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 2024

The board (the "**Board**") of directors (the "**Directors**") of Innovent Biologics, Inc. (the "**Company**" or "**Innovent**", 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 2024 (the "**Reporting Period**"). These interim results have been reviewed by the audit committee of the Company (the "**Audit Committee**") and the Company's auditors, Messrs. 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

International Financial Reporting Standard ("IFRS") Measure:

Six Months Ended 30 June 2024 Compared to Six Months Ended 30 June 2023

	Six months ended 30 June	
	2024	2023
	RMB '000	*RMB '000*
	(unaudited)	(unaudited)
Revenue from contracts with customers	**3,952,291**	2,701,532
Cost of sales	**(677,551)**	(504,615)
Gross profit	**3,274,740**	2,196,917
Other income	**300,606**	232,421
Other gains and losses	**85,516**	280,607
Research and development expenses	**(1,399,432)**	(922,817)
Administrative and other expenses	**(319,801)**	(368,388)
Selling and marketing expenses	**(1,879,356)**	(1,347,414)
Royalties and other related payments	**(416,838)**	(277,143)
Finance costs	**(38,020)**	(50,292)
Loss before tax	**(392,585)**	(256,109)
Income tax (expense) credit	**(35)**	116,960
Loss for the period	**(392,620)**	(139,149)
Other comprehensive expense		
Item that will not be reclassified to profit or loss		
Fair value loss on investment in equity instruments at fair value through other comprehensive income ("**FVTOCI**")	**(12,538)**	(30,913)
Item that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	**(6,296)**	(18,539)
Other comprehensive expense for the period, net of income tax	**(18,834)**	(49,452)
Total comprehensive expense for the period	**(411,454)**	(188,601)

IFRS Measure (continued):

- **Total revenue** was RMB3,952.3 million for the six months ended 30 June 2024, representing an increase of 46.3% from RMB2,701.5 million for the six months ended 30 June 2023. **Product revenue** increased by 55.1% to RMB3,811.4 million for the six months ended 30 June 2024, as compared with RMB2,457.5 million for the six months ended 30 June 2023. This remarkable growth was driven by strong sales performance of TYVYT® (sintilimab injection), robust expansion of other products sales, and accelerated growth and increased contributions from new products.

- **Gross profit margin** of total revenue was 82.9% for the six months ended 30 June 2024, representing an increase of 1.6 percentage points as compared with 81.3% for the six months ended 30 June 2023. The improvement was primarily attributable to increased production volume, as well as continuous improvement and optimization of production cost of our manufactured products.

- **Research and development ("R&D") expenses** were RMB1,399.4 million for the six months ended 30 June 2024, as compared with RMB922.8 million for the six months ended 30 June 2023. During the Reporting Period, the Company continued investment in R&D to strategically advance its prioritized late-stage assets and early-stage pipeline in support of sustainable growth and global innovation of the Company.

- **Selling and marketing expenses** were RMB1,879.4 million, accounting for 47.6% of total revenue, or 49.3% of product revenue for the six months ended 30 June 2024, as compared with RMB1,347.4 million, or 49.9% of total revenue, or 54.8% of product revenue for the six months ended 30 June 2023. During the Reporting Period, the Company devoted continuous efforts in enhancing productivity and efficiency of product commercialization under a healthy and sustainable operation model.

- **Loss for the period** was RMB392.6 million for the six months ended 30 June 2024, representing an increase of RMB253.5 million, as compared with RMB139.1 million for the six months ended 30 June 2023. The increase was primarily due to a decrease in the non-cash item of net foreign exchange gains and the reduction of a one-time income tax credit. Net foreign exchange gains were RMB278.3 million for the six months ended 30 June 2023 and decreased to RMB65.3 million for the six months ended 30 June 2024. In addition, the Company recorded a one-time income tax credit of RMB144.5 million for the six months ended 30 June 2023. Despite these impacts, the Company achieved strong revenue growth and improved operational efficiency during the Reporting Period.

- In view of above, **Loss Before Interest, Taxes, Depreciation and Amortization ("LBITDA")** was RMB393.2 million for the six months ended 30 June 2024, as compared with RMB216.1 million for the six months ended 30 June 2023.

Non-IFRS Measure[1]

- **Adjusted gross profit margin** of total revenue was 84.1% for the six months ended 30 June 2024, as compared with 82.3% for the six months ended 30 June 2023.

- **Adjusted R&D expenses** increased by RMB467.6 million from RMB826.3 million for the six months ended 30 June 2023 to RMB1,293.9 million for the six months ended 30 June 2024.

- **Adjusted administrative and other expenses** were RMB205.5 million and RMB272.9 million for the six months ended 30 June 2024 and 2023, respectively. The ratio of adjusted administrative and other expenses to total revenue decreased by 4.9 percentage points from 10.1% for the six months ended 30 June 2023 to 5.2% for the six months ended 30 June 2024.

- **Adjusted selling and marketing expenses** were RMB1,851.2 million, accounting for 46.8% of total revenue, or 48.6% of product revenue for the six months ended 30 June 2024, as compared with RMB1,339.6 million, accounting for 49.6% of total revenue, or 54.5% of product revenue for the six months ended 30 June 2023. The Company has devoted continuous efforts in enhancing productivity and efficiency under a healthy and sustainable operation model, which could further support the Company's sustainable growth.

- **Adjusted loss for the period** was RMB160.2 million for the six months ended 30 June 2024, representing a decrease of 15.9% or RMB30.2 million from RMB190.4 million for the six months ended 30 June 2023.

- **Adjusted LBITDA** was RMB160.8 million for the six months ended 30 June 2024, reflecting a decrease of 39.9% or RMB106.6 million from RMB267.4 million for the six months ended 30 June 2023. This significant improvement was primarily due to strong revenue growth, improved operational efficiency and better financial performance.

1 We adopted non-IFRS measures in order to more clearly illustrate our 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. Non-IFRS measures are not financial measures defined under the IFRS, and represent corresponding financial measures under IFRS excluding the effect brought by certain non-cash items, such as (a) share-based compensation expenses; and (b) net foreign exchange gains or losses. For the calculation and reconciliation of these non-IFRS measures, please refer to "Management Discussion and Analysis – Financial Review – 10. Non-IFRS Measure".

BUSINESS HIGHLIGHTS

Guided by long-term strategic goals of sustainable growth and global innovation, our Company continued to reinforce its business and R&D presence. Throughout the Reporting Period and up to the date of this announcement, we achieved strong revenue growth, improved operational efficiency, and made significant strides in both our late-stage and early-stage pipeline, as highlighted below:

Product revenue continued its strong momentum to RMB3,811.4 million for the six months ended 30 June 2024, representing a robust 55.1% year-over-year growth compared to RMB2,457.5 million in the same period of the prior year. This robust growth is a testament to the high demand for our innovative portfolio and our commercial presence, demonstrating our ability to effectively meet diverse patient needs.

Operational efficiency and financial performance were further improved under continuous efforts in all aspects, including increased gross profit margin, lowered selling and marketing expenses ratio and administration expenses ratio. These comprehensive improvements have led to continued reduction in LBITDA, reaffirming the sustainability of our long-term business model.

Commercial product portfolio has expanded to a total of 11 products, with approval of Dupert® (fulzerasib), the first Kristen rat sarcoma viral oncogene homolog G12C ("**KRAS G12C**") inhibitor in China, for the treatment of patients with advanced non-small cell lung cancer ("**NSCLC**") harboring KRAS G12C mutation who have received at least one systemic therapy.

Six New Drug Applications ("NDAs") are under review by the China National Medical Products Administration ("NMPA") including:

- Two NDAs of IBI344 (taletrectinib), a next generation repressor of silencing 1 ("**ROS1**") tyrosine kinase inhibitor ("**TKI**"), for the treatment of adult patients with locally advanced or metastatic ROS1-positive NSCLC who have been previously treated with ROS1 TKIs, and for the first-line treatment of adult patients with locally advanced or metastatic ROS1-positive NSCLC.

- TVYVT® (sintilimab injection), in combination with fruquintinb for the second-line ("**2L**") treatment of patients with advanced endometrial cancer ("**EMC**").

- Two NDAs of IBI362 (mazdutide), a new generation glucagon-like peptide-1 ("**GLP-1**") and glucagon receptor ("**GCGR**") dual agonist, for chronic weight management in adults with obesity or overweight, and for glycemic control in adults with type 2 diabetes ("**T2D**").

- IBI311, a recombinant anti-insulin-like growth factor-1 receptor ("**IGF-1R**") monoclonal antibody, for the treatment of patients with thyroid eye disease ("**TED**").

We have progressed late-stage programs with immense clinical value, demonstrating our commitment to key therapeutic areas across oncology, cardiovascular and metabolic ("CVM"), autoimmune and eye diseases:

- IBI362 (mazdutide), a GLP-1 and GCGR dual agonist. Five Phase 3 clinical trials of mazdutide are currently underway, conducted in Chinese adults with overweight or obesity (GLORY-1 and GLORY-2) and in Chinese T2D patients (DREAMS-1, DREAMS-2 and DREAMS-3). Among them, GLORY-1, DREAMS-1 and DREAMS-2 have reached the study endpoints in support of mazdutide's two NDAs stated above.

- IBI311, a recombinant IGF-1R monoclonal antibody. The Phase 3 clinical trial (RESTORE-1) in patients with TED has reached study endpoints in support of the NDA stated above.

- IBI112 (picankibart), a recombinant anti-interleukin 23p19 subunit ("**IL23p19**") antibody. The Phase 3 clinical trial (CLEAR) of IBI112 in patients with moderate-to-severe psoriasis reached the study endpoints in May 2024 and the NDA is anticipated in the second half of 2024.

- IBI302 (efdamrofusp alfa), an anti-vascular endothelial growth factor ("**VEGF**")/ complement bispecific fusion protein. Positive Phase 2 results were achieved for IBI302 and the Phase 3 trial (STAR) of IBI302 8mg in patients with neovascular age-related macular degeneration ("**nAMD**") was in patient enrollment during the Reporting Period.

- IBI128, a potentially best-in-class xanthine oxidase inhibitor ("**XOI**") for the treatment of hyperuricemia in gout patients, entered Phase 2 studies in China during the Reporting Period. Its development will align with the overseas registrational progress of IBI128 led by our partner LG Chem Life Sciences ("**LG Chem**").

- IBI310, a novel anti-Cytotoxic T lymphocyte antigen 4 ("**CTLA-4**") monoclonal antibody. During the Reporting Period, a Phase 3 clinical study was initiated to evaluate IBI310 in combination with sintilimab as neoadjuvant therapy for resectable microsatellite instability-high or mismatch repair-deficient ("**MSI-H/dMMR**") colon cancer.

- IBI343, a novel CLDN18.2 antibody drug conjugate ("**ADC**"). IBI343 reported positive Phase 1b clinical results in the treatment of gastric cancer ("**GC**") at the European Society of Medical Oncology Gastrointestinal Cancer ("**ESMO GI**") Congress 2024 in June 2024. IBI343 also received Breakthrough Therapy Designation from the NMPA for this indication.

We reported encouraging results and continued to follow Phase 1 studies of novel assets, such as:

- IBI363, a first-in-class programmed cell death protein ("**PD-1**")/interleukin-2 ("**IL-2**")$^{\alpha\text{-bias}}$ bispecific antibody fusion protein. In the Phase 1 clinical trial, IBI363 shows promising anti-tumor efficacy in multiple tumor types, including immunotherapy ("**IO**")-treated driver gene wild-type NSCLC, IO-treated melanoma, IO-naïve mucosal melanoma, and the immunologically 'cold' colorectal cancer. The clinical data were presented at the American Society of Clinical Oncology ("**ASCO**") 2024 Annual Meeting and the European Society of Medical Oncology ("**ESMO**") Virtual Plenary.

- IBI343, a novel claudin18.2 ("**CLDN18.2**") ADC. In a Phase 1 clinical study, IBI343 shows preliminary efficacy in pancreatic ductal adenocarcinoma ("**PDAC**") as presented at the ASCO 2024 Annual Meeting. Fast Track Designation from the United States ("**U.S.**") Food and Drug Administration ("**FDA**") was received for IBI343 as monotherapy for 2L PDAC.

- IBI389, a novel CLDN18.2/cluster of differentiation 3 ("**CD3**") bispecific antibody. In a Phase 1 clinical study, IBI389 shows preliminary efficacy in GC and PDAC as presented at the ASCO 2024 Annual Meeting.

We continued to advance a promising set of novel molecules in early clinical stages, aligned with our global innovation strategy. This includes mono-/bi-specific antibody and ADC programs in difficult-to-treat cancers, as well as novel targets and modalities across CVM, autoimmune and eye diseases, such as:

- IBI3002, a novel interleukin-4 receptor alpha/thymic stromal lymphopoietin ("**IL-4Rα/TSLP**") bispecific fusion protein. In January 2024, the first patient was dosed in a Phase 1 clinical trial of IBI3002 in healthy volunteers and participants with asthma.

- IBI3016, a small interfering ribonucleic acid ("**siRNA**") drug candidate targeting angiotensinogen ("**AGT**") co-developed with SanegeneBio USA Inc.. In August 2024, the first participant was dosed in a Phase 1 clinical trial of IBI3016 in healthy volunteers and participants with mild hypertension.

- IBI356, a potential best-in-class anti-OX40 ligand ("**OX40L**") monoclonal antibody. In January 2024, the first patient was dosed in the Phase 1 clinical trial of IBI356 in healthy volunteers and participants with atopic dermatitis ("**AD**").

- IBI355, a potential best-in-class anti-CD40L monoclonal antibody. In October 2023, the first patient dosed in the Phase 1 clinical trial of IBI355 in healthy volunteer and participants with Sjögren's syndrome ("**pSS**").

- During the Reporting Period, Innovent Academy successfully advanced six molecules to the investigational new drug ("**IND**") enabling stage, supporting global innovation and long-term sustainable growth.

Our high-quality preclinical research and clinical results have been showcased in leading scientific conferences and journals. During the Reporting Period, more than 20 study results from our oncology pipeline were presented at American Association for Cancer Research ("**AACR**"), ASCO, ESMO Virtual Plenary and ESMO GI conferences, including 10 oral presentations. Key results from our general biomedicines pipeline mazdutide and IBI311 (IGF-1R) were presented at major conferences, including American Diabetes Association ("**ADA**"), Asia Pacific Academy of Ophthalmology ("**APAO**") Congress, International Congress of Endocrinology ("**ICE**"), Chinese Society of Endocrinology ("**CSE**") Congress and World Ophthalmology Congress ("**WOC**").

We remained commitment to sustainable development, corporate responsibility and ethical business practices. During the Reporting Period, we launched our Environmental, Social and Governance ("**ESG**") website to enhance our efforts in sustainability, corporate responsibility and ethical business conduct. The new platform highlights our initiatives, policies and performance in key ESG areas, including "Excellent Governance", "Enjoying Good Health", "Ensuring High-Quality Products", "Empowering Employees", and "Embracing Ecology". The Company holds an ESG rating of 'A' from Morgan Stanley Capital International (MSCI), positioning us as a leader in the biotechnology industry.

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

Innovent is a leading biopharmaceutical company founded in 2011 with the mission to empower patients worldwide with affordable, high-quality biopharmaceuticals. Leveraging an established fully-integrated platform, the Company discovers, develops, manufactures and commercializes innovative medicines that treat some of the most intractable diseases. Its pioneering therapies treat cancer, CVM, autoimmune and eye diseases, with a robust pipeline covering a variety of novel modalities including monoclonal antibodies, multi-specific antibodies, immuno-cytokine, ADCs, cell therapy and small molecules etc.

Guided by the motto, "Start with Integrity, Succeed through Action", the Company maintains the highest standard of industry practices and works collaboratively to advance the biopharmaceutical industry so that first-rate pharmaceutical drugs can become widely accessible.

2024 Half-Year Review and Outlook: Strong First Half of 2024 Results and Significant Pipeline Milestones Support Sustained Growth and Innovation

Positioned as a leading biopharmaceutical company in China, we have set sustainable growth and global innovation as our long-term strategic goals for our second decade of operations.

During the Reporting Period and up to the date of this announcement, we have made significant progress and delivered strong results guided by our strategies. We have consistently strengthened our market presence in both business and R&D. The robust sales performance of our commercial portfolio, enhanced operational efficiency, and substantial progress in late-stage assets further position us for sustained growth in the second decade. In addition, promising results from several early-to-mid-stage next-generation pipeline assets highlight their potential to meet global unmet needs in cancer treatment. With a compelling preclinical and early-stage pipeline in oncology and general biomedicine, we are on track to evolve Innovent into a global biopharmaceutical company and deliver long-term value.

[1] Strong Revenue Growth Achieved in First Half of 2024; Preparing for CVM Commercialization

In the first half of 2024, product revenue continued its strong momentum to RMB3,811.4 million, representing a 55.1% year-over-year growth. Our comprehensive portfolio, which includes broad National Reimbursement Drug List ("**NRDL**") and indication coverage, along with a solid franchise, gave us a significant competitive advantage in meeting diverse patient needs for innovative medicines. The sales performance of TYVYT® (sintilimab injection) and other key products remained strong, while new products increasingly contributed to revenue, underscoring our effective launch strategies and market penetration efforts.

In the second half of 2024, we anticipate the approval and launch of two new oncology products, including Dupert® (fulzerasib, KRAS G12C inhibitor) which was just approved in August 2024, and IBI344 (ROS1 inhibitor, taletrectinib) to be approved in coming months, for the treatment of NSCLC, which will increase our total product offering to 12 by the end of 2024.

We have consistently worked to improve the productivity and efficiency of product commercialization. By expanding market access, enhancing professional academic promotion capabilities, strategically allocating resources to high-potential markets, and utilizing advanced analysis tools for daily management, we have created a more agile and effective commercial team capable of driving stronger sales performance and supporting the sustained growth of our product portfolio.

We are in active preparation for new commercial opportunities in general biomedicine. Following the approval of our first CVM product SINTBILO® (tafolecimab injection) in 2023, during the Reporting Period, three NDAs in CVM area were successfully achieved, unlocking significant growth opportunities in general biomedicine. These include mazdutide's two NDAs for the obesity/overweight population and for T2D treatment, as well as the NDA of IBI311 (IGF-1R) for TED treatment. We are actively expanding our CVM commercial team and working on key commercial strategies for new launches in 2025.

[2] Enhanced Financial Performance and Solid Financial Position

During the Reporting Period, we continued to implement effective management measures to improve efficiency in all aspects of our business operations, resulting in 1.8 percentage points improvement in gross profit margin of total revenue and 5.9 percentage points reduction in selling and marketing expenses as a percentage of product sales revenue. Administrative expenses as a percentage of total revenue also decreased by 4.9 percentage points, resulting in a 39.9% decrease of LBITDA to RMB160.8 million. (Note: financial numbers mentioned in this paragraph are under non-IFRS measurement)

As of 30 June 2024, Innovent had approximately RMB10,112.3 million in bank balances and cash, structured products and investment notes in other financial assets. We continued disciplined financial planning and efficient investment in R&D and facility expansion to ensure sustainable long-term growth.

[3] R&D: Strong Pipeline Delivery Supports Strategic Goals

As we aspire to be a global biopharmaceutical company, we have increased our investment in innovation in oncology and general biomedicine through science-based research, unmet-need-driven development, and efficient capital allocation. The solid advancement of late-stage assets during the Reporting Period provides us substantial growth opportunities in the mid to long term. Simultaneously, we are making substantial progress with our next wave of innovative assets, which will support our sustainable long-term growth and globalization ambitions.

[3.1] Substantial Milestones Delivered for Key Late-Stage Assets

New NDAs and registrational trials to expand oncology presence and leadership. We have developed new indications for our launched and late-stage oncology pipeline to maximize their value to patients. During the Reporting Period, we filed the eighth NDA for TYVYT® (sintilimab injection) for the treatment of patients with EMC in China. New Phase 3 trials for TYVYT® (sintilimab injection) in combination with IBI310 (CTLA-4) for neoadjuvant treatment of colorectal cancer and for TYVYT® (sintilimab injection) in perioperative therapy for NSCLC were also initiated to meet the unmet needs of early-stage cancer treatment.

Accelerating new launch momentum in general biomedicine to unlock significant opportunities. During the Reporting Period, five positive Phase 3 results were achieved for multiple high-potential assets in general biomedicine across CVM, autoimmune, and ophthalmology areas. Their competitive profiles solidify our confidence in general biomedicine as a significant growth pillar in the coming years.

- **Mazdutide (GLP-1R/GCGR dual agonist):** Our key CVM asset mazdutide demonstrated superior potential as next-generation GLP-1-based medicine in Phase 3 studies for robust weight loss and glycemic control, differentiated liver benefits, comprehensive cardiometabolic benefits, and superior safety profile. Currently, two regulatory applications for mazdutide have been accepted for the NMPA's review, including the NDA for chronic weight management in obese or overweight populations and the NDA for T2D treatment. To fully realize the potential of our CVM cornerstone asset, we are advancing the development of mazdutide for additional metabolic-related diseases such as adolescent obesity, metabolic dysfunction-associated steatohepatitis ("**MASH**"), obstructive sleep apnea ("**OSA**"), and heart failure.

- **IBI311 (anti-IGF-1R monoclonal antibody):** Supported by robust Phase 3 study results in TED, the NDA for IBI311 was accepted and under the NMPA's review since May 2024. Given the lack of innovative drugs for TED in China over past decades, IBI311 is poised as a transformational therapy for this significant unmet need once approved.

- **IBI112 (IL-23p19):** The strong Phase 3 (CLEAR) readouts in May 2024 demonstrated IBI112's best-in-class potential in psoriasis treatment. It is the only IL-23p19 that reported over 80% subjects achieving ≥90% improvement in Psoriasis and Severity Index (PASI 90) in 16 weeks of treatment, along with strong long-term skin clearance maintenance and quarterly dosing interval advantage. An NDA submission to the NMPA is planned in the second half of 2024.

- Other late-stage programs aimed at elevating standard-of-care include the Phase 3 study of IBI302, a first-in-class ophthalmology VEGF/complement bispecific fusion protein, an innovative therapy designed to improve treatment convenience of nAMD patients by extending the dosing interval; the innovative XOI IBI128 in Phase 2 stage in China for the treatment of hyperuricemia in gout patients, a chronic disease with huge patient size but lack of effective and safe medicines.

[3.2] Abundant Early-Stage Pipeline to Support Long-Term Growth and Global Ambition

Building on our launched and late-stage pipeline assets, we are investing in a new wave of internal and external innovation to drive long-term and global growth. Leveraging our world-class antibody-based platform, we have expanded into new technologies and modalities, including multi-specific antibodies and ADCs. We have built a high-value preclinical and early clinical stage pipeline to address medical challenges in oncology, autoimmune, CVM, and ophthalmology areas.

Leverage "IO + ADC" strategy to transform cancer treatment. During the Reporting Period, we are encouraged by the readout results of multiple valuable assets in Phase 1 studies, such as IBI363 (PD-1/IL-2$^{\alpha\text{-bias}}$), IBI343 (CLDN 18.2 ADC), and IBI389 (CLDN18.2/CD3). Follow up and expansion studies for these assets are underway in the U.S., China and other regions. Meanwhile, more ADC programs and immunology programs will continue to enter clinical development, leveraging the powerful combinations among novel IOs and ADCs to solve the unmet needs.

- **IBI363 (PD-1/IL-2$^{\alpha\text{-bias}}$)**: the first-in-class alpha-biased IL-2 and anti-PD-1 immuno-cytokine based on breakthrough findings. As next generation IO, the Phase 1 study of IBI363 demonstrated broad and potent anti-tumor activity, with durable responses across various representative tumor types, including both IO failed and cold tumors, as published in ESMO Virtual Plenary and ASCO meetings. Further investigations of IBI363 across different tumor types are currently ongoing.

- **IBI343 (CLDN18.2 ADC)**: Phase 1b results published at ESMO GI Congress echoed IBI343's differentiated molecule design as a novel topoisomerase 1 inhibitor ("**TOPO1i**") CLDN18.2 ADC, with strong clinical efficacy and superior safety profile in treating later lines of GC. Based on the results, a phase 3 study in GC is in preparation. IBI343 also reported initial robust anti-tumor activity in Phase 1 study in difficult-to-treat cancer PDAC. IBI343 obtained the FDA's fast track designation in this indication; expanded Phase 1b study in China is ongoing, and plans are underway for a clinical trial in the U.S..

- **IBI389 (CLDN18.2/CD3)**: first-in-class CLDN18.2/CD3 bispecific T-cell engager that reported encouraging and differentiated signals in GC and PDAC in Phase 1 studies; Phase 1b study is continuing.

Develop next-generation general biomedicine programs to improve chronic disease treatment. We are committed to expanding our next wave of innovative treatments for chronic diseases, which are increasingly burdens among growing aging populations worldwide. In CVM, we plan to build a long-term franchise and leadership through disruptive innovations. Our first siRNA asset, IBI3016 (AGT siRNA), has advanced into a Phase 1 clinical study for hypertension. In immunology, our preclinical and early-stage pipeline targets the growing and huge autoimmune disease market. During the Reporting Period, IBI355 (CD40L) and IBI356 (OX40L) Phase 1 studies were underway, and IBI3002 (IL-4Rα/TSLP) entered a Phase 1 study. In ophthalmology, we aim to elevate the treatment standard in major eye diseases with differentiated bispecific antibodies, including IBI324 (VEGF/ANG-2) and IBI333 (VEGF-C/VEGF-A) in Phase 1 studies.

[4] Conclusion: Delivering Continued Shareholder Value

The successful first half of 2024 has laid a solid foundation to achieve our full-year's growth as we pursue our goal of becoming a global innovative biopharmaceutical company. In the second half of 2024, we expect further progress in key therapeutic areas, including commercialization preparation for multiple new product launches and R&D milestones. Meanwhile, we will continue expanding our global presence through solid data results and effective development of prioritized novel assets. With strong commercial and financial execution, a high-value late-stage pipeline, and disciplined investments in next-generation innovation, we are confident that Innovent is well-positioned to create sustainable value for our patients, employees, society, and shareholders of the Company (the "**Shareholders**").

PRODUCT PORTFOLIO AND PIPELINE SUMMARY

Leveraging the Company's fully-integrated multi-functional platform and strategic partnerships and collaborations, we develop pioneering therapies to treat cancer, CVM, autoimmune and eye diseases. The Company has launched 11 products in the market, three assets under regulatory review, four assets in Phase 3 or pivotal clinical trials and 18 molecules in early clinical stage.

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

					Status						
Products	**Target (s)**	**Modality**	**Therapeutic Area**	**Rights**	**Pre-clinical**	**IND**	**Phase 1**	**Phase 1b/2**	**Pivotal Phase 2 / Phase 3**	**NDA**	**Launched**
TYVYT® (sintilimab injection)	PD-1	Monoclonal antibody	Oncology	Worldwide	Approved : 1L nsqNSCLC, 1L sqNSCLC, 1L HCC, 1L GC, 1L ESCC, 2L EGFRm nsqNSCLC, cHL; NDA: 2L EMC						
BYVASDA® (bevacizumab injection)	VEGF-A	Monoclonal antibody	Oncology	Worldwide	Approved: NSCLC, mCRC, HCC, rGBM , r/r CC, OC, 2L EGFRm nsqNSCLC						
HALPRYZA® (rituximab injection)	CD20	Monoclonal antibody	Oncology	Worldwide	Approved: nHL, CLL						
Pemazyre® (Pemigatinib)	FGFR1/2/3	Small molecule	Oncology	Mainland China, HK, Taiwan, Macau	Approved: 2L CCA						
Olverembatinib (BCR-ABL TKI)	BCR/ABL	Small molecule	Oncology	Mainland China, HK, Taiwan, Macau	Approved: 2L TKI-resistant CML						
Cyramza® (ramucirumab)	VEGFR-2	Monoclonal antibody	Oncology	Mainland China	Approved: 2L GC, 2L HCC						
Retsevmo® (selpercatinib)	RET	Small molecule	Oncology	Mainland China	Approved: RETm NSCLC / TC/MTC						
FUCASO® (Equecabtagene Autoleucel)	BCMA CAR-T	Cell therapy	Oncology	Worldwide	Approved: r/r MM						
DUPERT® (fulzerasib)	KRAS G12C	Small molecule	Oncology	Mainland China, HK, Taiwan, Macau	Approved: 2L KRAS+ NSCLC						
					1L KRAS+ NSCLC / CRC						
IBI344 (taletrectinib)	ROS1	Small molecule	Oncology	Mainland China, HK, Taiwan, Macau	2L ROS1+ NSCLC / 1L ROS1+ NSCLC						
IBI310	CTLA-4	Monoclonal antibody	Oncology	Worldwide	Neoadjuvant colon cancer						
IBI343	CLDN18.2 ADC	Antibody drug conjugate	Oncology	Worldwide	3L GC						
					GC; PDAC						
IBI363	PD-1/IL-2^{biased}	Bispecific antibody	Oncology	Worldwide	Advanced malignancies						
IBI389	CLDN18.2/CD3	Bispecific antibody	Oncology	Worldwide	Advanced malignancies						
IBI354	HER2 ADC	Antibody drug conjugate	Oncology	Worldwide	Advanced malignancies						
IBI130	TROP2 ADC	Antibody drug conjugate	Oncology	Worldwide	Advanced malignancies						
IBI129	B7H3 ADC	Antibody drug conjugate	Oncology	Worldwide	Advanced malignancies						
IBI133	HER3 ADC	Antibody drug conjugate	Oncology	Worldwide	Advanced malignancies						
IBI3003	GPRC5D/BCMA/CD3	Tri-specific antibody	Oncology	Worldwide	Advanced malignancies						
IBI3001	EGFR/B7H3 ADC	Bispecific antibody drug conjugate	Oncology	Worldwide	Advanced malignancies						
IBI3004	DR5/CEA	Bispecific antibody	Oncology	Worldwide	Advanced malignancies						
IBI115	DLL3/CD3	Bispecific antibody	Oncology	Worldwide	Advanced malignancies						

NSCLC: non small cell lung cancer; HCC: hepatocellular carcinoma; GC: gastric cancer; ESCC: esophageal squamous cell carcinoma; EMC: endometrial cancer
GBM: glioblastoma; CC: cervical cancer; OC: ovarian cancer; cHL: classic Hodgkin lymphoma; CML: chronic myeloid leukemia; CLL: chronic lymphocytic leukemia;
CCA: cholangiocarcinoma; FL: follicular lymphoma; TC: thyroid cancer; MTC: medullary thyroid cancer; CRC: colorectal cancer; MDS: myelodysplastic syndrome;
MM: multiple myeloma; PDAC: pancreatic ductal adenocarcinoma

Approved drugs | Biologics | Small molecules

Innovent

					Status						
Products	**Target (s)**	**Modality**	**Therapeutic Area**	**Rights**	**Pre-clinical**	**IND**	**Phase 1**	**Phase 1b/2**	**Pivotal Phase 2 / Phase 3**	**NDA**	**Launched**
SULINNO® (adalimumab)	TNF-α	Monoclonal antibody	Autoimmune	Worldwide	Approved: RA, AS, Pso, Pediatric plaque Pso, PJIA, Uveitis , CD, Pediatric CD						
SINTBILO® (tafolecimab)	PCSK9	Monoclonal antibody	Cardiovascular & Metabolic	Worldwide	Approved: Primary hypercholesterolemia and mixed dyslipidemia						
IBI362 (mazdutide)	GLP-1R/GCGR	Polypeptide	Cardiovascular & Metabolic	Mainland China, HK, Taiwan, Macau	Obesity (6mg)						
					T2D (6mg)						
					T2D with obesity (vs. semaglutide)						
					Obesity (9mg)						
					Adolescent obesity						
					MASH						
IBI311	IGF-1R	Monoclonal antibody	Ophthalmology	Worldwide	TED						
IIBI112 (Pincankibart)	IL-23 p19	Monoclonal antibody	Autoimmune	Worldwide	PsO						
					UC						
IBI302 (efdamrofuspalfa)	VEGF/Complement	Bispecific antibody	Ophthalmology	Worldwide	nAMD (8mg)						
IBI128 (Tigulixostat)	XOI	Small molecule	Cardiovascular & Metabolic	Mainland China, HK, Taiwan, Macau	Gout with Hyperuricemia						
IBI324	VEGF-A/ANG-2	Bispecific antibody	Ophthalmology	Worldwide	DME						
IBI333	VEGF-A/VEGF-C	Bispecific antibody	Ophthalmology	Worldwide	nAMD						
IBI353	PDE4	Small molecule	Autoimmune	Mainland China, HK, Taiwan, Macau	PsO						
IBI355	CD40L	Monoclonal antibody	Autoimmune	Worldwide	pSS, SLE						
IBI356	OX40L	Monoclonal antibody	Autoimmune	Worldwide	AD						
IBI3002	IL-4Rα/TSLP	Bispecific antibody	Autoimmune	Worldwide	Multiple autoimmune diseases incl. asthma						
IBI3016	AGT	siRNA	Cardiovascular & Metabolic	Worldwide	Hypertension						

AS: ankylosing spondylitis; RA: rheumatoid arthritis; PsA: psoriatic arthritis; PsO: psoriasis; CD: Crohn's disease; PJIA: polyarticular juvenile idiopathic arthritis
HeFH: heterozygous familial hypercholesterolemia; Non-FH:non-familial hypercholesterolemia; T2D: type 2 diabetes; MASH: metabolic dysfunction-associated steatohepatitis;
TED: thyroid eye disease; DME: Diabetic Macular Edema; nAMD: Neovascular Age-related Macular Degeneration; SLE: Sjögren's syndrome; AD: atopic dermatitis;

Approved drugs | Biologics | Small molecules

Innovent

Commercial Stage Products

Our commercial stage portfolio contains a total of 11 approved products: TYVYT® (sintilimab injection), BYVASDA® (bevacizumab injection), SULINNO® (adalimumab injection), HALPRYZA® (rituximab injection), PEMAZYRE® (pemigatinib), olverematinib, Cyramza® (ramucirumab), Retsevmo® (selpercatinib), FUCASO® (Equecabtagene Autoleucel), SINTBILO® (tafolecimab injection) and Dupert® (fulzerasib).

Major Milestones and Achievements during the Reporting Period and Post-Reporting Period (Expected)

TYVYT® (sintilimab injection): *an innovative fully human anti-PD-1 monoclonal antibody co-developed with Eli Lilly and Company ("Lilly");*

Approved and included in the NRDL for seven indications in China, including lung cancer, liver cancer, gastric cancer, esophageal cancer, Hodgkin's lymphoma, etc.

Regulatory Actions

- In February 2024, TYVYT® (sintilimab injection) was approved for launch in Macau for all seven indications.

- In April 2024, a NDA of TYVYT® (sintilimab injection) in combination with fruquintinib for 2L EMC was accepted by the NMPA.

NRDL Coverage

- On 1 January 2024, the updated NRDL (2023 version) officially took effect and TYVYT® (sintilimab injection) was included for its seventh indication in patients with epidermal growth factor receptor ("**EGFR**")-mutated non-squamous NSCLC who progressed after EGFR-TKI therapy. TYVYT® (sintilimab injection) is the first and the only PD-1 inhibitor for EGFR-mutated NSCLC in the NRDL.

Development Progress

- We continue to carry out clinical development programs for TYVYT® (sintilimab injection), as a backbone immunotherapy, in multiple clinical studies in combination with other novel modalities, such as ADCs and small molecules to overcome unmet medical needs for cancer treatment.

- During the Reporting Period, a new Phase 3 trial for TYVYT® (sintilimab injection) in combination with IBI310 (CTLA-4) for neoadjuvant treatment of colon cancer, and Phase 3 trial of TYVYT® (sintilimab injection) as perioperative therapy for NSCLC were also initiated to fulfill unmet needs in early-stage cancer treatment.

- We plan to read out results for TYVYT® (sintilimab injection) in combination with IBI310 (CTLA-4) for neoadjuvant treatment of colon cancer, and file potential NDA to the NMPA in early 2025.

Data Publication

- In June 2024, the results of the Phase 3 CONTINUUM clinical trial were published in the *Lancet*. The CONTINUUM is the first Phase 3 clinical trial to readout positive results for a PD-1 inhibitor used in combination with standard chemoradiotherapy for the treatment of patients with locoregionally advanced nasopharyngeal carcinoma.

- In June 2024, the Phase 1b data of IBI310 (CTLA-4) in combination with sintilimab for resectable MSI-H/dMMR colon cancer neoadjuvant therapy were orally presented at 2024 ASCO Annual Meeting (Oral Abstract #3505).

BYVASDA® (bevacizumab injection), *a fully-human anti-VEGF monoclonal antibody;*

Approved and included in the NRDL for eight indications in China, including NSCLC, metastatic colorectal cancer, adult recurrent glioblastoma, advanced or unresectable hepatocellular carcinoma, epithelial ovarian, fallopian tube, or primary peritoneal cancer, and cervical cancer.

NRDL Coverage

- On 1 January 2024, the updated NRDL (2023 version) officially took effect and BYVASDA® (bevacizumab injection) was included for its eighth indication in combination with TYVYT ® (sintilimab injection) for patients with EGFR-mutated non-squamous NSCLC who progressed after EGFR-TKI therapy.

PEMAZYRE® (pemigatinib): *a potent, selective oral inhibitor of fibroblast growth factor receptor ("**FGFR**") isoforms 1, 2, and 3 licensed from Incyte (listed on NASDAQ with ticker symbol:* INCY) *for development and commercialization in Greater China;*

Approved in markets of mainland China, Taiwan, Hong Kong and Macau for the treatment of adults with previously treated, unresectable locally advanced or metastatic cholangiocarcinoma with a FGFR2 fusion or rearrangement.

Regulatory Action

- In April 2024, PEMAZYRE® (pemigatinib) was approved for launch in Macau.

Olverembatinib*: a novel BCR-ABL TKI co-developed and co-commercialized with Ascentage Pharma Group International*;

*Approved and included in the NRDL in China for the treatment of adult patients with TKI-resistant chronic phase CML ("**CML-CP**") or accelerated-phase CML ("**CML-AP**") harboring the T315I mutation as confirmed by a validated diagnostic test; and approved for the second indication for the treatment of patients with CML-CP who are resistant and/or intolerant of first- and second-generation TKIs.*

Data Publication and Guideline Recommendation

- In May 2024, olverembatinib was included in 2024 Chinese Society of Clinical Oncology guideline for Diagnosis and Treatment of Hematological Malignancies for the treatment of CML and Philadelphia-positive acute lymphoblastic leukemia ("**Ph+ ALL**").

- In June 2024, the updated clinical results of the Phase 1 of olverembatinib in patients with TKI-resistant succinate dehydrogenase (SDH)-deficient gastrointestinal stromal tumor (GIST) were orally presented at the ASCO 2024 Annual Meeting.

- In June 2024, the updated clinical results from three studies of olverembatinib were presented at the 66th American Society of Hematology Annual Meeting, including the updated median 1-year follow-up data of olverembatinib in patients with CML and Ph+ ALL.

FUCASO® (Equecabtagene Autoleucel)*: a fully-human B cell maturation antigen ("**BCMA**")-directed CAR-T cell therapy, collaborated with IASO Biotherapeutics ("**IASO Bio**");*

Approved in China for adult patients with relapsed refractory multiple myeloma who have received at least three prior lines of therapy, including a proteasome inhibitor and an immunomodulatory agent.

Collaboration Update

- In July 2024, we entered into an updated agreement with IASO Bio. IASO Bio purchased Innovent's relevant rights of FUCASO® (Equecabtagene Autolucel) under the original agreement and Innovent used the proceeds to acquire a 18% stake in IASO Bio. Under the new framework, IASO Bio obtained global commercial rights and the intellectual property license for FUCASO® (Equecabtagene Autolucel) and will be fully responsible for development, manufacturing and commercialization of the product, while Innovent became a strategic shareholder of IASO Bio.

Dupert®(fulzerasib): *a novel KRAS G12C inhibitor in-licensed from GenFleet Therapeutics (Shanghai) Inc. (Genfleet R&D code: GFH925) for the development and commercialization in Greater China.*

Regulatory Action

- In August 2024, the NMPA approved Dupert® (IBI351, fulzerasib) as monotherapy for the treatment of advanced NSCLC patients harboring KRAS G12C mutation who have received at least one systemic therapy.

Clinical Update

- We initiated a Phase 1b/3 clinical trial to investigate IBI351 combination therapy in patients with previously untreated advanced NSCLC harboring KRAS G12C mutation.

Data Publication

- In August, the data from the Phase 2 pivotal study for IBI351 for previously treated KRAS G12C-muted NSCLC has been published in full manuscript in the *Journal of Thoracic Oncology* (JTO).

NDA and Late-stage Drug Candidates

Currently, three new assets are under review by the NMPA and four candidates are in registrational or pivotal clinical studies.

NDA and Late-stage Drug Candidates – Oncology

IBI344 (taletrectinib): *a novel next-generation ROS1 TKI in-licensed from AnHeart Therapeutics, a Nuvation Bio (NYSE: NUVB) Company, for the co-development and commercialization in Greater China.*

Regulatory Actions

- In November 2023, the first NDA of taletrectinib was accepted by the NMPA for review and granted priority review designation for the treatment of adult patients with locally advanced or metastatic ROS1-positive NSCLC who have been previously treated with ROS1 TKIs. The NDA approval of taletrectinib is anticipated around the end of 2024.

- In March 2024, the second NDA of taletrectinib was accepted by the NMPA for review and granted priority review designation for the first-line treatment of adult patients with locally advanced or metastatic ROS1-positive NSCLC who have not been previously treated with ROS1 TKIs.

Data Publication

- In June 2024, at the ASCO 2024 Annual Meeting (Rapid Oral Abstract #8520), we updated positive results from the Phase 2 TRUST-I trial that evaluated taletrectinib in Chinese ROS1-positive NSCLC patients.

IBI310: *an anti-CTLA-4 monoclonal antibody*

Clinical Update

- In March 2024, the first patient was dosed in a Phase 3 clinical trial of IBI310 in combination with sintilimab for resectable MSI-H/dMMR colon cancer neoadjuvant therapy. Potential readouts and NDA submission for this indication are planned through early 2025.

Data Publication

- In 2024, data from a Phase 1b clinical trial of IBI310 in combination with sintilimab for resectable MSI-H/dMMR colon cancer neoadjuvant therapy were presented at the ASCO 2024 Annual Meeting (Oral Abstract #3505).

IBI343: *a potential best-in-class recombinant anti-CLDN18.2 monoclonal ADC*

Clinical Updates

- The Phase 1b study of IBI343 (CLDN18.2 ADC) in later line of GC has achieved positive readouts, and a Phase 3 study was in preparation.

- A Phase 1b study of IBI343 as monotherapy in patients with advanced PDAC is currently ongoing. IBI343 has received IND approval and fast-track designation from the U.S. FDA for advanced PDAC, with a clinical trial planned to start in the U.S..

Data Publication

- In April 2024, the preclinical results of IBI343 were presented at the 2024 AACR Annual Meeting as "Late-Breaking Research".

- In June 2024, the Phase 1b data of IBI343 in patients with GC were orally presented at the ESMO GI Congress 2024. Preliminary Phase 1 data for patients with PDAC were presented at the ASCO 2024 Annual Meeting (Abstract# 3037).

NDA and Late-stage Drug Candidates – General Biomedicine

IBI362 (mazdutide)*: a GLP-1R/GCGR dual agonist in-licensed from Lilly, potential best-in-class NDA-stage drug candidate for T2D, obesity and other metabolic chronic diseases.*

Regulatory Actions

- **Obesity or overweight:** In February 2024, the first NDA of mazdutide was accepted by the China's NMPA for review for chronic weight management in adults with obesity or overweight.

- **T2D:** In August 2024, the second NDA of mazdutide was accepted by the China's NMPA for review for the treatment of T2D.

Clinical Updates

Five Phase 3 clinical trials of mazdutide in Chinese adults with overweight or obesity (GLORY-1 and GLORY-2) and T2D subjects (DREAMS-1, DREAMS-2 and DREAMS-3) and other clinical trials are underway, among which GLORY-1, DREAMS-1 and DREAMS-2 have met study endpoints.

- **GLORY-1 (obesity or overweight)**: In January 2024, the first Phase 3 clinical trial of mazdutide (GLORY-1) in Chinese adults with obesity or overweight met the primary and all secondary endpoints.

- **GLORY-2 (moderate-to-severe obesity):** In January 2024, the first patient was dosed in a Phase 3 clinical trial (GLORY-2) of mazdutide 9 mg in Chinese adults with moderate-to-severe obesity.

- **DREAMS-1 (T2D):** In August 2024, the Phase 3 clinical trial of mazdutide (DREAMS-1) in Chinese patients with T2D inadequately controlled by diet and exercise alone met the primary endpoint and all key secondary endpoints.

- **DREAMS-2 (T2D):** In May 2024, the Phase 3 clinical trial of mazdutide (DREAMS-2) in Chinese patients with T2D who have inadequate glycemic control with metformin monotherapy or combination therapy of metformin with other oral drugs met the study endpoints.

- **DREAMS-3 (T2D):** In February 2024, the first patient was dosed in a Phase 3 clinical trial comparing mazdutide head-to-head with semaglutide in Chinese T2D patients with obesity.

- **New indications**: We are advancing mazdutide's development for a range of conditions beyond weight loss and diabetes, aiming to meet diverse patient needs. New indications in consideration include adolescent obesity, MASH, OSA and heart failure.

Data Publication

- In June 2024, the Phase 3 results of the GLORY-1 study were published at the 84th ADA Scientific Sessions. Mazdutide 6 mg led to 14.4% placebo-adjusted weight loss at week 48. Mazdutide treatment was also associated with reductions in multiple cardiometabolic risk factors, in particular, mazdutide 6 mg led to 80.2% reduction in liver fat content in participants with baseline liver fat content ("**LFC**") ≥10% at week 48.

- In June 2024, the Phase 2 results of mazdutide 9 mg in Chinese adults with moderate-to-severe obesity were published at the 84th ADA Scientific Sessions. At week 48, mazdutide 9 mg led to 18.6% placebo-adjusted weight reduction. Cardiometabolic benefits were observed in mazdutide treatment, including significant reductions in uric acid levels and LFC.

IBI311: *a recombinant IGF-1R monoclonal antibody*

Regulatory Action

- In May 2024, the NDA of IBI311 was accepted for review by the NMPA for the treatment of TED. IBI311 is anticipated to be the first approved IGF-1R drug in China.

Clinical Updates

- In February 2024, the Phase 3 clinical trial of IBI311 (RESTORE-1) met the study endpoints in significantly improving proptosis and Clinical Activity Score (CAS) in patients with TED.

Data Publication

- The results of the Phase 1 and Phase 2 clinical trials of IBI311 in patients with TED in oral presentation at the 39th APAO Congress and the 21st ICE, respectively.

- The results of the Phase 3 RESTORE-1 study were orally presented at the CSE Congress and WOC in August 2024.

***IBI112* (*picankibart*):** *a novel long-acting anti-IL-23 (p19 subunit) monoclonal antibody.*

Regulatory Action

- In the second half of 2024, we plan to submit an NDA of IBI112 to the NMPA for the treatment of psoriasis.

Clinical Updates

- In May 2024, the Phase 3 clinical trial (CLEAR) of IBI112 in patients with moderate-to-severe plaque psoriasis met all the primary endpoints and key secondary endpoints. Full results of CLEAR will be published at academic conferences or peer-reviewed journals.

- A Phase 2 study evaluating safety and efficacy of switching from other biologics treatment to the treatment of IBI112 in psoriasis patients is ongoing with anticipated readouts by early 2025.

- A Phase 2 study of IBI112 for patients with ulcerative colitis is ongoing with anticipated positive readouts in the second half of 2024.

IBI302 (efdamrofusp alfa): *a potential first-in-class anti-VEGF/complement bispecific fusion protein;*

Clinical Updates

- A Phase 3 study of 8 mg IBI302 (STAR) in the treatment of nAMD was initiated in October 2023 and continued to enroll patients during the Reporting Period. Phase 2 results show IBI302's potential to deliver consistent visual benefits and anatomical improvements with long-interval administration, along with possible inhibition of macular atrophy.

Data Publication

- In the second half of 2024, we plan to publish full results of the Phase 2 trial of 6.4mg/8mg IBI302 in nAMD in peer-reviewed journals and upcoming medical conferences.

IBI128 (Tigulixostat): *a late-stage novel non-purine XOI for the chronic management of hyperuricemia in patients with gout disease; in-licensed from LG Chem for the development and commercialization in China. LG Chem has initiated multi-regional global Phase 3 clinical trials for Tigulixostat in the fourth quarter of 2022.*

Clinical Updates

- In 2024, the overseas Phase 3 trial of Tigulixostat in hyperuricemia patients with gout disease was continuing conducted by our partner LG Chem. Tigulixostat has shown superior efficacy in uric acid reduction and good safety profile in previous Phase 2 clinical trial.

- During the Reporting Period, a Phase 1 study of Tigulixostat was completed and a Phase 2 study was initiated in China. We are advancing the development of Tigulixostat in China in alignment with its global registration progress.

Selected Drug Candidates at Phase 1/2 Stages

Building on our launched and late-stage pipeline assets, we are investing in a new wave of internal and external innovation to drive long-term and global growth. Leveraging our world-class antibody-based platform, we have expanded into new technologies and modalities, including multi-specific antibodies and ADCs. We have built a high-value preclinical and early clinical stage pipeline to address medical challenges in oncology, autoimmune, CVM, and ophthalmology areas.

Selected Drug Candidates at Phase 1/2 Stages – Oncology

Milestones and Achievements during the Reporting Period and Post-reporting Period (Expected)

IBI363: *a potential first-in-class alpha-biased IL-2 and anti-PD-1 immuno-cytokine*

Clinical Updates

- During the Reporting Period, the Phase 1 study of IBI363 was underway to evaluate the safety and efficacy in multiple tumor types.

- Phase 1 study of IBI363 has shown its broad and strong anti-tumor activity and durable response in various representative tumor types, including both IO failed and cold tumors. Further follow up of IBI363 at high dose level across tumor types such as NSCLC, melanoma and colorectal cancer are currently underway. A Phase 2 study of IBI363 in the U.S. was also initiated. We will continue to follow up these studies of IBI363.

Data Publication

- In June 2024, results from the Phase 1 clinical study of IBI363 were presented at the ASCO 2024 Annual Meeting and the ESMO Virtual Plenary. IBI363 shows tolerable safety profile, and promising anti-tumor efficacy across multiple cancer types, including IO-treated driver gene wild-type NSCLC, IO-treated melanoma, IO-naïve mucosal melanoma, and colorectal cancer.

- In September 2024, an updated Phase 1 results of IBI363 in the treatment of NSCLC will be presented orally at the 2024 WCLC, and an updated Phase 1 results of IBI363 in the treatment of colorectal cancer will be presented at the ESMO 2024 Annual Meeting.

IBI389: *a first-in-class CLDN18.2/CD3 bispecific T Cell Engager*

Clinical Update

- During the Reporting Period, a Phase 1 study was underway to evaluate the safety and efficacy of IBI389 in GC and PDAC, with encouraging and differentiated results observed. We will continue to follow up the Phase 1 study of IBI389.

Data Publication

- In June 2024, the preliminary results from the Phase 1 study of IBI389 in patients with CLDN18.2-positive PDAC and GC were presented at the ASCO 2024 Annual Meeting.

IBI354: *a novel best-in-class TOPO1i* human epidermal growth factor receptor 2 *("**HER-2**") ADC*

Clinical Updates

- During the Reporting Period and in the second half of 2024, the Phase 1 study of IBI354 for multiple HER-2 positive solid tumors is underway.

Data Publication

- Results from the Phase 1 study of IBI354 in multiple HER-2 positive solid tumors will be presented at ESMO 2024 Annual Meeting.

In addition to the above-mentioned programs, a compelling set of novel multi-specific antibodies and ADCs programs are undergoing or will enter early-stage studies for difficult-to-treat cancers, such as IBI3001 (EGFR/B7H3 bispecific ADC), IBI3003 (GPRC5D/BCMA/CD3), IBI3004 (CDEA/DR5), IBI115 (DLL3/CD3), IBI129 (B7H3 ADC), IBI130 (TROP2 ADC) and IBI133 (HER3 ADC).

Selected Drug Candidates at Phase 1/2 Stages – General Biomedicine

IBI355: *a potential best-in-class anti-CD40L monoclonal antibody*

Clinical Updates

- The Phase 1 study of IBI355 is underway. In the second half of 2024, we will continue to explore IBI355 in selected indications such as pSS and systemic lupus erythematosus (SLE) in adults.

IBI356: *a potential best-in-class anti-OX40L monoclonal antibody*

Clinical Updates

- In January 2024, the first patient was dosed in the Phase 1 clinical trial of IBI356 in healthy volunteers. In 2024, we will continue to explore IBI356 in selected indications such as moderate-to-severe AD.

IBI3002: *a first-in-class IL-4Rα/TSLP bispecific antibody*

Clinical Updates

- In February 2024, the first patient was dosed in a Phase 1 clinical trial of IBI3002 in healthy participants and participants with asthma.

IBI3016: *a siRNA drug candidate targeting AGT*

Clinical Updates

- In August 2024, the first patient was dosed in the Phase 1 clinical trial of IBI3016 in healthy participants and participants with mild hypertension.

Other clinical early-stage pipeline assets include IBI324 (VEGF-A/ANG-2) and IBI333 (VEGF-A/VEGF-C) in ophthalmology areas. We expect a growing number of general biomedicine projects across novel targets and modalities will enter IND-enabling and first-in-human stages, unlocking significant potential for addressing global chronic diseases.

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 (the "**Shares**").

Strategic Collaboration with Partners and Other Corporate Development

- We entered into a clinical trial collaboration and supply agreement with ImmVirX Pty Limited ("**ImmVirX**") to evaluate the combination therapy of TYVYT® (sintilimab injection) with ImmVirX's investigational oncolytic virus IVX037 in February 2024. Under the agreement, we will provide clinical drug supplies of TYVYT® (sintilimab injection) during the clinical trial collaboration. ImmVirX will conduct multi-center Phase 1b clinical trial in Australia, to evaluate the anti-tumor activity and safety of the combination therapy of intratumorally administered IVX037 in combination with intravenously injected sintilimab in patients with advanced colorectal, ovarian and gastric cancer.

- We entered updated collaboration with IASO Biotechnology in July 2024. IASO Bio purchased Innovent's relevant rights of FUCASO® (Equecabtagene Autoleucel) at the agreed price and Innovent used the proceeds to acquire an 18% stake in IASO Bio. Under the new framework, IASO Bio will be fully responsible for the development, manufacturing and commercialization of the product, while Innovent became a strategic shareholder of IASO Bio.

- Our production capacity of 140,000L in operation guaranteed sufficient capacity to support our growing and mature drug pipeline, as well as our ongoing business expansions. In particular, the large-scale stainless-steel bioreactors have provided market competitive cost advantages for producing antibody drugs.

- We have been continually improving ESG management in the aspects of "Excellent Governance", "Enjoying Good Health", "High Quality as Key", "People First" and "Green Ecology". In July 2024, the Company launched its official ESG website. The platform highlights Innovent's comprehensive progress and notable achievements in governance, spreading good health, high-quality assurance, employee empowerment and ecological stewardship.

FINANCIAL REVIEW

IFRS measure:

Six Months Ended 30 June 2024 Compared to Six Months Ended 30 June 2023

	Six months ended 30 June	
	2024	2023
	RMB '000	*RMB '000*
	(unaudited)	(unaudited)
Revenue from contracts with customers	**3,952,291**	2,701,532
Cost of sales	**(677,551)**	(504,615)
Gross profit	**3,274,740**	2,196,917
Other income	**300,606**	232,421
Other gains and losses	**85,516**	280,607
Research and development expenses	**(1,399,432)**	(922,817)
Administrative and other expenses	**(319,801)**	(368,388)
Selling and marketing expenses	**(1,879,356)**	(1,347,414)
Royalties and other related payments	**(416,838)**	(277,143)
Finance costs	**(38,020)**	(50,292)
Loss before tax	**(392,585)**	(256,109)
Income tax (expense) credit	**(35)**	116,960
Loss for the period	**(392,620)**	(139,149)
Other comprehensive expense		
Item that will not be reclassified to profit or loss		
Fair value loss on investment in equity instruments at FVTOCI	**(12,538)**	(30,913)
Item that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	**(6,296)**	(18,539)
Other comprehensive expense for the period, net of income tax	**(18,834)**	(49,452)
Total comprehensive expense for the period	**(411,454)**	(188,601)

1. Revenue

For the six months ended 30 June 2024, the Group generated revenue from contracts with customers of RMB3,952.3 million. The Group generated revenue from (i) sales of pharmaceutical products; (ii) license fee income; and (iii) R&D services 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	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers:		
Sales of pharmaceutical products	**3,811,406**	2,457,459
License fee income	**115,931**	235,877
R&D service fee income	**24,954**	8,196
Total revenue from contracts with customers	**3,952,291**	2,701,532

For the six months ended 30 June 2024, the Group recorded revenue from sales of pharmaceutical products of RMB3,811.4 million, as compared with RMB2,457.5 million for the six months ended 30 June 2023.

For the six months ended 30 June 2024, the Group recorded license fee income of RMB115.9 million, as compared with RMB235.9 million for the six months ended 30 June 2023. The Group entered into collaboration agreements and to provide licenses to customers. Upfront fee, development milestone fee and other consideration received were recorded under contract liabilities. The Group transfers the contract liabilities to license fee income over time on a systematic basis that is consistent with the customer receives and consumes the benefits. During the six months ended 30 June 2024 and 2023, such over-time license fee income recorded was RMB115.9 million and RMB234.4 million, respectively. Meanwhile, the Group recognized a one-time license fee income of RMB1.5 million for the six months ended 30 June 2023, while no such income was generated for the six months ended 30 June 2024.

In addition, the Group continued to provide R&D services to customers. During the six months ended 30 June 2024, the Group generated R&D service revenue of approximately RMB25.0 million, as compared with RMB8.2 million for the six months ended 30 June 2023.

2. Cost of Sales

The Group's cost of sales consists of cost of raw material, direct labour, manufacturing overhead and depreciation and amortisation related to the production of the products sold, as well as amortisation of expenses related to intangibles and charges for impairment of inventory and intangibles. For the six months ended 30 June 2024, the Group recorded cost of sales of RMB677.6 million, as compared with RMB504.6 million for the six months ended 30 June 2023.

3. Other Income

The Group's other income consists of 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 2024, other income of the Group increased by RMB68.2 million to RMB300.6 million from RMB232.4 million for the six months ended 30 June 2023. The increase was primarily due to more interest income we generated for the six months ended 30 June 2024.

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 and liabilities (financial assets and liabilities measured at fair value through profit or loss ("**FVTPL**")); and (iii) gains or losses on disposal of property, plant and equipment.

For the six months ended 30 June 2024, other gains and losses of the Group were a gain of RMB85.5 million, as compared with a gain of RMB280.6 million for the six months ended 30 June 2023, primarily impacted by change in foreign currency exchange rates. The net foreign exchange gains or losses were non-cash in nature and recorded a gain of RMB65.3 million and RMB278.3 million for the six months ended 30 June 2024 and 2023, respectively.

5. R&D Expenses

The Group's R&D expenses incurred in performing research and development activities, including but not limited to third-party contracting cost, clinical trial expenses, raw material cost, compensation and benefits, depreciation and amortisation, initial and subsequent payments under collaboration or license agreements incurred prior to regulatory approval, and impairment charges of intangible assets.

For the six months ended 30 June 2024 and 2023, the Group incurred R&D expenses of RMB1,399.4 million and RMB922.8 million, respectively.

6. Administrative and Other Expenses

For the six months ended 30 June 2024, administrative and other expenses of the Group were RMB319.8 million, as compared with RMB368.4 million for the six months ended 30 June 2023. The Group continues to improve the operating leverage, as well as benefiting from the fast ramp-up revenue, the ratio of administrative and other expenses to total revenue decreased by 5.5 percentage points from 13.6% for the six months ended 30 June 2023 to 8.1% for the six months ended 30 June 2024.

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 RMB1,879.4 million for the six months ended 30 June 2024, as compared with RMB1,347.4 million for the six months ended 30 June 2023. The Group has devoted continuous efforts in enhancing productivity and efficiency under a healthy and sustainable operation model, which could further support the Group's sustainable growth.

8. Royalties and Other Related Payments

Royalties and other related payments were RMB416.8 million for the six months ended 30 June 2024, as compared with RMB277.1 million for the six months ended 30 June 2023. This represents the royalties, sales-based milestones, profit sharing, as well as other related payments to the third parties for various co-development and in-licensing products during the commercialisation stage.

9. Income Tax Expense (Credit)

Income tax expense was RMB0.04 million for the six months ended 30 June 2024, as compared with a credit of RMB117.0 million for the six months ended 30 June 2023. Such credit for the six months ended 30 June 2023 was mainly due to recognition of an income tax withheld refund from license fee income with a U.S. based customer, which was no further applicable to the six months ended 30 June 2024.

10. Non-IFRS Measure

To supplement the Group's consolidated financial statements, which are presented in accordance with the IFRS, the Group also uses adjusted gross profit, adjusted R&D expenses, adjusted administrative and other expenses, adjusted selling and marketing expenses, adjusted loss for the period and adjusted LBITDA 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 the IFRS. The Group's presentation of such adjusted figure may not be comparable to a similarly titled measure presented by other companies. However, the Group believes that these 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 Group to Group to the extent applicable.

Non-IFRS measures represent corresponding measures under IFRS excluding the effect of certain non-cash items including the share-based compensation expenses and net foreign exchange gains or losses.

The table below sets forth a reconciliation of the gross profit to adjusted gross profit for the periods:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Gross profit	**3,274,740**	2,196,917
Added:		
Share-based compensation expenses	**49,677**	27,165
Adjusted gross profit	**3,324,417**	2,224,082

The table below sets forth a reconciliation of the R&D expenses to adjusted R&D expenses for the periods:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
R&D expenses	**(1,399,432)**	(922,817)
Added:		
Share-based compensation expenses	**105,577**	96,566
Adjusted R&D expenses	**(1,293,855)**	(826,251)

The table below sets forth a reconciliation of the administrative and other expenses to adjusted administrative and other expenses for the periods:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Administrative and other expenses	**(319,801)**	(368,388)
Added:		
Share-based compensation expenses	**114,278**	95,446
Adjusted administrative and other expenses	**(205,523)**	(272,942)

The table below sets forth a reconciliation of the selling and marketing expenses to adjusted selling and marketing expenses for the periods:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Selling and marketing expenses	**(1,879,356)**	(1,347,414)
Added:		
Share-based compensation expenses	**28,190**	7,813
Adjusted selling and marketing expenses	**(1,851,166)**	(1,339,601)

The table below sets forth a reconciliation of the loss for the period to adjusted loss for the period for the periods:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss for the period	**(392,620)**	(139,149)
Added:		
Share-based compensation expenses	**297,722**	226,990
Net foreign exchange gains	**(65,328)**	(278,265)
Adjusted loss for the period	**(160,226)**	(190,424)

The table below sets forth a reconciliation of LBITDA to adjusted LBITDA for the periods:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
LBITDA	**(393,183)**	(216,113)
Added:		
Share-based compensation expenses	**297,722**	226,990
Net foreign exchange gains	**(65,328)**	(278,265)
Adjusted LBITDA	**(160,789)**	(267,388)

Selected Data from Statement of Financial Position

	As at 30 June 2024 ***RMB'000*** **(unaudited)**	As at 31 December 2023 *RMB'000* (audited)
Total current assets	**11,048,658**	13,427,985
Total non-current assets	**9,247,038**	7,199,375
Total assets	**20,295,696**	20,627,360
Total current liabilities	**4,127,570**	4,476,816
Total non-current liabilities	**3,741,752**	3,622,963
Total liabilities	**7,869,322**	8,099,779
Net current assets	**6,921,088**	8,951,169

11. Liquidity and Source of Funding and Borrowing

As at 30 June 2024, the Company's bank balances and cash, structured products and investment notes in other financial assets were RMB10,112.3 million, as compared with RMB10,969.6 million as at 31 December 2023.

As at 30 June 2024, the current assets of the Company were RMB11,048.7 million, including bank balances and cash, current portion of structured products and investment notes in other financial assets of RMB8,628.8 million. As at 30 June 2024, the current liabilities of the Company were RMB4,127.6 million, including trade and bills payables of RMB220.6 million, other payables and accrued expenses of RMB2,611.7 million, contract liabilities of RMB283.5 million, borrowings of RMB934.6 million and lease liabilities of RMB77.1 million.

As at 30 June 2024, the Company had available unutilised long-term bank loan facilities of approximately RMB2,080.5 million.

12. Key Financial Ratios

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

	As at 30 June 2024	As at 31 December 2023
Current ratio[(1)]	**2.7**	3.0
Quick ratio[(2)]	**2.5**	2.8
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.

13. Significant Investments

The Group did not hold any significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as of 30 June 2024) during the six months ended 30 June 2024.

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 2024.

15. Pledge of Assets

As at 30 June 2024, the Company had a total of RMB1,967.5 million of property, plant and equipment, RMB272.5 million of land use rights and RMB192.3 million of bank deposits pledged to secure its loans and banking facilities.

16. Contingent Liabilities

As at 30 June 2024, the Company did not have any material contingent liabilities.

17. Foreign Exchange Exposure

During the six months ended 30 June 2024, a majority of the Company's transactions were settled in Renminbi (RMB), the functional currency of the Company's primary subsidiaries. As at 30 June 2024, a significant amount of the Company'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 Company did not have significant foreign currency exposure from its operations as at 30 June 2024.

18. Employees and Remuneration

As at 30 June 2024, the Company had a total of 5,263 employees (as at 31 December 2023: 4,872 employees), including over 1,000 people from R&D, over 800 from chemistry, manufacturing and control, and over 3,000 from selling and marketing. The remuneration policy and package of the Company's employees are periodically reviewed. The remuneration package comprises salaries, bonuses, employees provident fund and social security contributions, other welfare payments and share-based payment expenses. The packages were set by benchmarking with companies in similar industries and in accordance with employees' educational backgrounds, experience and performance. In accordance with applicable Chinese laws, the Company 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 Company's employees. The Company also provided external and internal training programs to our employees.

The Company also 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**"), the Innovent Biologics, Inc. 2020 Restricted Share Plan (the "**2020 RS Plan**") and the newly adopted 2024 Share Scheme (the "**2024 Share Scheme**") to provide incentives for the Company'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 for further details of the Pre-IPO Plan, the Post-IPO ESOP and the 2018 RS Plan, 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 circular of the Company dated 4 June 2024 for further details of the 2024 Share Scheme and the termination of the Post-IPO ESOP and the 2020 RS Plan.

The total remuneration cost incurred by the Company for the six months ended 30 June 2024 was RMB1,391.6 million, as compared to RMB1,358.8 million for the six months ended 30 June 2023.

During the six months ended 30 June 2024, the Company 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 2024 (2023: Nil).

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 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 2024, the Company has complied with all applicable code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules except for the following deviation.

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman of the Board ("the **Chairman**") and the chief executive should be segregated and should not be performed by the same individual. The division of responsibilities between the Chairman and chief executive should be clearly established and set out in writing. The Company does not have separate Chairman and chief executive officer, and Dr. De-Chao Michael Yu, our executive Director, currently performs these two roles. The Board believes that vesting the roles of both Chairman 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 and the chief executive officer 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 2024.

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 C3 to the Listing Rules to regulate all dealings by Directors and relevant employees in securities of the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code during the six months ended 30 June 2024. 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 2024.

3. Audit Committee

The Company has established the Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises four independent non-executive Directors, namely, Ms. Joyce I-Yin Hsu, Dr. Charles Leland Cooney, Dr. Kaixian Chen and Mr. Gary Zieziula. Ms. Joyce I-Yin Hsu, an independent non-executive Director, is the chairwoman of the Audit Committee.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2024 have been reviewed by the Group's external auditor, Messrs. Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants and 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

During the Reporting Period, neither our Company nor any of our subsidiaries had purchased, sold or redeemed any of our Company's securities (including sale of treasury shares (as defined under the Listing Rules which became effective on 11 June 2024)) listed on the Stock Exchange. As at 30 June 2024, the Company did not hold any treasury shares (as defined under the Listing Rules which became effective on 11 June 2024).

6. Material Litigation

The Company was not involved in any material litigation or arbitration during the six months ended 30 June 2024. 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 2024.

7. Use of Proceeds

(a) Use of Net Proceeds from the Subscription

On 4 August 2022, the Group entered into a strategic multi-program collaboration and license agreement with Sanofi group to establish a strategic collaboration for the clinical development and commercialization of certain products. In addition to the said agreement, Sanofi Foreign Participations B.V. (the "**Subscriber**") entered into a share subscription agreement, pursuant to which the Subscriber agreed to subscribe, and the Company agreed to allot and issue to the Subscriber, two tranches of the subscription (the "**Subscription**").

The first tranche of the Subscription was completed on 18 August 2022 (the "**First Tranche**"). The net proceeds raised from the First Tranche were approximately HK$2,416.7 million (approximately RMB2,089.0 million). The net proceeds will be utilised in accordance with the intended use of proceeds as previously disclosed in the announcements of the Company dated 4 August 2022 and 18 August 2022 (the "**Subscription Announcements**") with the allocation being as follows: (i) approximately 70.0% for expediting the R&D of various preclinical and clinical programs in our pipeline globally; (ii) approximately 20.0% for further expanding our production capacity; and (iii) the remaining 10.0% for funding potential in-licensing deal, potential merger & acquisition ("**M&A**") activities, working capital and other general corporate use. The second tranche of the subscription will be subject to a separate written share issuance agreement between the parties to be entered into in the future.

As at 30 June 2024, the net proceeds of the First Tranche had been fully utilised in accordance with the intended use of proceeds as previously disclosed in the Subscription Announcements. The table below sets out the use of proceeds from the First Tranche as at 30 June 2024:

Use of net proceeds	Unutilised as at 31 December 2023 *RMB million*	**Utilisation for the six months ended 30 June 2024** ***RMB million***	**Unutilised as at 30 June 2024** ***RMB million***
Expediting the R&D of various preclinical and clinical programs in our pipeline globally	–	**–**	**–**
Further expanding our production capacity	396.4	**396.4**	**–**
Funding potential in-licensing deal, potential M&A activities, working capital and other general corporate use	–	**–**	**–**
	396.4	**396.4**	**–**

(b) Use of Net Proceeds from the 2023 Placing

The placing of new Shares pursuant to the placing agreement dated 12 September 2023 was completed on 19 September 2023 (the "**2023 Placing**"). An aggregate of 68,000,000 new Shares were placed to not fewer than six independent placees, who are professional, institutional or other investors, at HK$34.92 per share (at a net price of approximately HK$34.66 per Share). The Placing Shares have an aggregate nominal value of US$680.0 and a market value of HK$2,604.4 million. For further details, please refer to the announcements of the Company dated 12 and 19 September 2023 (the "**2023 Placing Announcements**").

The net proceeds raised from the 2023 Placing were approximately HK$2,356.8 million (approximately RMB2,163.0 million). The 2023 Placing was for the Company's future development, sustainable growth and global innovation. In particular, the net proceeds will be utilised in accordance with the intended use of proceeds as disclosed in the 2023 Placing Announcements, with the allocation being as follows: (i) approximately 60.0% for expediting the R&D of various prioritized preclinical and clinical programs in our pipeline globally, including but not limited to the conduction of MRCTs (multi-regional clinical trials), as well as for building the global infrastructure and facilities; (ii) approximately 30.0% for the development, marketing and commercialization of IBI362 (mazdutide), a GLP-1R/GCGR dual agonist and potential best-in-class clinical-stage drug candidate for diabetes and obesity, while respective phase 3 clinical studies of IBI362 (mazdutide) in obesity and diabetes are progressing smoothly for the subsequent NDA submission plan in China; and (iii) the remaining 10.0% for general and corporate use.

As at 30 June 2024, approximately RMB664.2 million of the net proceeds of the 2023 Placing had been utilised in accordance with the intended use of proceeds as previously disclosed in the 2023 Placing Announcements, and RMB1,498.8 million remained unutilised. The table below sets out the use of proceeds from the 2023 Placing as at 30 June 2024:

Use of net proceeds	Unutilised as at 31 December 2023 *RMB million*	**Utilisation for the six months ended 30 June 2024 *RMB million***	**Unutilised as at 30 June 2024 *RMB million***
Expediting the R&D of various prioritized preclinical and clinical programs in global pipeline	1,263.8	**196.8**	**1,067.0**
Development, marketing and commercialization of IBI362 (mazdutide)	575.9	**144.1**	**431.8**
General and corporate use	40.3	**40.3**	**–**
	1,880.0	**381.2**	**1,498.8**

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.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Six months ended 30 June 2024

	NOTES	Six months ended 30 June	
		2024	2023
		RMB'000	*RMB'000*
		(unaudited)	(unaudited)
Revenue from contracts with customers	*4*	**3,952,291**	2,701,532
Cost of sales		**(677,551)**	(504,615)
Gross profit		**3,274,740**	2,196,917
Other income		**300,606**	232,421
Other gains and losses		**85,516**	280,607
Research and development expenses		**(1,399,432)**	(922,817)
Administrative and other expenses		**(319,801)**	(368,388)
Selling and marketing expenses		**(1,879,356)**	(1,347,414)
Royalties and other related payments		**(416,838)**	(277,143)
Finance costs		**(38,020)**	(50,292)
Loss before tax		**(392,585)**	(256,109)
Income tax (expense) credit	*5*	**(35)**	116,960
Loss for the period		**(392,620)**	(139,149)
Other comprehensive expense			
Item that will not be reclassified to profit or loss			
Fair value loss on investment in equity instruments at FVTOCI		**(12,538)**	(30,913)
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**(6,296)**	(18,539)
Other comprehensive expense for the period, net of income tax		**(18,834)**	(49,452)
Total comprehensive expense for the period		**(411,454)**	(188,601)
Loss per share	*6*		
– Basic (RMB Yuan)		**(0.24)**	(0.09)
– Diluted (RMB Yuan)		**(0.24)**	(0.09)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	NOTES	**At 30 June 2024 *RMB'000* (unaudited)**	At 31 December 2023 *RMB'000* (audited)
Non-current assets			
Property, plant and equipment		**4,989,421**	4,289,734
Right-of-use assets		**431,444**	366,650
Intangible assets		**987,351**	1,270,267
Equity instruments at FVTOCI		**205,763**	218,301
Prepayments for acquisition of long-term assets		**174,220**	195,519
Prepayments and other receivables		**363,205**	283,116
Other financial assets		**2,095,634**	575,788
		9,247,038	7,199,375
Current assets			
Inventories		**690,411**	968,088
Trade receivables	*7*	**1,368,940**	1,005,891
Prepayments and other receivables		**360,552**	484,377
Other financial assets		**463,491**	917,534
Bank balances and cash		**8,165,264**	10,052,095
		11,048,658	13,427,985
Current liabilities			
Trade and bills payables	*8*	**220,621**	372,549
Other payables and accrued expenses		**2,611,692**	2,467,771
Contract liabilities		**283,546**	416,166
Borrowings		**934,649**	1,195,155
Lease liabilities		**77,062**	25,175
		4,127,570	4,476,816
Net current assets		**6,921,088**	8,951,169
Total assets less current liabilities		**16,168,126**	16,150,544

	At 30 June 2024 *RMB'000* (unaudited)	At 31 December 2023 *RMB'000* (audited)
Non-current liabilities		
Contract liabilities	**487,066**	450,312
Borrowings	**2,270,761**	2,326,777
Lease liabilities	**66,256**	73,422
Government grants	**503,732**	509,739
Other financial liabilities	**391,276**	262,713
Provisions for reinstatement cost	**22,661**	–
	3,741,752	3,622,963
Net assets	**12,426,374**	12,527,581
Capital and reserves		
Share capital	**112**	112
Reserves	**12,426,262**	12,527,469
Total equity	**12,426,374**	12,527,581

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 the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1A. SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT INTERIM PERIOD

During the current interim period, the Company have performed an impairment assessment of the certain intangible assets not yet available for use and consequently determined an impairment of the related intangible assets amounting to RMB308,368,000.

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/change in accounting policies resulting from application of amendments to International Financial Reporting Standards ("IFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the annual consolidated financial statements of the Group for the year ended 31 December 2023.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current interim 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 these 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 2023.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

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	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Timing of revenue recognition		
A point in time		
Sales of pharmaceutical products	**3,811,406**	2,457,459
Licence fee income	**–**	1,525
	3,811,406	2,458,984
Overtime		
Research and development service fee income	**24,954**	8,196
Licence fee income	**115,931**	234,352
	140,885	242,548
	3,952,291	2,701,532

Segment information

For the purpose 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 except for entity-wide disclosures, major customers and geographic information, no further analysis of the 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 (the "PRC"). An analysis of the Group's revenue from external customers, analysed by their respective country/region of operation, is detailed below:

Revenue by geographical location

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
The PRC	**3,820,059**	2,463,745
United States of America ("USA")	**115,931**	234,375
Other	**16,301**	3,412
	3,952,291	2,701,532

5. INCOME TAX EXPENSE (CREDIT)

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Over provision in prior year	**–**	(889)
Current income tax	**35**	116
Withholding tax (note)	**–**	(116,187)
	35	(116,960)

Note:

信達生物製藥(蘇州)有限公司Innovent Biologics (Suzhou) Co., Ltd.* ("Innovent Suzhou") was entitled to RMB144.5 million tax refund for income tax withheld in 2020 from license fee income with a USA based customer.

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	
	2024	2023
	(unaudited)	(unaudited)
Loss (RMB'000)		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	**(392,620)**	(139,149)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,622,834,497**	1,535,320,657

The computation of basic loss per share for the period ended 30 June 2024 and 2023 included the vested but unissued restricted shares, but excluded any treasury shares and shares held for share award schemes of the Company.

(b) Diluted

30 June 2024 and 2023

The Company had two categories of potential ordinary shares which are restricted shares awarded under 2018 Restricted Shares Plan (the "2018 RS Plan"), 2020 Restricted Shares Plan (the "2020 RS Plan"), 2024 Share Scheme (the "2024 Scheme") and the shares options awarded under the Pre-IPO Share Incentive Plan (the "Pre-IPO Plan"), Post-IPO share option scheme (the "Post-IPO ESOP") and 2024 Scheme. As the Group incurred losses for the period ended 30 June 2024 and 2023, 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 2024 and 2023 is the same as basic loss per share.

7. TRADE RECEIVABLES

	At 30 June 2024	At 31 December 2023
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade receivables from contracts with customers	**1,368,940**	1,005,891

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 2024	At 31 December 2023
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 – 60 days	**1,362,708**	1,005,891
61 – 180 days	**1,999**	–
181 – 365 days	**4,233**	–
	1,368,940	1,005,891

8. TRADE AND BILLS PAYABLES

	At 30 June 2024	At 31 December 2023
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade payables	**195,349**	258,100
Bills payables	**25,272**	114,449
	220,621	372,549

The average credit period on trade purchases is 0 to 90 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 2024	At 31 December 2023
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 – 30 days	**119,629**	171,622
31 – 60 days	**26,365**	44,779
Over 60 days	**49,355**	41,699
	195,349	258,100

Ageing analysis of the Group's bills payables based on the date of issue of bills at the end of the reporting period is as follows:

	At 30 June 2024	At 31 December 2023
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 – 90 days	**12,942**	34,023
91 – 180 days	**12,330**	80,426
	25,272	114,449

9. DIVIDENDS

No dividend was paid, declared or proposed for the shareholders of the Company during the period ended 30 June 2024 and 2023, 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 2024 will be published on the aforesaid websites of the Stock Exchange and the Company and will be made available to the Shareholders in due course as per the Company's corporate communications arrangements.

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

Hong Kong, China,
28 August 2024

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 and Ms. Qian Zhang as executive Directors, and Dr. Charles Leland Cooney, Ms. Joyce I-Yin Hsu, Dr. Kaixian Chen, Mr. Gary Zieziula, Dr. Shun Lu and Mr. Shuyun Chen as independent non-executive Directors.