the pivotal phase 2 for ROS1+ NSCLC by the end of this year.

– **We keep rapidly progressing our other prioritized oncology assets with exceptional clinical and commercial potential including both monoclonal antibodies and bispecific antibodies.** Supported by our deep understanding in immunology and unique strength in antibody engineering, we own a comprehensive pipeline of next generation immuno-oncology ("**IO**") targets including CD47, LAG-3, TIGIT etc, which place us in a unique and very competitive position in the IO fields. We plan to complete the patient enrolment for the phase 1b studies for IBI-188 (anti-CD47) in both acute myeloid leukemia ("**AML**") and myelodysplastic syndrome ("**MDS**") patients this year. We may enter phase 1b trial for IBI-322 (CD47/PD-L1 bispecific). Moreover, having IBI-110 (LAG-3) finished phase 1 study with good safety and efficacy signal, we are planning for multiple phase 1b and phase 2 clinical studies for IBI-110 in different indications of cancer types to explore the potential of this molecule. We will also keep progressing the ongoing phase 1 studies for other important assets such as IBI-939 (TIGIT), IBI-321 (TIGIT/PD-1), IBI-323 (PD-L1/LAG-3) and IBI-315 (HER2/PD-1).

– **Non-oncology pipeline has seen exciting clinical results**. In June 2021, the published phase 1b data of IBI-362 in obesity showed a favorable safety profile and robust efficacy, including weight loss and multiple metabolic benefits, underlying the advantages and potential of IBI-362 as the best-in-class and first-in-class new generation GLP-1 based drug in China. We will also release the phase 1b data of IBI-362 in diabetic patients later this year. We have started phase 2 of IBI-362 for obesity objects and will start phase 2 for diabetics patients shortly, respectively. Besides, we have started the phase 2 study for IBI-302 (VEGF/compliment protein) in neovascular age-related macular degeneration ("**nAMD**").

– **By the end of 2021 to 2022, we anticipate to release major clinical study data regarding**: 1) phase 3 study of TYVYT® (sintilimab injection) in the first line treatment of ESCC; 2) phase 3 study of TYVYT® (sintilimab injection) in the first line treatment of G/GEJ adenocarcinoma; 3) phase 3 study of TYVYT® (sintilimab injection) in the treatment of TKI failure NSCLC patients with EGFR mutation; 4) biomarker results of TYVYT® (sintilimab injection) in the treatment of second line sqNSCLC; 5) pivotal phase 2 study for IBI-375 for the treatment of cholangiocarcinoma with a FGFR2 fusion or rearrangement; 6) pivotal phase 2 study of IBI-376 for the treatment of r/r FL; 7) phase 1b study data of IBI-362 in diabetic patients; 8) phase 1b study of IBI-302 in wet age-related macular degeneration ("**wet AMD**"); and 9) phase 1a study of IBI-315 for advanced malignancies.

As an integrated platform with comprehensive capability from R&D to commercialization, we continue to perform as the best choice of our partners. In 2021, we entered into collaboration with Ascentage Pharma on the commercialization of olverembatinib, the clinical collaboration with our CD47 and CD20 antibody with its Bcl-2 inhibitor, and equity investment. We also in-licensed Anheart's next generation ROS1/NTRK small molecule inhibitor which is under pivotal phase 2 stages. Our collaborations with Ascentage Pharma and Anheart represent a new model for China biopharmaceutical companies to work together to bring additional benefit to patients, which also proves once again that we are an ideal partner to help expand pipeline development and product commercialization.

We are expanding global R&D footprint in all aspects; the BLA acceptance of sintilimab in the U.S. marks a historic milestone. Bearing the determination and commitment to grow the Company into a premier global biopharmaceutical company, we fully accelerate our R&D footprint toward global innovation and globalization in all aspects in 2021.

– In March 2021, we and our partner Eli Lilly and Company ("**Lilly**") have filed the first BLA application of sintilimab in the U.S. for the treatment of 1L nsqNSCLC, and the BLA was accepted by the U.S. FDA in May 2021. The BLA acceptance marks an important milestone in our globalization strategy, as well as an encouraging start for us and Lilly's collaborative efforts to make sintilimab available in countries beyond China. We and Lilly will keep pursuing registration of sintilimab injection in other markets beyond the U.S., and all other subsequent registrations of sintilimab injection across cancer types. In addition to sintilimab, we own a series of assets in our pipeline with global potential, especially including the next generation immuno-oncology targets, such as our CD47 cluster, LAG-3 cluster and TIGIT cluster etc..

– In 2021, we have successfully established our U.S. laboratory (the "**U.S. Lab**") in Maryland. With the plan to initially host a bunch of industry leading scientists and laboratory-based technical staffs, the U.S. Lab is primarily focused on disease mechanism study and technology-platform development, in order to feed the product pipeline with the next-generation drug candidates. The U.S. Lab will work as an important component of our R&D infrastructure, with the aim to connect with the frontline global innovation and clinical practices, and accelerate translation of scientific discovery into medicines to fulfil our mission of discovering and developing more high quality, life-saving medicines that are affordable to ordinary people.

– We are also building up our fully functioned global development organization and capability rapidly. We are working on building up a full-scale in-house R&D team, which is capable to drive and execute our global development and registration strategy of our assets, in a way of meeting the global requirement of regulatory, safety and quality standard.

Our new manufacturing facility is under construction; production capacity will expand from 24,000L to 60,000L by the end of this year.

– As of the date of this announcement, we have a total of 24,000L production capacity to support our production needs for both commercial stage products and clinical stage candidates in the pipeline. In particular, the large scale stainless steel bioreactors have provided market competitive cost advantage of TYVYT® (sintilimab injection).

– We keep expanding our manufacturing facilities to provide sufficient capacity to commensurate with our growing and maturing drug pipeline and to support our continued business expansions. We have started the construction of a new commercial facility in our Suzhou site (the "**M2 site**") that is designed to house additional twelve 3,000L production capacities and anticipate to receive Good Manufacturing Practice ("**GMP**") approval for the M2 site by the end of this year, expanding our production capacity from 24,000L to 60,000L.

We keep increasing our talent pool, with over 4,500 employees as at the end of June 30, 2021. We have expanded our team from about 3,200 employees as at 31 December 2020 to over 4,500 employees as at 30 June 2021, consisting of over 1,000 employees in R&D, 2,100 employees in commercialization, 1,100 employees in CMC and 300 employees in general and administrative functions.

We have received continuous support from capital market. In January 2021, we have successfully raised a total of approximately HK$4.7 billion, or US$600 million fund from new share placement, backed by strong subscription of well-known international and regional investors. As of the date of this announcement, we have approximately US$1.7 billion cash on hand, providing a strong support to our drug R&D, potential business collaboration, production facility expansion and continuously increasing international operation needs.

Pipeline summary

Leveraging on the Company's fully-integrated multi-functional platform and strategic partnerships and collaborations, the Company has developed a robust pipeline of 25 valuable assets. 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 charts summarizes the therapeutic targets, therapeutic areas, commercial rights and development status of our pipeline assets as of the date of this announcement.

Robust Pipeline Across Novel Therapeutics – Oncology

Products	Target (s)	Modality	Therapeutic Area	Commercial Rights	Status
TYVYT® (sintilimab injection)	PD-1	Monoclonal antibody	Oncology	Worldwide	Launched
BYVASDA® (bevacizumab injection)	VEGF-A	Monoclonal antibody	Oncology	Worldwide	Launched
HALPRYZA® (rituximab injection)	CD20	Monoclonal antibody	Oncology	Worldwide	Launched
IBI-375 (Pemigatinib)	FGFR1/2/3	Small molecule	Oncology	Mainland China, HK, Taiwan, Macau	2L mCCA (Approved in Taiwan, NDA accepted in mainland China and HK); 1L CCA (joined Incyte's global Phase 3 trial)
IBI-348 (Olverembatinib)	BCR-ABL/KIT	Small molecule	Oncology	Mainland China, HK, Taiwan, Macau	Drug-resistant chronic myeloid leukemia (CML), NDA accepted in China; GIST; Ph + ALL
IBI-310	CTLA-4	Monoclonal antibody	Oncology	Worldwide	Adjuvant melanoma; 2L Cervical cancer; 1l HCC
IBI-376 (Parsaclisib)	PI3Kδ	Small molecule	Oncology	Mainland China, HK, Taiwan, Macau	r/r FL and MZL (China); Myelofibrosis (Incyte's global Phase 3)
IBI-326	BCMA CAR-T	Cell therapy	Oncology	Worldwide	r/r multiple myeloma
IBI-344 (Taletrectinib)	ROS1/NTRK	Small molecule	Oncology	Mainland China, HK, Taiwan, Macau	ROS1+ NSCLC (1L + 2L); NTRK+ Solid tumors
IBI-188	CD47	Monoclonal antibody	Oncology	Worldwide	MDS (China); MDS (US); r/r AML (China)
IBI-110	LAG-3	Monoclonal antibody	Oncology	Worldwide	Phase 1b and Phase 2 for multiple cancer types in plan
IBI-322	PD-L1/CD47	Bispecific antibody	Oncology	Worldwide	Advanced malignancies (China); Advanced malignancies (US
IBI-318	PD-1/PD-L1	Bispecific antibody	Oncology	Mainland China, HK, Macau	Phase 1b for multiple cancer types
IBI-315	PD-1/HER2	Bispecific antibody	Oncology	Worldwide	
IBI-939	TIGIT	Monoclonal antibody	Oncology	Worldwide	
IBI-321	PD-1/TIGIT	Bispecific antibody	Oncology	Mainland China, HK, Macau	
IBI-319	PD-1/4-1BB	Bispecific antibody	Oncology	Mainland China, HK,Macau	
IBI-323	LAG-3/PD-L1	Bispecific antibody	Oncology	Worldwide	
IBI-102	GITR	Monoclonal antibody	Oncology	Worldwide	
IBI-101	OX40	Monoclonal antibody	Oncology	Worldwide	

Status: Pre-clinical | INDApproved | Phase 1 | Phase 2 | Pivotal Phase 2 / Phase 3 | NDA | Launched

Listed drugs | Biologics | Small molecules | Clinical progress in the U.S.

Robust Pipeline Across Novel Therapeutics – Non-oncology

Products	Target (s)	Modality	Therapeutic Area	Commercial Rights	Status
SULINNO® (adalimumab injection)	TNFalpha	Monoclonal antibody	Autoimmune	Worldwide	Launched
IBI-306	PCSK9	Monoclonal antibody	Metabolic	Mainland China, HK,Taiwan, Macau	HoFH(Pivotal phase 2 ongoing) HeFH(Phase 3 met primary endpoint) nFH(Phase 3 ongoing)
IBI-362	GLP1/GCGR (OXM3)	polypeptide	Metabolic	Mainland China, HK, Taiwan, Macau	Obesity Diabetics
IBI-302	VEGF/Complement	Fusion protein	Ophthalmology	Worldwide	wAMD(Phase 2 onging) DME (to start Phase 2)
IBI-112	IL-23 p19	Monoclonal antibody	Autoimmune	Worldwide	Inflammatory enteritis and other autoimmune diseases Psoriasis (to start Phase 2)

Pre-clinical | INDApproved | Phase 1 | Phase 2 | Pivotal Phase 2 / Phase 3 | NDA

Listed drugs | Biologics | Small molecules

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 Reporting Period, TYVYT® (sintilimab injection), as a leading brand in China PD-(L)1 market, has maintained encouraging growth trend compared with the first half of 2020 as well as the second half of 2020, in terms of both sales revenue and sales volume.

- The encouraging performance of TYVYT® (sintilimab injection) was attributable to the competitive commercial strategy, including the comprehensive and competitive marketing strategy supported by the approval of additional indications, broader network coverage in third-tiered cities, and expanding sales and promotion team.

- During the Reporting Period, NMPA approved three additional indications for TYVYT® (sintilimab injection) including first line nsqNSCLC, first line sqNSCLC and first line HCC. The Company thus was able to bring the high quality PD-1 product to benefit broader patient group with new treatment options.

- During the Reporting Period, sales and marketing team of TYVYT® (sintilimab injection) has expanded from about 1,200 employees as of 31 December 2020 to about 2,000 employees as of 30 June 2021. Our coverage of TYVYT® (sintilimab injection) has expanded from about 4,000 hospitals and 900 DTP/pharmacies at the end of 2020 to about 4,700 hospitals and 1,000 DTP/pharmacies across more than 300 cities as of 30 June 2021.

Post-Reporting Period (Expected) Commercial Development Plans

- In the rest of 2021, we will keep strengthening our leadership advantage in the PD-1 market, by leveraging additional approvals in major indications, competitive marketing strategy, broad hospital coverage in lower-tier cities, and experienced commercial and sales team. We expect TYVYT® (sintilimab injection) could benefit broader patient group in the rest of 2021 and beyond.

Clinical Development Milestones and other Major Achievements during the 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 over 10 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					
		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)						●
1L Hepatocellular Carcinoma	Combo (IBI-305 /biosimilar to bevacizumab)						●
2L Squamous NSCLC	Mono					●	
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 Non-squamous NSCLC	Combo (pemetrexed and cisplatin)					●	
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, we have achieved major milestones for TYVYT® (sintilimab injection) including:

- **Received three sNDA approvals for TYVYT® (sintilimab injection) in China by the NMPA:**

  – 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;

  – In June 2021, TYVYT® (sintilimab injection) was approved by the NMPA in combination with GEMZAR® (gemcitabine) and platinum chemotherapy as first-line therapy in sqNSCLC; and

  – In June 2021, TYVYT® (sintilimab injection) was approved by the NMPA in combination with BYVASDA® (bevacizumab biosimilar) as first-line therapy in HCC.

- **The regulatory submission of sintilimab injection accepted by the U.S. FDA:**

  – In May 2021, the U.S. FDA accepted for review a BLA for sintilimab injection in combination with pemetrexed and platinum chemotherapy for the first-line treatment of people with nsqNSCLC;

- **Met primary endpoint in Phase 3 clinical studies:**

  – In June 2021, the ORIENT-15 study met the predefined overall survival primary endpoint. ORIENT-15 is a global randomized, double-blind, multi-center clinical study evaluating sintilimab in combination with chemotherapy (cisplatin plus paclitaxel or cisplatin plus 5-fluorouracil [5-FU]) for the first-line treatment of patients with unresectable, locally advanced recurrent or metastatic ESCC; and

- **Presented results from clinical studies of TYVYT® (sintilimab injection) by online posters/abstracts at medical meetings, including:**

  – the result of the phase 3 trial evaluating TYVYT® (sintilimab injection) versus docetaxel as a second-line treatment for advanced or metastatic sqNSCLC (ORIENT-3 study) presented at the American Association for Cancer Research Annual Meeting 2021; and

  – the result of phase 1b trial of TYVYT® (sintilimab injection) in combination with fruquitinib (developed by Hutchison China MediTech Limited) for advanced colorectal cancer presented at the ASCO Annual Meeting.

Post-Reporting Period (Expected) Milestones and Achievements

- In July 2021, we entered into a collaboration agreement with Laekna to conduct clinical studies by assessing the combination of sintilimab and Laekna's pan-AKT kinase inhibitor afuresertib in patients with multiple types of solid tumors that have been refractory – or failed to respond – to treatment with PD-1/PD-L1 inhibitors.

- In August 2021, the ORIENT-16 study met the predefined primary overall survival endpoint. ORIENT-16 is a randomized, double-blind, multi-center phase 3 clinical trial evaluating TYVYT® (sintilimab injection) in combination with chemotherapy (oxaliplatin and capecitabine) for the first-line treatment of patients with unresectable, locally advanced, recurrent or metastatic G/GEJ adenocarcinoma.

- **By the end of 2021, we expect to receive sNDA approval by NMPA for TYVYT® (sintilimab injection) in China:**

  – For the second-line treatment of sqNSCLC.

- **In the rest of 2021 to early 2022, we expect to submit three sNDAs applications to the NMPA for TYVYT® (sintilimab injection), including:**

  – 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;

  – In the second half of 2021, we plan to submit the sNDA of TYVYT® (sintilimab injection) in combination with capecitabine and oxaliplatin in the treatment of first-line G/GEJ adenocarcinoma; and

  – 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.

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

  – At the annual meeting of European Society for Medical Oncology ("**ESMO**") in September 2021, we plan to present 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;

  – At the annual meeting of ESMO in September 2021, we plan to present the interim result of the phase 3 study to evaluate TYVYT® (sintilimab injection) in combination with chemotherapy (oxaliplatin and capecitabine) for the first-line treatment of patients with unresectable, locally advanced, recurrent or metastatic G/GEJ adenocarcinoma.

– At the annual meeting of Chinese Society of Clinical Oncology in September 2021, we plan to present the biomarker data of the Phase 3 trial evaluating TYVYT® (sintilimab injection) versus docetaxel as a second-line treatment for advanced or metastatic sqNSCLC (ORIENT-3 study); and

– At the upcoming medical meeting in the end of 2021 to early 2022, we plan to present 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 the Reporting Period

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

- In June 2021, the NMPA approved the sNDA for BYVASDA® (bevacizumab biosimilar) in combination with TYVYT® (sintilimab injection) as first-line therapy in HCC. This is the forth approved indication of BYVASDA® (bevacizumab biosimilar) in China.

Post-Reporting Period (Expected) Milestones and Achievements

- We will continue to leverage the rich promotion experience of our oncology sales and marketing team in the commercialisation of BYVASDA® (bevacizumab biosimilar).

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*

Post–Reporting Period (Expected) Milestones and Achievements

- We will continue to leverage the rich promotion experience of our oncology sales and marketing team in the commercialisation of HALPRAZA® (rituximab biosimilar).

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 the Reporting Period

- We have established a professional and experienced marketing and sales team of about 100 people, responsible for the commercialisation of the product. We will continue to work on the market access and academic marketing promotion of SULINNO® (adalimumab biosimilar).

Post-Reporting Period (Expected) Milestones and Achievements.

- We received approval for the prefilled syringe of SULINNO® (adalimumab biosimilar) in August 2021.

PEMAZYRE® (pemigatinib)*; a novel FGFR inhibitor in-licensed from Incyte Biosciences International Sarl ("**Incyte**", a subsidiary of Incyte Corporation (Nasdaq ticker symbol: INCY)); approved in Taiwan market*

Milestones and Achievements during the Reporting Period

- In May 2021, the first China patient was dosed for 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 advanced or metastatic cholangiocarcinoma with FGFR2 rearrangement.

- In June 2021, the results of the phase 1 study of pemigatinib in Chinese patients with advanced solid tumors were published at the ASCO Annual Meeting 2021.

- In June 2021, Taiwan Food and Drug Administration has approved Pemazyre® (pemigatinib) for the treatment of adults with previously treated, unresectable locally advanced or metastatic cholangiocarcinoma with a FGFR2 fusion or rearrangement.

Post-Reporting Period (Expected) Milestones and Achievements

- In July 2021, the NMPA has accepted the NDA for Pemazyre® (pemigatinib) for the treatment of adults with previously treated, unresectable locally advanced or metastatic cholangiocarcinoma with a FGFR2 fusion or rearrangement.

- In July 2021, the Drug Office of Hong Kong Department of Health has accepted the NDA of Pemazyre® (pemigatinib) for the treatment of adults with previously treated, unresectable locally advanced or metastatic cholangiocarcinoma with a FGFR2 fusion or rearrangement.

- At the 2021 annual meeting of ESMO, we plan to publish the results of the pivotal phase 2 study for IBI-375 for the treatment of adults with previously treated, unresectable locally advanced or metastatic cholangiocarcinoma with a FGFR2 fusion or rearrangement in China.

- At the 2021 annual meeting of ESMO, we plan to publish the FGFR2 fusion and/or rearrangement profiling in Chinese patients with intrahepatic cholangiocarcinoma.

Our Late Clinical Stage Drug Candidate

IBI-348 (Olverembatinib), *a novel third-generation BCR-ABL inhibitor co-developed and co-commercialized with Ascentage Pharma; NDA under priority review by the NMPA of China*

Post-Reporting Period (Expected) Milestones and Achievements

- In July 2021, we entered into a multifaceted collaboration with Ascentage Pharma, including the joint commercialization of olverembatinib (Innovent R&D code: IBI-348, Ascentage R&D code: HQP1351) in China. In October 2020, a NDA submission for olverembatinib has been accepted by the NMPA with priority review, for the treatment of patients resistant to tyrosine kinase inhibitors (TKIs) and with T315I-mutant chronic phase chronic myeloid leukemia ("**CML**") and accelerated phase CML.

- Around the end of 2021, we and our partner Ascentage Pharma expect to receive NDA approval for olverembatinib for the treatment of patients resistant to TKIs and with T315I-mutant chronic phase CML and accelerated phase CML.

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

Milestones and Achievements during the Reporting Period

- We have completed the patient enrolment of IBI-376 for the pivotal phase 2 trial of IBI-376 for r/r FL in China.

Post-Reporting Period (Expected) Milestones and Achievements

- In the rest of 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 publish the data of the Phase 2 study of IBI376 for the treatment of r/r FL on the 2021 American Society of Hematology annual meeting in December 2021.

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

IBI-344 (taletrectinib)*, a novel next-generation ROS1/NTRK TKI in-licensed from Anheart*

Milestones and Achievements during the Reporting Period

- In June 2021, we entered into an exclusive license agreement for the co-development and commercialization of AnHeart's lead drug candidate, taletrectinib – a next-generation TKI designed to effectively target ROS1 and NTRK – in Greater China, including mainland China, Hong Kong, Macau and Taiwan.

- In June 2021, the initial clinical data for the ongoing phase 2 clinical study to investigate taletrectinib in treating patients with ROS1 fusion positive NSCLC (NCT04395677) was published at the ASCO 2021 Annual Meeting.

- In June 2021, the first patient has been dosed in a phase 2 basket trial of taletrectinib for solid tumors containing NTRK fusion (NCT04617054).

Post-Reporting Period (Expected) Milestones and Achievements

- In 2021, AnHeart expects to complete the patient enrolment for the pivotal phase 2 clinical study to investigate taletrectinib in treating patients with ROS1 fusion positive NSCLC.

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

Milestones and Achievements during the Reporting Period

- In January 2021, we 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.

Post-Reporting Period (Expected) Milestones and Achievements

- By the end of 2021, we plan to complete the patient enrolment for the pivotal phase 2 study for second-line or above cervical cancer.

- At the 2021 annual meeting of ESMO, we plan to publish phase 1 data of IBI-310 for advanced melanoma.

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

Milestones and Achievements during the Reporting Period

- 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.

Post-Reporting Period Expected Milestones and Achievements

- In August 2021, IBI-306 met the primary endpoint of LDL-C in the phase 3 study for the treatment of HeFH.

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

Milestones and Achievements during the Reporting Period

- 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 (r/r MM)."

- In February 2021, IBI-326 received Breakthrough Therapy Designation from the NMPA for the indication of relapsed/refractory multiple myeloma ("**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.

- In June 2021, updated data from the Phase 1 study of IBI-326 in patients with r/r MM was released at the European Hematology Association (EHA) Congress.

Post-Reporting Period (Expected) Milestones and Achievements

- In early 2022, we and IASO Biotherapeutics expect to file NDA submission to the NMPA for IBI-326 for the treatment of r/r MM.

Other Selected Clinical Stage Drug Candidates

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

Milestones and Achievements during the Reporting Period

- In the first half of 2021, we have been enrolling patients for the phase 1b trial for IBI-188 in MDS and the phase 1b trial for IBI-188 in relapsed/refractory AML;

Post-Reporting Period (Expected) Milestones and Achievements

- In July 2021, we entered into a multifaceted collaboration with Ascentage Pharma, including the exploration of collaborative clinical development of our anti-CD47 monoclonal antibody letaplimab (IBI-188) and anti-CD20 monoclonal antibody HALPRYZA® (rituximab biosimilar) with Ascentage Pharma's Bcl-2 inhibitor APG-2575 (lisaftoclax).

- We plan to complete patient enrolment for the phase 1b trial for IBI-188 in MDS and the phase 1b trial for IBI-188 in r/r AML in 2021.

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

Milestones and Achievements during the Reporting Period

- In early 2021, we have started the patient enrolment for the phase 1 study for IBI-322 for the treatment of patients with advanced malignancies in the U.S..

Post-Reporting Period (Expected) Milestones and Achievements

- In 2021, we plan to enter phase 1b trial for IBI-322 in China. We plan to get preliminary Proof-of-Consent ("**PoC**") data by the end of 2021 to early 2022.

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

Milestones and Achievements during the Reporting Period

- In June 2021, we released the phase 1b study data of IBI-362 in obesity at the annual meeting of American Diabetes Association. IBI-362 has shown good safety, robust weight loss efficacy and multiple benefits in metabolic profile in the phase 1 clinical study.

- In June 2021, we have dosed the first subject for IBI-362 in the phase 2 clinical study in obesity subjects in China. This is a randomized, double-blind, placebo-controlled phase 2 study to assess the efficacy and safety of IBI-362 in overweight or obese subjects in China with planned enrolment of over 200 people. The primary objective of this study is to evaluate the change from baseline in body weight at week 24, and to recommend the optimal dose for phase 3 studies.

Post-Reporting Period (Expected) Milestones and Achievements

- In August 2021, the phase 1b study results of IBI-362 in Chinese participants with overweight or obesity was published in *EClinicalMedicine* by the *Lancet.* This is the first time that a phase 1 clinical study results of an innovative drug in the field of metabolism developed in China were published in the *Lancet* journals.

- In the third quarter of 2021, we plan to start the phase 2 clinical study of IBI-362 in diabetic patients.

- We plan to present the phase 1b study data of IBI-362 in diabetic patients at the International Diabetes Federation Virtual Congress 2021 in December.

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 the Reporting Period

- In April 2021, we have dosed the first patient for the phase 2 trial of IBI-302 in subjects with active subfoveal or parafoveal choroidal neovascularization secondary to nAMD.

Post-Reporting Period (Expected) Milestones and Achievements

- 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 the annual meeting of American Academy of Ophthalmology in November 2021.

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

Milestones and Achievements during Reporting Period

- In the first half of 2021, we have completed 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 start phase 2 clinical study for IBI-112 for the treatment of psoriasis.

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

Milestones and Achievements during the Reporting Period

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

- In June 2021, the results of the phase 1 study of IBI-110 were released at the ASCO Annual Meeting 2021. The phase 1 study is a dose-escalation trial evaluating IBI-110 as a single agent and in combination with sintilimab in patients with advanced solid tumors refractory to standard of care therapy. IBI-110 has shown promising efficacy signal and safety profile in the study as single agent as well as in combination with sintilimab.

Post-Reporting Period (Expected) Milestones and Achievements

- In the rest of 2021, we plan to start multiple phase 1b and phase 2 clinical trials for IBI-110 in different indications of solid tumor and blood tumors to explore the potential of this molecules.

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

Milestones and Achievements during the Reporting Period

- We have started enrolling patients for phase 1b of IBI-939 in combination with TYVYT® (sintilimab injection) for advanced lung cancer in early 2021.

Post-Reporting Period (Expected) Milestones and Achievements

- We plan to keep enrolling the above mentioned phase 1b study in 2021.

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 the Reporting Period

- We have been enrolling patients for the phase 1a study for IBI-315.

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 phase 1b trial for IBI-315 in China and get preliminary PoC data in the end 2021 to early 2022.

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

Milestones and Achievements during the Reporting Period

- We are conducting phase 1b trials for IBI-318 in multiple malignancies in 2021

Post-Reporting Period (Expected) Milestones and Achievements

- We plan to complete the above mentioned phase 1b trials of IBI-318 in 2021.

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

Milestones and Achievements during the Reporting Period

- In the first half of 2021, we started the patient enrolment of phase 1 clinical study of IBI-319 for advanced malignant tumors.

Post-Reporting Period (Expected) Milestones and Achievements

- In 2021, we will keep enrolling patients for the phase 1 clinical study of IBI-319.

IBI-321, *a novel TIGIT/PD-1 bi-specific antibody*

Milestones and Achievements during the Reporting Period

- In the first half of 2021, we started the patient enrolment of phase 1 clinical study of IBI-321.

Post-Reporting Period (Expected) Milestones and Achievements

- In 2021, we will keep enrolling patients for the phase 1 clinical study of IBI-321.

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

Milestones and Achievements during the Reporting Period

- In the first half of 2021, we started the patient enrolment of phase 1 clinical study of IBI-323.

Post-Reporting Period (Expected) Milestones and Achievements

- In 2021, we will keep enrolling patients for the phase 1 clinical study of IBI-323.

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 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.

- In June 2021, we entered into an exclusive agreement with AnHeart for the co-development and commercialization of AnHeart's lead drug candidate, taletrectinib – a next-generation TKI designed to effectively target ROS1 and NTRK – in Greater China, including mainland China, Hong Kong, Macau and Taiwan.

- In June 2021, we entered into a non-exclusive, target-specific license agreement with Synaffix in an ADC technology deal. Synaffix will provide all the necessary proprietary ADC technologies to enable us to rapidly progress one of its antibodies as a best-in-class ADC candidate. We will be responsible for the research, development, manufacturing and commercialization of the ADC product. Synaffix will closely support our research activities and will be responsible for the manufacturing of components that are specifically related to its proprietary technologies.

- In July 2021, we entered into a multifaceted strategic collaboration with Ascentage Pharma. The collaboration includes: i) the joint commercialization of olverembatinib in China; ii) the collaborative clinical development of Bcl-2 inhibitor APG-2575 (lisaftoclax) with the anti-CD20 monoclonal antibody HALPRYZA® (rituximab biosimilar injection) and the anti-CD47 monoclonal antibody letaplimab (IBI-188); and iii) the equity investment in Ascentage Pharma.

- In July 2021, we entered into a collaboration agreement with Laekna to evaluate the combination of our PD-1 inhibitor sintilimab and Laekna's pan-AKT kinase inhibitor afuresertib.

Our Manufacturing Facilities

- As of the date of this announcement, we have a total of 24,000L production capacity to support our production needs for both commercial stage products 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. In particular, the large scale stainless steel bioreactors have provided market competitive cost advantage of TYVYT® (sintilimab injection), enhancing the GPM margin of product sales to 87.3% in the first half of 2021 versus from 79.9% during the same period last year.

- We keep expanding our manufacturing facilities to provide sufficient capacity to commensurate with our growing and maturing drug pipeline and to support our continued business expansions. We have started the construction of a new commercial facility in the M2 site that is designed to house additional twelve 3,000L production capacities and anticipate to receive GMP approval for the M2 site in the second half, expanding our production capacity from 24,000L to 60,000L.

Other Corporate Development

- 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 merger and acquisition activities, further expand the production capacity, and for working capital and other general corporate use.

- In 2021, we have successfully established our U.S. Lab in Maryland. With the plan to initially host a bunch of industry leading scientists and laboratory-based technical staffs, the U.S. Lab is primarily focused on disease mechanism study and technology-platform development, in order to feed the product pipeline with the next-generation drug candidates. The U.S. Lab will work as an important component of our R&D infrastructure, with the aim to connect with the frontline of global innovation and clinical practices, and accelerate translation of scientific discovery into medicines to fulfil our mission of discovering and developing more high quality, life-saving medicines that are affordable to ordinary people.

FINANCIAL REVIEW

Six Months Ended 30 June 2021 Compared to Six Months Ended 30 June 2020

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers	**1,941,750**	984,206
Cost of sales	**(234,758)**	(184,817)
Gross profit	**1,706,992**	799,389
Other income	**90,274**	107,357
Other gains and losses	**(85,225)**	97,549
Research and development expenses	**(1,042,095)**	(807,954)
Administrative and other expenses	**(340,855)**	(186,835)
Selling and marketing expenses	**(1,137,346)**	(446,623)
Royalties and other related payments	**(339,799)**	(134,936)
Finance costs	**(27,104)**	(32,613)
Loss before tax	**(1,175,158)**	(604,666)
Income tax expense	**(152)**	(3,528)
Loss and total comprehensive expenses for the period	**(1,175,310)**	(608,194)
Non-IFRS measure:		
Adjusted loss and total comprehensive expenses for the period	**(676,850)**	(532,395)

1. Revenue

For the six months ended 30 June 2021, the Group generated revenue from contracts with customers of RMB1,941.8 million. The Group generates revenue from (i) sales of pharmaceutical products; and (ii) license fee income. The following table sets forth the components of the revenue from contracts with customers for the periods presented:

	Six Months Ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers:		
Sales of pharmaceutical products	**1,854,564**	920,888
License fee income	**87,186**	63,212
R&D service fee income	**–**	106
Total revenue from contracts with customers	**1,941,750**	984,206

As at 30 June 2021, the Group recorded revenue from sales of pharmaceutical products of RMB1,854.6 million, as compared with RMB920.9 million for the six months ended 30 June 2020.

During the six months ended 30 June 2021, the Group recorded license fee income of RMB87.2 million, as compared with RMB63.2 million for the six months ended 30 June 2020. In January 2021, the Group entered into an out-license agreement with a customer and realised license fee income of RMB3.4 million. 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 commercialisation stage of relevant products. During the six months ended 30 June 2021 and 2020, such license fee income recorded was RMB83.8 million and RMB27.9 million, respectively.

2. Cost of Sales

The Group's cost of sales consists of cost of raw material, direct labour, manufacturing cost and manufacturing overhead related to the production of the products sold. For the six months ended 30 June 2021, the Group recorded cost of sales of RMB234.8 million, as compared with RMB184.8 million for the six months ended 30 June 2020.

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 recognised upon compliance with certain conditions; and (iii) incentive which has no specific conditions attached to the grants.

For the six months ended 30 June 2021, other income of the Group decreased by RMB17.1 million to RMB90.3 million, from RMB107.4 million for the six months ended 30 June 2020. The decrease was primarily due to decrease in government grants income, partially offset by increased bank interest income.

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); and (iii) loss on disposal of property, plant and equipment.

For the six months ended 30 June 2021, other gains and losses of the Group was a loss of RMB85.2 million, as compared with a gain of RMB97.5 million for the six months ended 30 June 2020, which included losses of RMB87.7 million mainly arising from unrealised net foreign exchange adjustment as a result of the weakening of certain major currency USD against the RMB, partially offset by a gain of approximately RMB2.5 million related to the investment on other financial assets.

5. R&D 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 six months ended 30 June 2021 and 2020, the Group incurred R&D expenses of RMB1,042.1 million and RMB808.0 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 six months ended 30 June 2021, administrative and other expenses of the Group increased to RMB340.9 million from RMB186.8 million for the six months ended 30 June 2020. The significant increase was caused by hiring of new 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 RMB1,137.3 million for the six months ended 30 June 2021, as compared with RMB446.6 million for the six months ended 30 June 2020. The Group continuously devotes commercialisation effort 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 RMB339.8 million for the six months ended 30 June 2021, as compared with RMB134.9 million for the six months ended 30 June 2020. 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 RMB0.2 million for the six months ended 30 June 2021, which represented the income tax expense arising from taxable income in a subsidiary of the Group.

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 six months 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 period to period and company to company to the extent applicable.

Adjusted loss and total comprehensive expenses for the period represents the loss and total comprehensive expenses for the period excluding the effect of certain items including share-based compensation expenses and net foreign exchange gains or losses. The table below sets forth a reconciliation of the loss and total comprehensive expenses for the period to adjusted loss and total comprehensive expenses for the period during the years indicated:

	Six Months Ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss and total comprehensive expenses for the period	**(1,175,310)**	(608,194)
Added:		
Share-based compensation expenses	**410,789**	154,661
Net foreign exchange losses/(gains)	**87,671**	(78,862)
Adjusted loss and total comprehensive expenses for the period	**(676,850)**	(532,395)

Selected Data from Statement of Financial Position

	As at	As at
	30 June	31 December
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Total current assets	**13,432,523**	9,466,681
Total non-current assets	**3,024,059**	2,368,315
Total assets	**16,456,582**	11,834,996
Total current liabilities	**2,241,738**	1,485,851
Total non-current liabilities	**2,309,515**	1,569,375
Total liabilities	**4,551,253**	3,055,226
Net current assets	**11,190,785**	7,980,830

11. Liquidity and Source of Funding and Borrowing

As at 30 June 2021, the Group's bank balances and cash and current portion of other financial assets increased to RMB11,164 million from RMB8,121.1 million as at 31 December 2020. The increase primarily resulted from the placement of new shares for approximately RMB3,893.3 million in January 2021, partially offset by investment in ongoing R&D projects, commercialisation activities and capacity expansion. As at 30 June 2021, the current assets of the Group were RMB13,432.5 million, including bank balances and cash of RMB11,164 million. As at 30 June 2021, the current liabilities of the Group were RMB2,241.7 million, including trade payables of RMB277.3 million, other payables and accrued expenses of RMB1,369.2 million, contract liabilities of RMB210.2 million, borrowings of RMB370 million and lease liabilities of RMB14.9 million. As at 30 June 2021, the Group had available unutilized long-term bank loan facilities of approximately RMB520.9 million.

12. Key Financial Ratios

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

	As at 30 June 2021	As at 31 December 2020
Current ratio[(1)]	**6.0**	6.4
Quick ratio[(2)]	**5.5**	5.9
Gearing ratio[(3)]	**NM[(4)]**	NM[(4)]

Notes:

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

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

(3) Gearing ratio is calculated using interest-bearing borrowings less cash and cash equivalents divided by (deficiency of) total equity and multiplied by 100%.

(4) Gearing ratio is not meaningful as our interest-bearing borrowings less cash equivalents was negative as at 30 June 2021.

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 six months ended 30 June 2021.

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 six months ended 30 June 2021.

15. Pledge of Assets

As at 30 June 2021, the Group had a total of RMB507.9 million of property, plant and equipment, RMB51.0 million of land use rights and RMB480 million of bank deposits pledged to secure its loans and banking facilities.

16. Contingent Liabilities

As at 30 June 2021, the Group did not have any material contingent liabilities.

17. Foreign Exchange Exposure

During the six months ended 30 June 2021, a majority of the Group's transactions were settled in Renminbi (RMB), the functional currency of the Company's primary subsidiaries. As at 30 June 2021, 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 30 June 2021. The Group uses forward contracts to eliminate the foreign exchange exposures.

18. Employees and Remuneration

As at 30 June 2021, the Group had 4,596 (as at 31 December 2020: 3,279) employees. The following table sets forth the total number of employees by function as at 30 June 2021:

	Number of employees	**Percentage of total (%)**
Function		
R&D	**1,004**	22
Manufacturing	**1,118**	24
Selling and Marketing	**2,117**	46
General and Administrative	**357**	8
Total	**4,596**	100

The Group believes in the importance of attraction, recruitment and retention of quality employees in achieving the Group's success. Our success depends on our ability to attract, retain and motivate qualified personnel. The number of employees employed by the Group varies from time to time depending on the business need. Employees' remuneration is determined in accordance with prevailing industry practice and employees' educational backgrounds, experience and performance. The remuneration policy and package of the Group's employees are periodically reviewed.

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**") to provide incentives for the Group's employees. 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. The 2020 RS Plan succeeded the 2018 RS Plan.

The total remuneration cost incurred by the Group for the six months ended 30 June 2021 was RMB1,211.0 million, as compared to RMB578.7 million for the six months ended 30 June 2020.

During the six months ended 30 June 2021, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.

INTERIM DIVIDEND

The Board does not recommend the distribution of an interim dividend for the six months ended 30 June 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.

1. Compliance with the Code on Corporate Governance Practices

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 six months ended 30 June 2021, 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 responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. The Company does not have separate chairman and chief executive officer and Dr. De-Chao Michael Yu currently performs these two roles. The Board believes that vesting the roles of both chairman 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 ending 31 December 2021.

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 as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code during the six months ended 30 June 2021. No incident of non-compliance of the Model Code by the relevant employees has been noted by the Company during the six months ended 30 June 2021.

3. Audit Committee

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

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2021 have been reviewed by the Group's external auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants, and by the audit committee. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company.

4. Other Board Committees

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

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

On 15 January 2021, the Company and Morgan Stanley & Co. International plc, Goldman Sachs (Asia) L.L.C. and J.P Morgan Securities (Asia Pacific) Limited (the "**Joint Placing Agents**") entered into a placing agreement, pursuant to which the Company agreed to appoint the Joint Placing Agents, and the Joint Placing Agents agreed to act as placing agents for the purpose of procuring, as agents of the Company, placees for, or failing which to purchase itself, 52,000,000 placing shares at the placing price of HK$90.90 per placing share on the terms and subject to the conditions set out in the placing agreement. The placing was completed on 22 January 2021.

For further details, please refer to the announcements of the Company dated 15 January 2021 and 22 January 2021.

Save as disclosed in this announcement, neither the Company nor any member of the Group purchased, sold or redeemed any of the Company's shares during the six months ended 30 June 2021.

6. Material Litigation

The Company was not involved in any material litigation or arbitration during the six months ended 30 June 2021. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the six months ended 30 June 2021.

7. Use of Proceeds

(a) 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**"). An aggregate of 97,000,000 new placing shares, representing approximately 7.73% of the enlarged issued share capital of the Company immediately after Completion, have been successfully placed to not less than six places who and whose ultimate beneficial owner(s) are third parties independent of the Company.

The placing price of HK$24.60 per placing share represents (i) a discount of approximately 6.82% to the closing price of HK$26.40 per Share as quoted on the Stock Exchange on 3 October 2019, being the day prior to the date of the 2019 Placing Agreement; and (ii) a discount of approximately 2.61% to the average closing price of approximately HK$25.26 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the 2019 Placing Agreement.

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 1 clinical trial, and for future capacity expansion and general corporate use, as appropriate.

As at 30 June 2021, 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. The table below sets out the use of proceeds from the 2019 Placing as at 31 December 2020 and 30 June 2021:

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 2020** *RMB million*	**Unutilised as at 31 December 2020** *RMB million*	**Utilisation as at 30 June 2021** ***RMB million***	**Unutilised as at 30 June 2021** ***RMB million***
Incyte in-licensed products *(note)*	302.3	N/A	**317.9**	**–**
IBI-302 (anti-VEGF/complement bispecific fusion protein)	25.5	N/A	**42.4**	**–**
IBI-318 (anti-PD-1/PD-L1 bispecific antibody)	29.5	N/A	**43.5**	**–**
Development of other pipeline candidates	1,060.7	N/A	**1,199.7**	**–**
Future capacity expansion	151.0	N/A	**160.1**	**–**
General corporate use	267.8	N/A	**359.1**	**–**
	1,836.8	285.9	**2,122.7**	**–**

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

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

The placing of new shares pursuant to the placing agreement dated 12 February 2020 (the "**February 2020 Placing Agreement**") was completed on 20 February 2020 (the "**February 2020 Placing**"). An aggregate of 78,000,000 new placing shares, representing approximately 5.81% of the enlarged issued share capital of the Company immediately after the completion of the February 2020 Placing, were successfully placed to not less than six places who and whose ultimate beneficial owners are third parties independent of the Company.

The placing price of HK$30.20 per placing share represents: (i) a discount of approximately 5.03% to the closing price of HK$31.80 per Share as quoted on the Stock Exchange on 12 February 2020, being the date of the February 2020 Placing Agreement; and (ii) a discount of approximately 4.76% to the average closing price of approximately HK$31.71 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the February 2020 Placing Agreement.

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 National Reimbursement Drug List, 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 30 June 2021, approximately RMB1,135.7 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 RMB964.0 million remained unutilised. The table below sets out the use of proceeds from the February 2020 Placing as at 31 December 2020 and 30 June 2021:

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*	**Utilisation as at 30 June 2021** ***RMB million***	**Unutilised as at 30 June 2021** *(Note)* ***RMB million***
Future capacity expansion	71.5	N/A	**153.0**	**N/A**
Anticipation of the other new drugs the Company expects to launch in the next few years	–	N/A	**739.6**	**N/A**
General corporate use	13.7	N/A	**243.1**	**N/A**
	85.2	2,014.5	**1,135.7**	**964.0**

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 24 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 July 2020 Placing

The placing of new shares pursuant to the placing agreement dated 23 July 2020 (the "**July 2020 Placing Agreement**") was completed on 30 July 2020 (the "**July 2020 Placing**"). An aggregate of 56,200,000 new placing shares representing approximately 4.02% of the enlarged issued share capital of the Company immediately after the completion of the July 2020 Placing, were successfully placed to not less than six places who and whose ultimate beneficial owners are third parties independent of the Company.

The placing price of HK$50.00 represents: (i) a discount of approximately 4.67% to the closing price of HK$52.45 per Share as quoted on the Stock Exchange on 22 July 2020, being the day prior to the date of the Primary Placing Agreement; and (ii) a discount of approximately 3.85% to the average closing price of HK$52.00 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the July 2020 Placing Agreement.

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 30 June 2021, approximately RMB641.1 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 RMB1,873.1 million remained unutilised. The table below sets out the use of proceeds from the July 2020 Placing as at 30 June 2021:

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*	**Utilisation as at 30 June 2021** ***RMB million***	**Unutilised as at 30 June 2021** *(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	**578.6**	**N/A**
Funding increased international clinical trial needs with expansion of research & development laboratories in the United States	19.5	N/A	**62.5**	**N/A**
General corporate use	–	N/A	**–**	**N/A**
	398.5	2,115.7	**641.1**	**1,873.1**

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 24 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 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 30 June 2021, 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 42 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.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	NOTES	Six months ended 30 June	
		2021	2020
		RMB'000	*RMB'000*
		(unaudited)	(unaudited)
Revenue from contracts with customers	*4*	**1,941,750**	984,206
Cost of sales		**(234,758)**	(184,817)
Gross profit		**1,706,992**	799,389
Other income		**90,274**	107,357
Other gains and losses		**(85,225)**	97,549
Research and development expenses		**(1,042,095)**	(807,954)
Administrative and other expenses		**(340,855)**	(186,835)
Selling and marketing expenses		**(1,137,346)**	(446,623)
Royalties and other related payments		**(339,799)**	(134,936)
Finance costs		**(27,104)**	(32,613)
Loss before tax		**(1,175,158)**	(604,666)
Income tax expense	*5*	**(152)**	(3,528)
Loss and total comprehensive expenses for the period		**(1,175,310)**	(608,194)
Loss per share	*6*		
– Basic (RMB Yuan)		**(0.81)**	(0.46)
– Diluted (RMB Yuan)		**(0.81)**	(0.46)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2021

	NOTES	**At 30 June 2021** ***RMB'000*** **(unaudited)**	At 31 December 2020 *RMB'000* (audited)
Non-current assets			
Property, plant and equipment		**2,011,522**	1,584,079
Right-of-use assets		**316,108**	327,124
Intangible assets		**96,914**	32,625
Prepayments for acquisition of property, plant and equipment		**395,913**	272,278
Other receivables and tax recoverables		**158,175**	139,267
Other financial assets		**45,427**	12,942
		3,024,059	2,368,315
Current assets			
Inventories		**1,101,636**	705,658
Trade receivables	*7*	**1,002,455**	475,378
Deposits, prepayments and other receivables		**164,398**	164,515
Other financial assets		**–**	357,297
Bank balances and cash		**11,164,034**	7,763,833
		13,432,523	9,466,681
Current liabilities			
Trade payables	*8*	**277,334**	120,620
Other payables and accrued expenses		**1,369,231**	973,634
Contract liabilities		**210,236**	120,440
Borrowings		**370,000**	255,000
Lease liabilities		**14,937**	16,157
		2,241,738	1,485,851
Net current assets		**11,190,785**	7,980,830
Total assets less current liabilities		**14,214,844**	10,349,145

	NOTES	At 30 June 2021 RMB'000 (unaudited)	At 31 December 2020 RMB'000 (audited)
Non-current liabilities			
Contract liabilities		**779,741**	588,141
Borrowings		**1,468,136**	925,178
Government grants		**58,510**	45,823
Lease liabilities		**3,128**	10,233
		2,309,515	1,569,375
Net assets		**11,905,329**	8,779,770
Capital and reserves			
Share capital		**100**	97
Reserves		**11,905,229**	8,779,673
Total equity		**11,905,329**	8,779,770

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("**IFRSs**"), the accounting policies and methods of computation used in the condensed consolidation financial statements for the six months ended 30 June 2021 are the same as those presented in the annual financial statements of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2020.

Application of amendments to IFRSs

In the current interim period, the Group has applied the *Amendments to References to the Conceptual Framework in IFRS Standards* and, for the first time, which are mandatorily effective for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendment to IFRS 16	Covid-19-Related Rent Concessions

The application of the amendments to IFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

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 2020.

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:

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Timing of revenue recognition		
A point in time		
Sales of pharmaceutical products	**1,854,564**	920,888
Licence fee income	**3,362**	35,286
Overtime		
Research and development service fee income	**–**	106
Licence fee income	**83,824**	27,926
	1,941,750	984,206

Sales of pharmaceutical products

For the sale of pharmaceutical products, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the customer's specific location. Following delivery, the customer has the primary responsibility when selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to customers as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The normal credit term is 45-60 days upon delivery. Customers can only return or request refund if the goods delivered do not meet required quality standards. As at 30 June 2021, all outstanding sales contracts are expected to be fulfilled within 12 months after the end of the reporting period.

Licence fee income

The Group provides licence of its patented intellectual property ("**IP**") or commercialisation licence to customers and revenue is recognised when the customers obtain rights to access the underlying IP or licence. Licence fee income is recognised at a point of time upon the customer obtains control of IP or if control is transferred over time, e.g. commercialisation licence to customers for a term of period, revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation.

The consideration for licence comprises a fixed element (the upfront payment) and variable elements (including but not limited to development milestones and royalties).

For licence that the Group provided for customers' right to access, upfront fee is recognised as revenue when customers have ability to use the underlying IP of the licence and variable consideration is recognised only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future.

For licence associated with customers' right to use, upfront fee and variable consideration received are recorded under contract liabilities and recognised as revenue only when customers have ability to use the licence and variable consideration is recognised only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future.

Research and development agreements with a customer

The Group entered into research and development agreements with a customer. The Group earns revenues by providing research services to its customers through fee-for-service contracts. Contract duration is over a year. Upfront payments (if any) received by the Group is initially recognised as a contract liability. Service revenue is recognised as a performance obligation satisfied over time as the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The Group uses cost incurred to date as an input method to measure progress towards complete satisfaction of these performance obligations. Payment for services is not due from the customer until the development is completed and therefore a contract asset is recognised over the period in which the services are performed.

As at 30 June 2021, transaction price allocated to the remaining performance obligation amounting to nil (30 June 2020: RMB106,000 to be fulfilled within 12 months after the end of the reporting period).

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 Group's operations and non-current assets are located in the People's Republic of China ("**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

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
The PRC	**1,938,388**	948,920
Indonesia	**3,362**	–
United States of America ("**US**")	**–**	35,286
	1,941,750	984,206

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current tax:		
Current income tax	**152**	–
Withholding tax	**–**	3,528
	152	3,528

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:

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	**(1,175,310)**	(608,194)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,450,225,332**	1,321,066,386

The computation of basic loss per share for the period ended 30 June 2021 excluded the treasury shares and included the vested but unissued restricted shares of the Company. The computation of basic loss per share for the period ended 30 June 2020 excluded the unvested restricted shares of the Company.

(b) Diluted

30 June 2020 and 2021

The Company had two categories of potential ordinary shares. The first category of potential ordinary shares are the unvested restricted shares awarded under 2018 Restricted Shares Plan (the "**2018 RS Plan**") and 2020 Restricted Shares Plan (the "**2020 RS Plan**") and the second category of potential ordinary shares are the shares options awarded under Pre-IPO Share Incentive Plan (the "**Pre-IPO Plan**") and Post-IPO share option scheme (the "**Post-IPO ESOP**"). As the Group incurred losses for the period ended 30 June 2021 and 2020, 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 period ended 30 June 2021 and 2020 is the same as basic loss per share.

7. TRADE RECEIVABLES

	At 30 June 2021	At 31 December 2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade receivables from contracts with customers	**1,002,455**	475,378

The Group allows an average credit period of 45 to 60 days to its trade customers. The following is an aged analysis of trade receivables, presented based on the invoice date.

	At 30 June 2021	At 31 December 2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 – 60 days	**1,002,455**	475,378

None of the Group's trade receivable balances are past due as at 30 June 2021 and 31 December 2020.

8. TRADE PAYABLES

	At 30 June 2021	At 31 December 2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade payables	**277,334**	120,620

The average credit period on trade purchases is 0 to 60 days. Ageing analysis of the Group's trade payables based on the invoice dates at the end of the reporting period is as follows:

	At 30 June 2021	At 31 December 2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 – 30 days	**225,187**	103,016
31 – 60 days	**26,005**	10,457
Over 60 days	**26,142**	7,147
	277,334	120,620

9. DIVIDENDS

No dividend was paid, declared or proposed for ordinary shareholders of the Company during the period ended 30 June 2021 and 2020, nor has any dividend been proposed since the end of the reporting period.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim 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 interim report of the Group for the six months ended 30 June 2021 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, 25 August 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.