# Antengene Corporation Limited
# 德琪醫藥有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6996)**

## ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2022

The board of directors (the "**Board**") of Antengene Corporation Limited (the "**Company**" or "**Antengene**") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together, the "**Group**", "**we**" or "**us**") for the six months ended June 30, 2022 (the "**Reporting Period**"), together with comparative figures for the six months ended June 30, 2021. The consolidated financial statements of the Group for the Reporting Period have been reviewed by the Audit Committee of the Company and the Company's auditor.

### FINANCIAL HIGHLIGHTS

| | For the six months ended June 30, | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB' 000*** | *RMB' 000* |
| | **(Unaudited)** | (Unaudited) |
| Revenue | **53,956** | – |
| Other income and gains | **167,820** | 18,135 |
| Research and development costs | **(179,407)** | (135,333) |
| Selling and distribution expenses | **(90,377)** | (132) |
| Administrative expenses | **(85,878)** | (78,512) |
| Loss for the period | **(144,451)** | (232,995) |
| Total comprehensive loss for the period | **(193,816)** | (227,685) |
| Adjusted loss for the period* | **(126,259)** | (209,860) |

* Adjusted loss for the period is not defined under the IFRS, it represents the loss for the period excluding the effect brought by equity-settled share option expense.

**IFRS Measures:**

Our revenue increased from nil for the six months ended June 30, 2021 to RMB54.0 million for the six months ended June 30, 2022, primarily attributable to the commercial launch of the first-in-class XPO1 inhibitor 希維奧®/XPOVIO® (selinexor, ATG-010) in Mainland China on May 13, 2022.

Our other income and gains increased by RMB149.7 million from RMB18.1 million for the six months ended June 30, 2021 to RMB167.8 million for the six months ended June 30, 2022, primarily attributable to the net foreign exchange gain due to the rise in the exchange rate of USD against RMB.

Our research and development costs increased by RMB44.1 million from RMB135.3 million for the six months ended June 30, 2021 to RMB179.4 million for the six months ended June 30, 2022, primarily attributable to our increased drug development expenses and expansion of R&D personnel.

Our selling and distribution expenses increased by RMB90.3 million from RMB0.1 million for the six months ended June 30, 2021 to RMB90.4 million for the six months ended June 30, 2022, primarily attributable to the increase in employee costs and market development expenses.

Our administrative expenses increased by RMB7.4 million from RMB78.5 million for the six months ended June 30, 2021 to RMB85.9 million for the six months ended June 30, 2022, primarily attributable to the increase in professional fees in relation to operating and administrative activities.

As a result of the foregoing, the loss for the period decreased by RMB88.5 million from RMB233.0 million for the six months ended June 30, 2021 to RMB144.5 million for the six months ended June 30, 2022.

**Non-IFRS Measures:**

Loss for the period excluding the effect brought by equity-settled share option expense decreased by RMB83.6 million from RMB209.9 million for the six months ended June 30, 2021 to RMB126.3 million for the six months ended June 30, 2022, primarily due to the net foreign exchange gain, partially offset by our increased research and development costs, selling and distribution expenses and administrative expenses.

**BUSINESS HIGHLIGHTS**

During the six months ended June 30, 2022, and as at the date of this announcement, significant advancement has been made with respect to our product pipeline and business operations:

**Late-stage assets:**

- **Selinexor (ATG-010, XPOVIO®, Greater China brand name 希維奧®, first-in-class XPO1 inhibitor)**

  - In March 2022, XPOVIO® (selinexor, ATG-010) has been granted approval from the Health Sciences Authority ("**HSA**") in Singapore for three indications: in combination with bortezomib and dexamethasone for treatment of adult patients with multiple myeloma (MM) who have received at least one prior therapy; and in combination with dexamethasone for the treatment of adult patients with relapsed or refractory multiple myeloma (rrMM) who have received at least four prior therapies and whose disease is refractory to at least two proteasome inhibitors, at least two immunomodulatory agents, and an anti-CD38 monoclonal antibody (penta-refractory), and as a monotherapy for the treatment of adult patients with relapsed/refractory diffuse large B-cell lymphoma (rrDLBCL) who have received at least two prior lines of treatment and are not eligible for haematopoietic cell transplant.

  - In March 2022, Australia's Therapeutic Goods Administration (TGA) has registered XPOVIO® (selinexor, ATG-010) for two indications: (1) in combination with bortezomib and dexamethasone for the treatment of adult patients with MM who have received at least one prior therapy; and (2) in combination with dexamethasone for the treatment of adult patients with rrMM who have received at least three prior therapies and whose disease is refractory to at least one proteasome inhibitor, at least one immunomodulatory medicinal product, and an anti-CD38 monoclonal antibody.

  - In April 2022, the first patient has been dosed in the single-arm Phase Ib Study (the **"MATCH" study**), designed to evaluate the safety, tolerability and preliminary efficacy of XPOVIO® (selinexor, ATG-010) in combination with onatasertib (ATG-008) for the treatment of rrDLBCL.

  - In May 2022, the first patient has been dosed in the single-arm Phase I/II Study (the **"SWATCH" study**), designed to evaluate the safety, tolerability and preliminary efficacy of XPOVIO® (selinexor, ATG-010) in combination with the $R^2$ regimen of lenalidomide plus rituximab for the treatment of rrDLBCL and relapsed/refractory indolent non-Hodgkin lymphoma (rriNHL).

  - In May 2022, XPOVIO® (selinexor, ATG-010) has officially entered multiple hospitals, online-hospitals, and direct-to-patient (DTP) pharmacies in mainland China and widely prescribed in the country for the first time.

- In May 2022, the 2022 CSCO Guidelines has added multiple XPOVIO® (selinexor, ATG-010) regimens for the treatment of rrMM and rrDLBCL for the Diagnosis and Treatment of Hematologic Malignancies and 2022 Guidelines for the Diagnosis and Treatment of Lymphomas.

- In June 2022, we entered into a clinical trial collaboration with BeiGene to evaluate the safety, pharmacokinetics, pharmacodynamics and preliminary efficacy of XPOVIO® (selinexor, ATG-010) in combination with BeiGene's anti-PD-1 checkpoint inhibitor, tislelizumab. This multi-center, open-label Phase I/II trial will evaluate the investigational combination as a potential treatment option for patients with T and NK-cell lymphoma.

- **Onatasertib (ATG-008, mTORC1/2 inhibitor)**

  - In April 2022, we announced that a clinical trial abstract related to ATG-008 (onatasertib) has been selected for presentation in the 2022 American Society of Clinical Oncology Annual Meeting (2022 ASCO). The abstract highlights initial results of the Phase I/II TORCH-2 study evaluating ATG-008 (onatasertib) in combination with toripalimab, an anti-PD-1 monoclonal antibody, in patients with advanced solid tumors.

**Other clinical stage assets:**

- **Eltanexor (ATG-016, second generation XPO1 inhibitor)**

  In March 2022, China's National Medical Products Administration ("**NMPA**") has approved a Phase II open-label study designed to evaluate the safety, tolerability and efficacy of the next-generation selective inhibitor of nuclear export (SINE) compound ATG-016 in patients with high-risk myelodysplastic syndromes (MDS).

- **ATG-019 (dual PAK4/NAMPT inhibitor)**

  The Phase I safety and tolerability study of ATG-019 (monotherapy or combined with niacin ER) in patients with advanced solid tumors or non-Hodgkin's lymphoma (the "**TEACH trial**") in mainland China and Taiwan is ongoing.

- **ATG-017 (ERK1/2 inhibitor)**

  The Phase I dose-escalation study of ATG-017 for the treatment of advanced solid tumors and hematologic malignancies in Australia (the "**ERASER trial**") is ongoing.

- **ATG-101 (PD-L1/4-1BB bispecific antibody)**

  In March 2022, China NMPA has approved the Phase I study of ATG-101, a novel PD-L1/4-1BB bispecific antibody (the PROBE-CN study), for the treatment of advanced/metastatic solid tumors and B-cell non-Hodgkin lymphoma (B-NHL). In August 2022, we announced the first patient dosed in PROBE-CN trial.

- **ATG-037 (CD73 inhibitor)**

  In February 2022, the Bellberry Human Research Ethics Committee (HREC) in Australia approved our clinical trial application of the Phase I trial of ATG-037 in patients with locally advanced or metastatic solid tumors (the "**STAMINA trial**").

  In June 2022, the first patient has been dosed in the STAMINA trial to evaluate ATG-037 as a monotherapy or in combination with pembrolizumab in patients with locally advanced or metastatic solid tumors in Australia.

- **ATG-018 (ATR inhibitor)**

  In June 2022, we received approval by the HREC in Australia to initiate the Phase I Trial of ATG-018 in patients with advanced solid tumors and hematologic malignancies (the "**ATRIUM trial**").

**Pre-clinical stage assets:**

We made steady progress in our pre-clinical pipeline assets – ATG-031 (anti-CD24 monoclonal antibody), ATG-022 (Claudin 18.2 antibody-drug conjugate), ATG-027 (B7H3/PD-L1 bi-specific antibody), ATG-032 (LILRB antibody), ATG-041 (Axl-Mer inhibitor) and ATG-012 (KRAS inhibitor).

**Business development and other key activities:**

- We are leveraging our combinatory and complementary R&D strategy and through our strong R&D capabilities and strategic approach to developing novel therapies, to continue to realize our vision of treating patients beyond borders and improving their lives in discovering, developing and commercializing global first-in-class, only-in-class and/or best-in-class therapies. Moving forward, we will focus on our dual engine strategy by pursuing in-house discovery as well as strategic partnerships to accelerate value creation of the Company.

- In June 2022, we entered in to a clinical trial collaboration with BeiGene to evaluate the safety, pharmacokinetics, pharmacodynamics and preliminary efficacy of XPOVIO® (selinexor, ATG-010) in combination with BeiGene's anti-PD-1 checkpoint inhibitor, tislelizumab. This multi-center, open-label Phase I/II trial will evaluate the investigational combination as a potential treatment option for patients with T and NK-cell lymphoma.

- With the official entrance of XPOVIO® (selinexor, ATG-010) to multiple hospitals, online-hospitals, and DTP pharmacies in mainland China and expected approvals across multiple APAC markets towards the second half of 2022, Antengene has continued to build up its experienced commercial team across China and the APAC region with plans to grow its commercial organization to up to 200 full time employees in functions including in-house marketing, field force, pricing and market access by the end of 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OUR VISION

Our vision is to treat patients beyond borders and improve their lives by discovering, developing and commercializing global first-in-class, only-in-class and/or best-in-class therapies.

### OVERVIEW

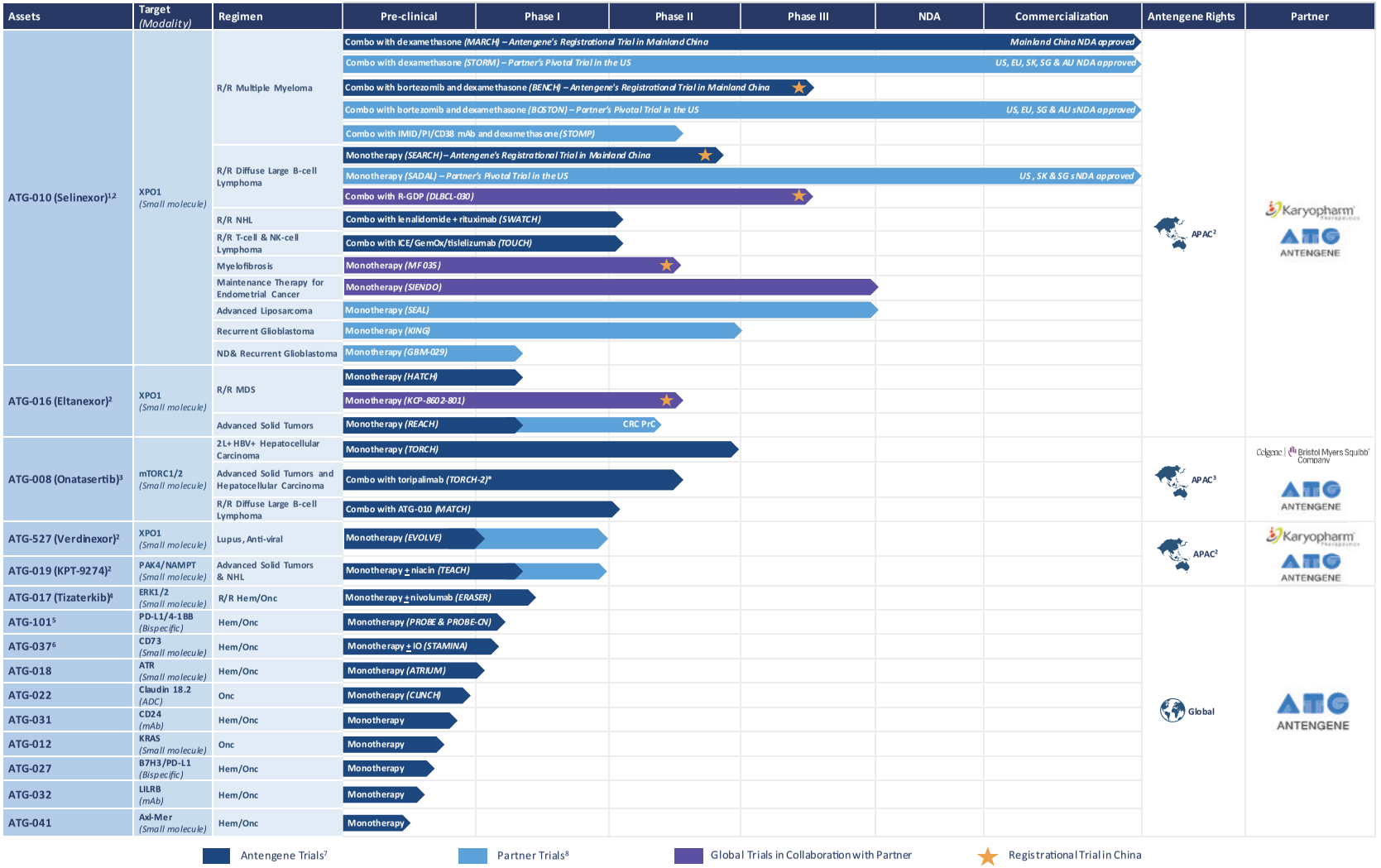
Started operations in 2017, we are a commercial-stage Asia-Pacific ("**APAC**") biopharmaceutical company focused on innovative oncology medicines. We distinguish ourselves through our strong R&D capabilities and strategic approach to developing novel oncology therapies.

We have strategically designed and built a highly selective pipeline of 15 drug assets focused on oncology, including five with APAC rights and ten with global rights. We employ a combinatory and complementary R&D strategy to maximise the potential of our pipeline assets which are synergistic to each other. We have obtained NDA approvals from the health authorities of mainland China, South Korea, Singapore, and Australia; NDA approvals from Hong Kong and Taiwan are expected in the second half of 2022. We also obtained IND approvals or initiated five additional registrational clinical trials of our lead asset, selinexor, in rrMM, rrDLBCL, endometrial cancer and myelofibrosis in mainland China.

XPOVIO® (selinexor, ATG-010) is a first-in-class and only-in-class orally available XPO1 inhibitor and ATG-008 (onatasertib) is a potentially first-in-class mTORC1/2 inhibitor. Among our clinical stage assets, we also have two other drug candidates in the validated selective inhibitor of nuclear export ("**SINE**") class, namely ATG-016 (eltanexor) and ATG-527 (verdinexor), which feature differentiated profiles that allow us to target a wide range of indications through both mono-and combination therapies. ATG-031 is an anti-CD24 monoclonal antibody, and CD24 is a signaling protein similar to CD47, which can bind to Siglec-10 on the tumor associated macrophages to activate the inhibitory signaling pathway mediated by SHP-1/SHP-2. ATG-017 is a potent and selective ERK1/2 inhibitor with best-in-class potential for the treatment of various hematological malignancies and solid tumors driven by the aberrant RAS/MAPK pathway. ATG-101 is a novel, PD-L1/CD137 (4-1BB) bi-specific antibody being developed for the treatment of hematological malignancies and solid tumors. ATG-037 is a highly potent, selective, orally-bioavailable small molecule inhibitor of CD73. It can reactivate antitumor immunity by inhibiting the highly immunosuppressive adenosine pathway.

## Product Pipeline

We have a pipeline of 15 drug candidates that focus on cancer treatment and range from pre-clinical stage to late-stage clinical programs. The following table summarizes our pipeline and the development status of each candidate in the regions noted in the chart below in the "Antengene Rights" column:




[1] IND approved by US FDA, China NMPA, Australia TGA, South Korea MFDS and Singapore HSA; China Hong Kong and China Taiwan NDA submissions are completed;
[2] License from Karyopharm and Antengene has rights for Greater China (mainland China, Hong Kong, Taiwan, Macau), Australia, New Zealand, South Korea, and the ASEAN Countries;
[3] License from Celgene (BMS) and Antengene has rights for Greater China, South Korea, Singapore, Malaysia, Indonesia, Vietnam, Laos, Cambodia, the Philippines, Thailand and Mongolia;
[4] License from AstraZeneca and Antengene has obtained exclusive global rights to develop, commercialize and manufacture ATG-017;
[5] License from Origincell and Antengene has obtained exclusive global rights to develop, commercialize and manufacture ATG-101;
[6] License from Gelithera Biosciences and Antengene has obtained exclusive global rights to develop, commercialize and manufacture ATG-037
[7] Most advanced trial status in Antengene territories and the trials are responsible by Antengene;
[8] Most advanced trial status in partner territories in the rest of the world and the trials are conducted by our licensing partners

* Investigator-initiated trials; R/R = relapsed/refractory; ND = newly diagnosed; MDS = myelodysplastic syndrome; CRC = colorectal cancer; PrC = prostate cancer; CAEBV = chronic active Epstein-Barr virus; NHL = non-Hodgkin lymphoma; Hem/Onc = hematological malignancies and solid tumors; SK= South Korea; R-GDP: Rituximab, Gemcitabine, Dexamethasone &Cisplatin; in GBM-029 trial, the combination regimen is with standard of care (SoC) therapy for newly diagnosed glioblastoma or recurrent glioblastoma, including radiation therapy, temozolomide, lomustine, bevacizumab, tumor treating fields, or carmustine

## BUSINESS REVIEW

We have made steady progress with regard to our pipeline assets in the first half of 2022. We have obtained NDA approvals in Australia and Singapore in the first half of 2022. We are expecting NDA approvals in Hong Kong and Taiwan for the treatment of rrMM and rrDLBCL in the second half of 2022.

### Late-stage Product Candidates

*ATG-010 (selinexor, XPO1 inhibitor)*

ATG-010 (selinexor), one of our Core Products, is a first-in-class, orally available SINE compound being developed for the treatment of various hematological malignancies and solid tumors. We obtained exclusive rights from Karyopharm Therapeutics Inc. ("**Karyopharm**") for the development and commercialization of selinexor in mainland China, Hong Kong, Taiwan, Macau, South Korea, Australia, New Zealand and ASEAN countries.

Our licensing partner, Karyopharm, obtained approval through the U.S. FDA's Accelerated Approval Program on July 3, 2019 for XPOVIO® (selinexor, ATG-010) in combination with low-dose dexamethasone for the treatment of adult patients with rrMM who have received at least four prior therapies and whose disease is refractory to at least two proteasome inhibitors, at least two immunomodulatory agents (IMiDs) and an anti-CD38 mAb.

On June 22, 2020, XPOVIO® (selinexor, ATG-010) received accelerated approval from the U.S. FDA for the treatment of adult patients with rrDLBCL, not otherwise specified, including DLBCL arising from follicular lymphoma, after at least two lines of systemic therapy. On December 18, 2020, the U.S. FDA approved XPOVIO® (selinexor, ATG-010) in combination with bortezomib and dexamethasone for the treatment of adult patients with multiple myeloma who have received at least one prior therapy.

In May 2022, XPOVIO® (selinexor, ATG-010) has officially entered multiple hospitals, online-hospitals, and DTP pharmacies in mainland China and widely prescribed in the country for the first time.

In May 2022, the 2022 CSCO Guidelines has added multiple XPOVIO® (selinexor, ATG-010) regimens for the treatment of rrMM and rrDLBCL for the Diagnosis and Treatment of Hematologic Malignancies and 2022 Guidelines for the Diagnosis and Treatment of Lymphomas. In addition, uses of XPOVIO® (selinexor, ATG-010) for MM patients with first relapse or multiple relapses were incorporated into the Guidelines for the Diagnosis and Management of Multiple Myeloma in China (2022 revision). This is the first time that XPOVIO® (selinexor, ATG-010) has been included in the guidelines.

Several late-stage clinical studies are underway for XPOVIO® (selinexor, ATG-010) in mainland China:

A Phase II registrational clinical trial as monotherapy in rrDLBCL (the "**SEARCH**" trial). We dosed the first patient in SEARCH trial in 2020.

A Phase III registrational clinical trial in combination with bortezomib and low-dose dexamethasone in rrMM (the "**BENCH**" trial). We received IND approval from the NMPA at the end of 2020 and dosed the first patient in July 2021.

A Phase II/III registrational clinical trial in combination with rituximab, gemcitabine, dexamethasone and cisplatin ("**R-GDP**") in rrDLBCL, which is part of the global pivotal trial (XPORT-DLBCL-030) led by Karyopharm. We received IND approval from the NMPA in January 2021 and dosed the first patient in December 2021.

A Phase II registrational clinical trial as monotherapy for patients with myelofibrosis, which is part of the global pivotal trial (the "**MF 035**" trial) led by Karyopharm. We received IND approval from China NMPA in August 2021.

To further explore the clinical potential of selinexor in cancer treatment, we also initiated early signal detection studies including Phase Ib clinical trial in combination with ifosfamide, carboplatin and etoposide ("**ICE**"), gemcitabine and oxaliplatin ("**GemOx**") or tislelizumab in the treatment of T-cell and NK/T-cell lymphoma patients, Phase Ib clinical trial in combination with ATG-008 (onatasertib) for the treatment of rrDLBCL and Phase I/II S-R2 in rriNHL.

In June 2022, we entered into a clinical trial collaboration with BeiGene to evaluate the safety, pharmacokinetics, pharmacodynamics and preliminary efficacy of XPOVIO® (selinexor, ATG-010) in combination with BeiGene's anti-PD-1 checkpoint inhibitor, tislelizumab. This multi-center, open-label Phase I/II trial will evaluate the investigational combination as a potential treatment option for patients with T and NK-cell lymphoma.

In April 2022, the first patient was dosed in the single-arm Phase Ib Study (the **"MATCH" study**), designed to evaluate the safety, tolerability and preliminary efficacy of XPOVIO® (selinexor, ATG-010) in combination with onatasertib (ATG-008) for the treatment of rrDLBCL.

In May 2022, the first patient was dosed in the SWATCH Study, designed to evaluate the safety, tolerability and preliminary efficacy of XPOVIO® (selinexor, ATG-010) in combination with the $R^2$ regimen of lenalidomide plus rituximab for the treatment of rrDLBCL and rriNHL.

In March 2022, XPOVIO® (selinexor, ATG-010) has been granted approval from the HSA in Singapore for three indications: (1) in combination with bortezomib and dexamethasone for treatment of adult patients with MM who have received at least one prior therapy; (2) in combination with dexamethasone for the treatment of adult patients with rrMM who have received at least four prior therapies and whose disease is refractory to at least two proteasome inhibitors, at least two immunomodulatory agents, and an anti-CD38 monoclonal antibody (penta-refractory); and (3) as a monotherapy for the treatment of adult patients with rrDLBCL who have received at least two prior lines of treatment and are not eligible for haematopoietic cell transplant.

In March 2022, Australia's TGA has registered XPOVIO® (selinexor, ATG-010) for two indications: (1) in combination with bortezomib and dexamethasone for the treatment of adult patients with multiple myeloma who have received at least one prior therapy; and (2) in combination with dexamethasone for the treatment of adult patients with rrMM who have received at least three prior therapies and whose disease is refractory to at least one proteasome inhibitor, at least one immunomodulatory medicinal product, and an anti-CD38 monoclonal antibody.

**WE MAY NOT BE ABLE TO ULTIMATELY MARKET ATG-010 (SELINEXOR) SUCCESSFULLY.**

*ATG-008 (onatasertib, mTORC1/2 inhibitor)*

ATG-008 (onatasertib), one of our Core Products. We obtained an exclusive license from Celgene (now BMS) for the development and commercialization of onatasertib in mainland China, Hong Kong, Taiwan, Macau and selected APAC markets. We initiated a Phase I/II study of onatasertib in combination with toripalimab (anti-PD-1 antibody) in mainland China, and in February 2021, we dosed the first patient in the dose expansion cohort. In April 2022, we announced that a clinical trial abstract related to ATG-008 (onatasertib) has been selected for presentation in the 2022 American Society of Clinical Oncology Annual Meeting (2022 ASCO). The abstract highlighted initial results of the Phase I/II TORCH-2 study evaluating ATG-008 (onatasertib) in combination with toripalimab, an anti-PD-1 monoclonal antibody, in patients with advanced solid tumors. Particularly, among the 5 efficacy evaluable patients in the cervical cancer cohort, 1 patient with negative PD-L1 expression experienced a complete response (CR), and 3 patients experienced a partial response (PR); all responses were confirmed.

**WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ATG-008 (ONATASERTIB) SUCCESSFULLY.**

**Other Clinical Candidates**

Eltanexor (ATG-016, second generation XPO1 inhibitor) – We obtained exclusive rights from Karyopharm for the development and commercialization of eltanexor in mainland China, Hong Kong, Taiwan, Macau, South Korea, Australia, New Zealand and ASEAN countries. We received IND approval of a Phase II open-label study designed to evaluate the safety, tolerability and efficacy of ATG-016 in patients with high-risk myelodysplastic syndromes (MDS) from NMPA in mainland China in March 2022. In addition, we have two studies ongoing in mainland China: a Phase I/II, open-label study to investigate the PK, safety, and efficacy of eltanexor (ATG-016) monotherapy in IPSS-R intermediate risk and above MDS patients after failure of HMA-based therapy (the "**HATCH trial**") and a Phase Ib/II open-label, multi-center, dose finding study to assess the safety, PK, and preliminary efficacy of eltanexor (ATG-016) monotherapy in patients with advanced solid tumors (the "**REACH trial**").

Verdinexor (ATG-527, third generation XPO1 inhibitor) – We obtained exclusive rights from Karyopharm for the development and commercialization of verdinexor in mainland China, Hong Kong, Taiwan, Macau, South Korea, Australia, New Zealand and ASEAN countries. Verdinexor will be developed in non-oncological indications. Having completed a Phase I evaluation in healthy volunteers, a Phase II, multi-center, signal-seeking basket study protocol is now being developed in Australia that will evaluate the ability of verdinexor to suppress viral load across a range of chronic human viral infections.

ATG-019 (dual PAK4/NAMPT inhibitor) – We obtained exclusive rights from Karyopharm for the development and commercialization of ATG-019 in mainland China, Hong Kong, Taiwan, Macau, South Korea, Australia, New Zealand and ASEAN countries. In 2020, we dosed the first patient in a Phase I solid tumor and lymphoma clinical study in Taiwan. Subsequently, we received IND approval from the NMPA in mainland China of a Phase I clinical trial to evaluate safety and tolerability of ATG-019 in patients with advanced solid tumors or non-Hodgkin's lymphoma in May 2021.

ATG-017 (ERK1/2 inhibitor) – We obtained exclusive rights from AstraZeneca AB ("**AstraZeneca**") for the development and commercialization of ATG-017 worldwide. In 2020, we dosed the first patient in a Phase I clinical study in Australia. The dose-escalation study of ATG-017 for the treatment of advanced solid tumors and hematologic malignancies in Australia (the "**ERASER trial**") is ongoing.

ATG-101 (PD-L1/4-1BB bispecific antibody) – The dose-escalation study of ATG-101 for the treatment of metastatic/advanced solid tumors and B-NHL in Australia (the "**PROBE trial**") is ongoing. In March 2022, China NMPA approved the IND application for a Phase I study of ATG-101 in mainland China (the "PROBE-CN" trial). In August 2022, we dosed the first patient in mainland China.

ATG-037 (CD73 inhibitor) – The HREC in Australia approved our clinical trial application of the Phase I trial of ATG-037 in patients with locally advanced or metastatic solid tumors (the "STAMINA" trial) in February 2022. We dosed the first patient in June 2022.

ATG-018 (ATR inhibitor) – In June 2022, we received approval by the HREC in Australia to initiate the Phase I Trial of ATG-018 in patients with advanced solid tumors and hematologic malignancies (the "**ATRIUM trial**"). We dosed the first patient in August 2022.

**Pre-clinical Candidates**

ATG-022 (Claudin 18.2 antibody-drug conjugate) – We are conducting preclinical studies to support IND/CTA applications of ATG-022 and plan to submit the applications by the end of this year.

ATG-031 (CD24 antibody) – We are conducting preclinical studies to support IND/CTA applications of ATG-031 and plan to submit the applications in 2023.

ATG-027 (B7H3/PD-L1 bispecific antibody) – We are conducting preclinical studies to support IND/CTA applications of ATG-027 and plan to submit the applications in 2023.

ATG-032 (LILRB antibody) – We are conducting preclinical studies to support IND/CTA applications of ATG-032.

ATG-041 (Axl-Mer inhibitor) – We are conducting preclinical studies to support IND/CTA applications of ATG-041.

ATG-012 (KRAS inhibitor) – We are conducting preclinical studies to support IND/CTA applications of ATG-012 and plan to submit the applications in 2023.

## RESEARCH AND DEVELOPMENT

We focus on research and development of therapeutic strategies for the treatment of cancer. We seek to optimize the drug development process of each of our assets to fully unlock their therapeutic potential and maximise their clinical and commercial value. We have adopted a differentiated combinatory and complementary R&D approach to build a pipeline of first/best-in-class assets with synergistic profiles.

As at June 30, 2022, we have nineteen ongoing clinical studies in mainland China, South Korea, Taiwan and Australia with eight of our pipeline assets, including ATG-010 (selinexor, XPO1 inhibitor), ATG-008 (onatasertib, mTORC1/2 inhibitor), ATG-016 (eltanexor, XPO1 inhibitor), ATG-019 (dual PAK4/NAMPT inhibitor), ATG-017 (ERK1/2 inhibitor), ATG-101 (PD-L1/4-1BB bispecific antibody), ATG-037 (CD73 inhibitor) and ATG-018 (ATR inhibitor). We are enrolling patients for five registrational Phase II or Phase III studies in mainland China in rrMM, rrDLBCL, myelofibrosis and myelodysplastic syndrome, respectively. We have received NDA approvals for XPOVIO® (selinexor, ATG-010) in mainland China and South Korea in 2021, and in Singapore and Australia in March 2022. We expect to receive NDA approvals from Hong Kong Department of Health, and Taiwan Food and Drug Administration in the second half of 2022.

Our adjusted research and development costs (non-IFRS measure) were approximately RMB170.0 million and RMB125.9 million for the six months ended June 30, 2022 and 2021 respectively. As at June 30, 2022, we had filed 5 patent applications in mainland China, and 7 international applications under the Patent Cooperation Treaty (PCT) for material intellectual properties, all of which are pending.

## BUSINESS DEVELOPMENT

In June 2022, we entered into a clinical trial collaboration with BeiGene, Ltd. ("**BeiGene**") to evaluate the safety, pharmacokinetics, pharmacodynamics and preliminary efficacy of XPOVIO® (selinexor, ATG-010) in combination with BeiGene's anti-PD-1 checkpoint inhibitor, tislelizumab. This multi-center, open-label Phase I/II trial will evaluate the investigational combination as a potential treatment option for patients with T and NK-cell lymphoma.

## EVENTS AFTER THE REPORTING PERIOD

In July 2022, we entered into a pre-clinical research collaboration with Celularity Inc. (NASDAQ: CELU) ("**Celularity**"), a clinical-stage biotechnology company developing placental-derived allogeneic cell therapies. Antengene and Celularity will evaluate the potential therapeutic synergy of combining our bispecific antibody with Celularity's cryopreserved human placental hematopoietic stem cell-derived natural killer (NK) cell therapy platform.

In August 2022, we dosed the first patient in the Phase I PROBE-CN trial to evaluate ATG-101 as a monotherapy in patients with advanced/metastatic solid tumors or B-cell non-Hodgkin lymphoma (B-NHL) in mainland China.

In August 2022, we entered into an agreement with a limited liability company established in the PRC (the "**Contractor**") at a consideration of RMB245,524,402. The Contractor is wholly-owned by Zhejiang Zhongnan Holding Group Co., Ltd. (浙江中南控股集團有限公司). The Contractor will undertake the construction work of our Hangzhou factory, a construction site at Biopharma Town, Xiasha Economic and Technological Development Zone, Qiantang District, Hangzhou City (杭州市錢塘區下沙經濟技術開發區醫藥港小鎮) with a total area of approximately 113,911.97 sq.m., which comprises an above-ground construction area of approximately 93,964.52 sq.m. and an underground construction area of approximately 19,947.45 sq.m. (the "**Construction Project**"). For further details, please refer to the announcement of the Company dated August 8, 2022.

## FUTURE AND OUTLOOK

Leveraging our combinatory and complementary R&D strategy and through our strong R&D capabilities and strategic approach in developing novel therapies, we continue to realize our vision of treating patients beyond borders and improving their lives in discovering, developing and commercializing global first-in-class, only-in-class and/or best-in-class therapies.

We will continue to advance the clinical development of our eight clinical stage products in multiple therapeutic areas, and continue to implement our dual-engine approach of external partnerships and internal discovery to build up a pipeline focusing on the key oncogenic pathways, tumor microenvironment and tumor associated antigens globally and across the APAC region. We also intend to continue implementing our complementary approach to develop the in-licensed assets for additional indications to maximise their commercial potential.

We have received NDA approvals for XPOVIO® (selinexor, ATG-010) in mainland China and South Korea in 2021, and in Singapore and Australia in March 2022. Looking into the second half of 2022, we further expect to receive approvals for selinexor (ATG-010) in Hong Kong and Taiwan in the second half of 2022. We will also advance at least one of our pre-clinical novel assets into the IND stage.

With the expected NDA approvals mentioned above and building upon our core commercial leadership team with experience in multiple successful launches of top hematology products globally, including the APAC region and China, we will continue to build out our commercial team in preparation for the commercialization of XPOVIO® (selinexor, ATG-010) in Greater China and the rest of APAC region to address unmet medical needs in our territories. In addition to the launch in Australia and Singapore in early 2022, we have also officially launched XPOVIO® (selinexor, ATG-010) in mainland China in May 2022 with strong KOL engagement and support for XPOVIO® as a new innovative therapy with a unique mechanism of action.

## FINANCIAL INFORMATION

The Board announces the unaudited condensed consolidated results of the Group for the six months ended June 30, 2022, with comparative figures for the corresponding period in the previous year as follows:

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| | | For the six months ended June 30, | |
|---|---|---|---|
| | | **2022** | 2021 |
| | *Notes* | ***RMB'000*** | *RMB'000* |
| | | **(Unaudited)** | (Unaudited) |
| **REVENUE** | *4* | **53,956** | – |
| Cost of sales | | **(8,705)** | – |
| Gross profit | | **45,251** | – |
| Other income and gains | *4* | **167,820** | 18,135 |
| Research and development costs | | **(179,407)** | (135,333) |
| Selling and distribution expenses | | **(90,377)** | (132) |
| Administrative expenses | | **(85,878)** | (78,512) |
| Other expenses | | **(1,505)** | (36,537) |
| Finance costs | | **(355)** | (616) |
| **LOSS BEFORE TAX** | *5* | **(144,451)** | (232,995) |
| Income tax expense | *6* | **–** | – |
| **LOSS FOR THE PERIOD** | | **(144,451)** | (232,995) |
| Attributable to: | | | |
| Owners of the parent | | **(144,451)** | (232,995) |
| **LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT** | *8* | | |
| Basic and diluted | | | |
| – For loss for the period | | **RMB (0.23)** | RMB (0.37) |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | For the six months ended June 30, | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| **LOSS FOR THE PERIOD** | **(144,451)** | (232,995) |
| **OTHER COMPREHENSIVE (LOSS)/INCOME** | | |
| Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of foreign operations | **(49,365)** | 5,310 |
| Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods | **(49,365)** | 5,310 |
| **OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX** | **(49,365)** | 5,310 |
| **TOTAL COMPREHENSIVE LOSS FOR THE PERIOD** | **(193,816)** | (227,685) |
| Attributable to: | | |
| Owners of the parent | **(193,816)** | (227,685) |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Notes | **June 30, 2022** ***RMB'000*** **(Unaudited)** | December 31, 2021 *RMB'000* (Audited) |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | | **86,817** | 71,195 |
| Right-of-use assets | | **37,775** | 14,916 |
| Other intangible assets | | **50,299** | 3,539 |
| Equity investments designated at fair value through other comprehensive income | | **2,574** | 2,574 |
| Financial assets at fair value through profit or loss | | **4,195** | 4,195 |
| Prepayments and other receivables | | **7,023** | 48,621 |
| Total non-current assets | | **188,683** | 145,040 |
| **CURRENT ASSETS** | | | |
| Inventories | | **8,961** | 2,578 |
| Trade receivables | *9* | **41,132** | 7,006 |
| Prepayments and other receivables | | **40,490** | 32,495 |
| Financial assets at fair value through profit or loss | | **102** | 95,737 |
| Cash and bank balances | | **2,150,972** | 2,274,752 |
| Total current assets | | **2,241,657** | 2,412,568 |
| **CURRENT LIABILITIES** | | | |
| Trade payables | *10* | **12,029** | 1,475 |
| Other payables and accruals | *11* | **174,472** | 147,008 |
| Lease liabilities | | **14,028** | 10,879 |
| Total current liabilities | | **200,529** | 159,362 |
| **NET CURRENT ASSETS** | | **2,041,128** | 2,253,206 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **2,229,811** | 2,398,246 |
| **NON-CURRENT LIABILITIES** | | | |
| Lease liabilities | | **20,956** | 3,933 |
| Total non-current liabilities | | **20,956** | 3,933 |
| Net assets | | **2,208,855** | 2,394,313 |
| **EQUITY** | | | |
| **Equity attributable to owners of the parent** | | | |
| Share capital | | **444** | 446 |
| Treasury shares | | **(30)** | (18,758) |
| Reserves | | **2,208,441** | 2,412,625 |
| Total equity | | **2,208,855** | 2,394,313 |

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 1 CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 28 August 2018. The registered office of the Company is the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investing holding company. The subsidiaries of the Company were involved in the research, development and commercialization of pharmaceutical products.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") effective from 20 November 2020.

## 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2022 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2021.

## 2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2021, except for the adoption of the following revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

| | |
|---|---|
| Amendments to IFRS 3 | *Reference to the Conceptual Framework* |
| Amendments to IAS 16 | *Property, Plant and Equipment: Proceeds before Intended Use* |
| Amendments to IAS 37 | *Onerous Contracts – Cost of Fulfilling a Contract* |
| *Annual Improvements to IFRSs 2018-2020* | Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16 and IAS 41 |

The adoption of the above amendments did not have any impact on the financial position and performance of the Group.

## 3 OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment, which is the research, development and commercialization of pharmaceutical products. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

**Geographical information**

***(a) Revenue from external customers***

| | For the six months ended June 30, | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Greater China | **52,750** | – |
| Other countries/regions | **1,206** | – |
| | **53,956** | – |

The revenue information above is based on the locations of the customers.

***(b) Non-current assets***

| | **June 30,** | December 31, |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Audited) |
| Greater China | **172,239** | 137,164 |
| United States | **6,447** | 1,107 |
| Australia | **3,228** | – |
| | **181,914** | 138,271 |

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

**Information about major customers**

Revenue from a single customer amounting to over 10% of the total revenue of the Group in the reporting period is as follows:

| | For the six months ended June 30, | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Customer A | **39,057** | N/A |
| Customer B | **13,693** | N/A |
| | **52,750** | N/A |

## 4 REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

| | For the six months ended June 30, | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Revenue from contracts with customers | **53,956** | – |

**Revenue from contracts with customers**

***(a) Disaggregated revenue information***

| | For the six months ended June 30, | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| **Types of goods** | | |
| Sales of pharmaceutical products | **53,956** | – |
| **Geographical markets** | | |
| Greater China | **52,750** | – |
| Other countries/regions | **1,206** | – |
| Total revenue from contracts with customers | **53,956** | – |
| **Timing of revenue recognition** | | |
| Goods transferred at a point in time | **53,956** | – |

***(b) Performance obligations***

Information about the Group's performance obligations is summarised below:

*Sale of pharmaceutical products*

The performance obligation is satisfied upon delivery of the pharmaceutical products and payment is generally due within 60 to 90 days from the billing date.

An analysis of other income and gains is as follows:

| | For the six months ended June 30, | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Other income | | |
| Government grants related to income* | **8,686** | 4,155 |
| Bank interest income | **10,593** | 9,666 |
| Other interest income from financial assets at fair value through profit or loss | **449** | – |
| Others | **3,692** | 4,314 |
| | **23,420** | 18,135 |
| Other gains | | |
| Foreign exchange gains, net | **144,400** | – |
| | **167,820** | 18,135 |

* Government grants include subsidies from the governments which are specifically for (i) the incentive and subsidies for research and development activities which are recognised upon compliance with the attached conditions; (ii) other government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs recognised in profit or loss in the period in which they become receivable; and (iii) the capital expenditure incurred for plant and machinery and is recognized over the useful life of the related assets.

## 5 LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

| | For the six months ended June 30, | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Cost of inventories sold | **8,705** | – |
| Depreciation of property, plant and equipment | **4,491** | 1,365 |
| Depreciation of right-of-use assets | **5,948** | 2,820 |
| Amortisation of other intangible assets | **411** | 185 |
| Lease payments not included in the measurement of lease liabilities | **857** | 159 |
| Foreign exchange differences, net | **(144,400)** | 35,796 |
| Impairment losses on financial assets | **77** | – |
| Employee benefit expense: | | |
| Wages and salaries | **110,625** | 50,722 |
| Pension scheme contributions (defined contribution scheme) | **19,140** | 7,528 |
| Staff welfare expenses | **2,393** | 2,350 |
| Equity-settled share option expense | **18,192** | 23,135 |
| | **150,350** | 83,735 |
| Bank interest income | **10,593** | 9,666 |
| Other interest income from financial assets at fair value through profit or loss | **449** | – |

## 6 INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

**Cayman Islands**

Under the current laws of the Cayman Islands, the Company was not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax was imposed.

**British Virgin Islands**

Under the current laws of the British Virgin Islands ("**BVI**"), the subsidiaries incorporated in the BVI were not subject to tax on income or capital gains. In addition, upon payments of dividends by these subsidiaries to their shareholders, no BVI withholding tax was imposed.

**Hong Kong**

The subsidiaries incorporated in Hong Kong were subject to income tax at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2021: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2021: 8.25%) and the remaining assessable profits are taxed at 16.5% (2021: 16.5%).

**Macau**

The subsidiary incorporated in Macau was subject to income tax at the rate of 12% (2021: 12%) on the estimated assessable profits arising in Macau during the period.

**Mainland China**

Pursuant to the Corporate Income Tax Law of the People's Republic of China and the respective regulations (the "**CIT Law**"), the subsidiaries which operate in Mainland China were subject to CIT at a rate of 25% (2021: 25%) on the taxable income.

**Australia**

No provision for Australia profits tax has been made as the Group had no assessable profits derived from or earned in Australia during the period (2021: Nil). The subsidiary incorporated in Australia was subject to income tax at the rate of 26% (2021: 26%) on the estimated assessable profits arising in Australia during the period.

**Singapore**

No provision for Singapore profits tax has been made as the Group had no assessable profits derived from or earned in Singapore during the period (2021: Nil). The subsidiary incorporated in Singapore was subject to income tax at the rate of 17% (2021: 17%) on the estimated assessable profits arising in Singapore during the period.

**South Korea**

No provision for South Korea profits tax has been made as the Group had no assessable profits derived from or earned in South Korea during the period (2021: Nil). The subsidiary incorporated in South Korea was subject to income tax at the rate of 10% (2021: 10%) on the estimated assessable profits arising in South Korea during the period.

**United States of America**

The subsidiary incorporated in Delaware, the United States was subject to statutory United States federal corporate income tax at a rate of 21% (2021: 21%). It was also subject to the state income tax in Delaware at a rate of 8.7% (2021: 8.7%) during the period.

No provision for income taxation has been made for the six months ended June 30, 2022 (June 30, 2021: Nil) as the Group had no assessable profits derived from the operating entities of the Group.

## 7 DIVIDENDS

No dividend was paid or declared by the Company during the six months ended June 30, 2022 (June 30, 2021: Nil).

## 8 LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 619,056,818 (June 30, 2021: 625,480,467) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended June 30, 2022 and 2021 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

The calculations of basic and diluted loss per share are based on:

| | **For the six months ended June 30,** | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Loss | | |
| Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation | **(144,451)** | (232,995) |

| | **Number of shares For the six months ended June 30,** | |
|---|---|---|
| | **2022** | 2021 |
| | **(Unaudited)** | (Unaudited) |
| Shares | | |
| Weighted average number of ordinary shares in issue* during the period used in the basic and diluted loss per share calculation | **619,056,818** | 625,480,467 |

* after considering treasury shares

## 9 TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

| | **June 30, 2022** | December 31, 2021 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Audited) |
| Within 3 months | **41,132** | 7,006 |

## 10 TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

| | **June 30, 2022** | December 31, 2021 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Audited) |
| Within 3 months | **12,029** | 1,475 |

The trade payables are non-interest-bearing and are normally settled on terms of two to three months.

## 11 OTHER PAYABLES AND ACCRUALS

| | **June 30, 2022** | December 31, 2021 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Audited) |
| Amount due to related parties | **348** | 348 |
| Deferred income* | **26,335** | 26,781 |
| Payroll payable | **39,966** | 40,446 |
| Other tax payables | **4,636** | 4,488 |
| Accrued share issue expenses | **–** | 3,692 |
| Payables for purchase of property, plant and equipment | **9,238** | 3,310 |
| Other payables** | **93,949** | 67,943 |
| | **174,472** | 147,008 |

* As at June 30, 2022, deferred income included the government grants related to an asset of RMB26,335,000 (December 31, 2021: RMB26,781,000) that will be recognised in profit or loss over the expected useful life of the relevant asset.

** Other payables primarily consist of accrued or invoiced but unpaid fees for services from contract research organisations ("**CROs**"), contract development manufacture organisations ("**CDMOs**") and clinical site management operators ("**SMOs**").

Other payables and accruals are unsecured, non-interest-bearing and repayable on demand. The carrying amounts of financial liabilities included in other payables and accruals as at the end of each reporting period approximate to their fair values due to their short-term maturities.

## FINANCIAL REVIEW

| | For the six months ended June 30, | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| REVENUE | **53,956** | – |
| Cost of sales | **(8,705)** | – |
| Gross profit | **45,251** | – |
| Other income and gains | **167,820** | 18,135 |
| Research and development costs | **(179,407)** | (135,333) |
| Selling and distribution expenses | **(90,377)** | (132) |
| Administrative expenses | **(85,878)** | (78,512) |
| Other expenses | **(1,505)** | (36,537) |
| Finance costs | **(355)** | (616) |
| LOSS BEFORE TAX | **(144,451)** | (232,995) |
| Income tax expense | **–** | – |
| LOSS FOR THE PERIOD | **(144,451)** | (232,995) |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | **(193,816)** | (227,685) |
| **Non-IFRS measures:** | | |
| Adjusted loss for the period | **(126,259)** | (209,860) |

***Revenue.*** Our revenue increased from nil for the six months ended June 30, 2021 to RMB54.0 million for the six months ended June 30, 2022, primarily attributable to the commercial launch of the first-in-class XPO1 inhibitor 希維奧®/XPOVIO® (selinexor, ATG-010) in Mainland China on May 13, 2022.

***Other Income and Gains.*** Our other income and gains increased by RMB149.7 million from RMB18.1 million for the six months ended June 30, 2021 to RMB167.8 million for the six months ended June 30, 2022, primarily attributable to the net foreign exchange gain of RMB144.4 million for the six months ended June 30, 2022 due to the rise in the exchange rate of USD against RMB, as compared to the net foreign exchange loss of RMB35.8 million for the six months ended June 30, 2021.

***Other Expenses.*** Our other expenses decreased by RMB35.0 million from loss of RMB36.5 million for the six months ended June 30, 2021 to loss of RMB1.5 million for the six months ended June 30, 2022. The decrease was mainly attributable to the absence of RMB35.8 million of net foreign exchange loss that was recorded for the six months ended June 30, 2021.

***Research and Development Costs.*** Our research and development costs increased by RMB44.1 million from RMB135.3 million for the six months ended June 30, 2021 to RMB179.4 million for the six months ended June 30, 2022. This increase was primarily attributable to the combined impact of (i) an increase in employee costs of R&D personnel of RMB25.6 million from RMB34.1 million for the six months ended June 30, 2021 to RMB59.7 million for the six months ended June 30, 2022, mainly due to our R&D headcount expansion; and (ii) an increase of RMB30.2 million in our drug development expenses paid to contract research organisations ("**CRO(s)**"), contract development and manufacturing organisations ("**CDMO(s)**") and site management organisations ("**SMOs**") in line with our increased R&D activities.

| | For the six months ended June 30, | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| Employee costs | **59,679** | 34,142 |
| *– Equity-settled share option expense* | **9,417** | 9,433 |
| Depreciation and amortization | **3,048** | 489 |
| Licensing fees | **13,213** | 19,838 |
| Drug development expenses | **94,608** | 64,429 |
| Professional fees | **4,345** | 12,598 |
| Others | **4,514** | 3,837 |
| **Total** | **179,407** | 135,333 |

***Selling and distribution expenses.*** Our selling and distribution expenses increased by RMB90.3 million from RMB0.1 million for the six months ended June 30, 2021 to RMB90.4 million for the six months ended June 30, 2022, primarily attributable to the increase in employee costs and market development expenses, due to the expansion of commercial organization and pre-launch and launch activities carried out for our lead product, selinexor, in Greater China and other countries/regions.

The tables below set forth the components of our selling and distribution expenses by geography and nature for the periods indicated:

| | For the six months ended June 30, | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| Greater China | **73,891** | 132 |
| Other countries/regions | **16,486** | – |
| **Total** | **90,377** | 132 |

| | For the six months ended June 30, | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| Employee costs | **46,775** | – |
| *– Equity-settled share option expense* | **2,301** | – |
| Market development expenses | **41,433** | – |
| Depreciation and amortization | **1,271** | – |
| Others | **898** | 132 |
| **Total** | **90,377** | 132 |

***Administrative Expenses.*** Our administrative expenses increased by RMB7.4 million from RMB78.5 million for the six months ended June 30, 2021 to RMB85.9 million for the six months ended June 30, 2022. This increase was primarily attributable to the increase in professional fees for legal, consulting, recruiting, translation and other services in relation to operating and administrative activities.

| | For the six months ended June 30, | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| Employee costs | **43,896** | 49,593 |
| *– Equity-settled share option expense* | **6,474** | 13,702 |
| Professional fees | **23,539** | 15,565 |
| Depreciation and amortization | **6,531** | 3,881 |
| Others | **11,912** | 9,473 |
| **Total** | **85,878** | 78,512 |

**Non-IFRS Measures**

To supplement the Group's unaudited condensed consolidated financial statements, which are presented in accordance with the IFRS, the Company also uses adjusted loss for the period and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, the IFRS. The Company believes that these adjusted measures provide useful information to shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations in the same manner as they help the Company's management.

Adjusted loss for the period represents the loss for the period excluding the effect of equity-settled share option expense. The term adjusted loss for the period is not defined under 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.

The table below sets forth a reconciliation of the loss to adjusted loss during the periods indicated:

| | For the six months ended June 30, | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| Loss for the period | **(144,451)** | (232,995) |
| Added: | | |
| Equity-settled share option expense | **18,192** | 23,135 |
| Adjusted loss for the period | **(126,259)** | (209,860) |

**Employees and Remuneration Policies**

The following table sets forth a breakdown of our employees as at June 30, 2022 by function:

| **Function** | **Number of employees** | **% of total number of employees** |
|---|---|---|
| General and Administrative | 77 | 20.1 |
| Research and Development | 118 | 30.8 |
| Commercialization | 168 | 43.9 |
| Manufacturing | 20 | 5.2 |
| **Total** | 383 | 100.0 |

As at June 30, 2022, we had 336 employees in China and 47 employees in overseas. Our employees' remuneration comprises salaries, bonuses, employee provident fund and social security contributions and other welfare payments. In accordance with applicable Chinese laws, we have 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 our employees.

**Liquidity and Financial Resources**

As at June 30, 2022, our cash and bank balances were RMB2,151.0 million, as compared to RMB2,274.8 million as at December 31, 2021. The decrease was mainly due to expenses of operating activities and funds from disposal of financial assets at fair value through profit or loss.

As at June 30, 2022, the Group's cash and bank balances were held mainly in USD and RMB.

As at June 30, 2022, the current assets of the Group were RMB2,241.7 million, including cash and bank balances of RMB2,151.0 million, and other current assets of RMB90.7 million. As at June 30, 2022, the current liabilities of the Group were RMB200.5 million, including other payables and accruals of RMB174.5 million and other current liabilities of RMB26.0 million.

### *Current ratio*

Current ratio is calculated using current assets divided by current liabilities and multiplied by 100%. As at June 30, 2022, our current ratio was 1,117.9% (as at December 31, 2021: 1,513.9%).

### *Gearing Ratio*

Gearing ratio is calculated using total liabilities divided by total assets and multiplied by 100%. As at June 30, 2022, our gearing ratio was 9.1% (as at December 31, 2021: 6.4%).

## Other Financial Information

### *Significant Investments, Material Acquisitions and Disposals*

As at June 30, 2022, we did not hold any significant investments. For the six months ended June 30, 2022, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

### *Future Plans for Material Investments or Capital Assets*

Save as the Construction Project as disclosed in page 12 of this announcement which will be financed by the Group's internal resources, bank facilities or a combination of both, we did not have any other concrete plans for material investments or capital assets as at June 30, 2022.

### *Foreign Exchange Risk*

We have transactional currency exposures. The majority of our bank balances and interest receivables are denominated in foreign currencies and are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

### *Contingent Liabilities*

As at June 30, 2022, we did not have any material contingent liabilities.

### *Pledge of assets*

There was no pledge of the Group's assets as at June 30, 2022.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### Compliance with the Corporate Governance Code

The Company is committed to maintain high standards of corporate governance to safeguard the interests of the shareholders and to enhance corporate value and accountability. The Company has applied the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"). During the six months ended June 30, 2022, the Board is of the opinion that the Company has complied with all the code provisions apart from the deviation below.

Code provision C.2.1 of the CG Code provides that the roles of the chairman of the Board (the "**Chairman**") and chief executive officer ("**CEO**") should be separated and should not be performed by the same individual. During the six months ended June 30, 2022 and as at the date of this announcement, the roles of the Chairman and CEO of the Company are held by Dr. Jay Mei ("**Dr. Mei**") who is a founder of the Company.

The Board believes that, in view of his experience, personal profile and his roles in the Company, Dr. Mei is the director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as the CEO. The Board also believes that the combined role of Chairman and CEO can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board.

Further, the decisions to be made by the Board require approval by at least a majority of our directors and that the Board comprises two non-executive directors and three independent non-executive directors, which the Company believes that there are sufficient checks and balances in the Board. Dr. Mei and other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they shall act for the benefit and in the best interest of the Company and will make decisions for the Group accordingly.

The Board will continue to review and consider splitting the roles of the Chairman and the CEO at the 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 December 31, 2022.

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.

## Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**").

Specific enquiries have been made of all the Directors and they have confirmed that they have complied with the Model Code throughout the Reporting Period.

The Company's employees, who are likely to be in possession of unpublished inside information of the Company, are subject to the Model Code. No incident of non-compliance of the Model Code by the employees was noted by the Company throughout the Reporting Period.

## Purchase, Sale or Redemption of Listed Securities

During the Reporting Period, the Company repurchased 1,300,000 shares on the Stock Exchange for an aggregate consideration of approximately HK$12.0 million before expenses. All of the repurchased shares were subsequently cancelled. Details of the share repurchased are as follows:

| Month of Repurchase during the Reporting Period | No. of Shares Repurchased | Price paid per share | | Aggregate consideration paid *(HK$)* |
|---|---|---|---|---|
| | | Highest price paid *(HK$)* | Lowest price paid *(HK$)* | |
| January 2022 | 1,300,000 | 9.61 | 9.07 | 12,028,265 |
| **Total** | 1,300,000 | | | 12,028,265 |

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange during the Reporting Period and up to the date of this announcement.

## Use of Net Proceeds

The shares of the Company were listed on the Main Board of the Stock Exchange on November 20, 2020 (the "**Listing Date**"). The Group received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the IPO and the exercise of over-allotment option of approximately RMB2,274.70 million.

The net proceeds from the listing (adjusted on a pro rata basis based on the actual net proceeds) have been and will be utilized in accordance with the purposes set out in the prospectus of the Company dated November 9, 2020. The table below sets out the planned allocations of the net proceeds and actual usage up to June 30, 2022:

| **Function** | **% of use of proceeds (Approximately)** | **Net proceeds from the HK IPO** *RMB million* | **Actual usage up to June 30, 2022** *RMB million* | **Unutilized net proceeds as at June 30, 2022** *RMB million* |
|---|---|---|---|---|
| Fund ongoing and planned clinical trials and milestone payments of our two Core Products and commercial launches of ATG-010 | 41% | 932.63 | 499.02 | 433.61 |
| Fund ongoing and planned clinical trials and milestone payments of four other clinical-stage drug candidates in our pipeline | 25% | 568.67 | 57.38 | 511.29 |
| Fund ongoing pre-clinical studies and planned clinical trials for other pre-clinical drug candidates in our pipeline | 9% | 204.72 | 204.72 | – |
| For expansion of our pipeline, including discovery of new drug candidates and business development activities | 14% | 318.46 | 43.65 | 274.81 |
| For capital expenditure | 1% | 22.75 | 22.75 | – |
| For general corporate purposes | 10% | 227.47 | 227.47 | – |
| **Total** | 100% | 2,274.70 | 1,054.99 | 1,219.71 |

*Notes:*

(a) Net proceeds from the IPO were received in HKD and translated into RMB for the allocation and the utilization calculation, and have been adjusted slightly due to the fluctuation of the foreign exchange rates since the listing.

(b) The unutilized net proceeds of RMB1,219.71 million as at June 30, 2022 are expected to be completely used by December 31, 2024.

## Audit Committee

The audit committee of the Company (the "**Audit Committee**") has three members (who are all independent non-executive directors), being Mr. Sheng Tang (chairman), Mr. Mark J. Alles, and Ms. Jing Qian with terms of reference in compliance with the Listing Rules.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee reviewed and considered that the interim financial results for the six months ended June 30, 2022 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

In addition, the Company's external auditor, Ernst & Young, has performed an independent review of the Group's interim financial information for the six months ended June 30, 2022 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

**Material Litigation**

The Company was not involved in any material litigation or arbitration during the six months ended June 30, 2022. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group as at June 30, 2022.

## PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, at least 25% of the Company's total issued share capital was held by the public at all times since the Listing Date and up to June 30, 2022 as required under the Listing Rules.

## INTERIM DIVIDEND

The Board does not recommend the payment of a dividend for the six months ended June 30, 2022.

## PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.antengene.com**).

The interim report for the six months ended June 30, 2022 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders and published on the websites of the Stock Exchange and the Company in September 2022.

## APPRECIATION

The Board would like to express its sincere gratitude to the shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

By order of the Board
**Antengene Corporation Limited**
**Dr. Jay Mei**
*Chairman*

Hong Kong, August 30, 2022

*As at the date of this announcement, the board of directors of the Company comprises Dr. Jay Mei, Mr. John F. Chin, Dr. Kevin P. Lynch and Mr. Donald Andrew Lung as executive directors; Mr. Yilun Liu and Dr. Kan Chen as non-executive directors; and Mr. Mark J. Alles, Ms. Jing Qian and Mr. Sheng Tang as independent non-executive directors.*