Clover Biopharmaceuticals, Ltd.
三葉草生物製藥有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2197)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The Board is pleased to announce the audited consolidated results of the Group for the Reporting Period, together with the comparative figures for the year ended December 31, 2023. The consolidated financial statements of the Group for the Reporting Period have been reviewed by the Audit Committee and audited by the Company's auditor, Ernst & Young.

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

	As of December 31,	
	2024	2023
	RMB'000	*RMB'000*
Cash and bank balances	**556,515**	1,095,470

	Year Ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Revenue	**38,419**	39,255
Other income and gains	**97,215**	2,571,354
Selling and distribution expenses	**(19,705)**	(54,766)
Administrative expenses	**(75,172)**	(198,816)
Research and development expenses	**(183,387)**	(649,885)
Other expenses	**(738,201)**	(1,811,944)
Loss for the year	**(903,428)**	(138,539)
Adjusted loss for the year*	**(887,150)**	(85,024)

* Adjusted loss for the year is not defined under the IFRSs. It represents the loss for the year excluding the effect brought by share-based compensation expenses.

IFRS Measures:

Cash and bank balances, including cash and cash equivalents, time deposits, restricted cash and pledged deposits, decreased by RMB539.0 million from RMB1,095.5 million as of December 31, 2023 to RMB556.5 million as of December 31, 2024, primarily due to the net cash outflow resulted from bank loan repayment, continued investment in R&D activities and daily operation.

For the year ended December 31, 2024, revenue of RMB38.4 million was comparable to that of the year ended December 31, 2023. The increase in AdimFlu-S (QIS) revenue, driven by higher sales volume, was offset by sales return of AdimFlu-S (QIS) recognized in the Reporting Period, amounting to RMB11.6 million. Without considering the aforesaid sales return recognized during the Reporting Period, the Group generated revenue of approximately RMB46.8 million for the year ended December 31, 2024 from AdimFlu-S (QIS) sales in the current flu season.

Other income and gains decreased by RMB2,474.2 million from RMB2,571.4 million for the year ended December 31, 2023 to RMB97.2 million for the year ended December 31, 2024, mainly because the majority of the funding from CEPI was recognized in 2023, the effect of which is partially offset by a partial waiver of trade payables recognized in other income and gains, as well as the increases in government grants and bank interest income.

Selling and distribution expenses decreased by RMB35.1 million from RMB54.8 million for the year ended December 31, 2023 to RMB19.7 million for the year ended December 31, 2024, which was primarily attributable to reduced salaries and benefits for commercial team and market development expenses excluding sales return impact as a result of an increasingly mature and efficient commercialization system and the influence of market development expenses deducted in the Reporting Period because of relevant sales return of AdimFlu-S (QIS).

Administrative expenses significantly decreased by RMB123.6 million, or approximately 62%, from RMB198.8 million for the year ended December 31, 2023 to RMB75.2 million for the year ended December 31, 2024, primarily due to decreases in employee salaries and benefits and consulting fees as a reflection of the ongoing cost-saving initiatives and the enhanced operation efficiency.

R&D expenses decreased by RMB466.5 million, or approximately 72%, from RMB649.9 million for the year ended December 31, 2023 to RMB183.4 million for the year ended December 31, 2024, as SCB-2019 (CpG 1018/Alum) related R&D (clinical, CMC and regulatory) activities were completed and the Group continues to strategically optimize the R&D team and prioritize respiratory vaccine products.

Other expenses decreased by RMB1,073.7 million from RMB1,811.9 million for the year ended December 31, 2023 to RMB738.2 million for the year ended December 31, 2024, primarily because a large portion of COVID-19 vaccine-related inventories was made impairment provision in 2023.

Loss for the year increased by RMB764.9 million from RMB138.5 million for the year ended December 31, 2023 to RMB903.4 million for the year ended December 31, 2024, primarily due to the non-recurring combined effect of the recognized other income of funding from CEPI and the impairment provision of inventories in 2023.

Non-IFRS Measures:

Adjusted loss for the year represents the loss for the year excluding the effect brought by share-based compensation expenses.

The term adjusted loss for the year is not defined under the IFRSs. The table below sets forth reconciliation of the loss for the year to adjusted loss for the year:

	Year Ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Loss for the year	**(903,428)**	(138,539)
Added:		
Share-based compensation expenses	**16,278**	53,515
Adjusted loss for the year	**(887,150)**	(85,024)

BUSINESS HIGHLIGHTS

During the Reporting Period, the Company made significant progress in expanding our product portfolio and optimizing our business operations:

Our Products and Candidates

Respiratory Syncytial Virus (RSV) Vaccine (SCB-1019)

- The Company is the first Chinese vaccine corporate with an in-house developed non-adjuvanted prefusion F (PreF) bivalent RSV vaccine candidate (SCB-1019) which is based on the Company's Trimer-Tag vaccine technology platform and proprietary stabilization mutations to enter into the clinical trial stage.

- In April, June and October 2024, the Company announced three sets of phase I results for SCB-1019 demonstrating positive immunogenicity and safety data.

- In October 2024, SCB-1019 became the first and only RSV vaccine candidate to-date to announce clinical trial results evaluating head-to-head comparison with a licensed and commercialized RSV vaccine ($AS01_E$-adjuvanted Arexvy), indicating a potential best-in-class combined efficacy & safety profile for unadjuvanted SCB-1019.

AdimFlu-S (QIS)

- The Company is distributing the only imported seasonal quadrivalent influenza vaccine AdimFlu-S approved for use in individuals aged three years and older from Adimmune Corporation ("**Adimmune**") in mainland China.

- At the end of July 2024, the Company completed the batch release of AdimFlu-S from National Institutes for Food and Drug Control (NIFDC), allowing us to improve market access and distribution ahead of the fall and winter vaccination campaign in mainland China.

SCB-219M

- SCB-219M is a fusion protein (TPO-mimetic bispecific-Fc) targeted to treat chemotherapy-induced thrombocytopenia (CIT).

- In November 2024, a phase I b trial was initiated evaluating repeated dosing of SCB-219M in CIT patients.

COVID-19 Vaccine

- The emergency use authorization (EUA) in China for our COVID-19 vaccine issued in December 2022 remains active.

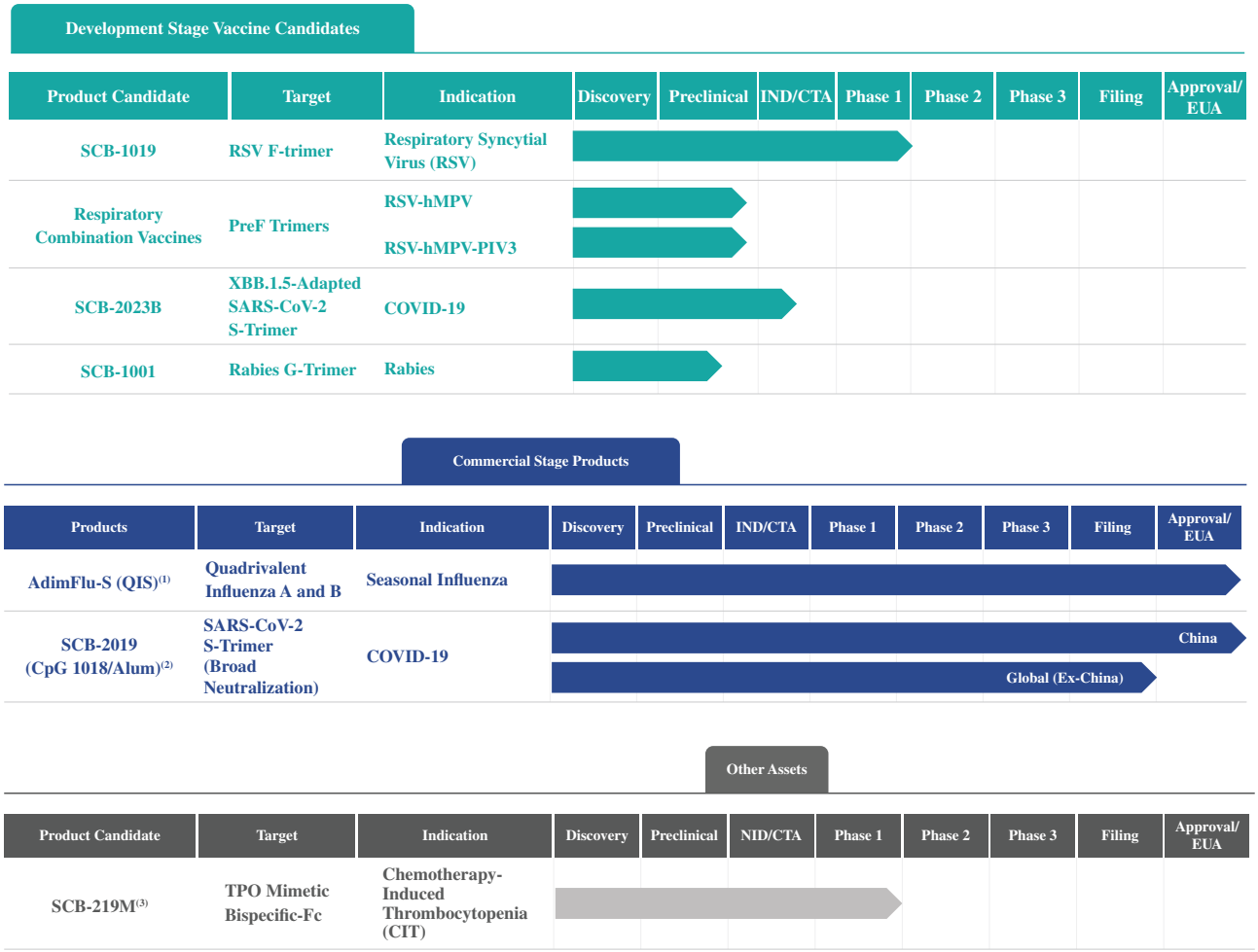
MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Clover is a global commercial-stage biotechnology company committed to unleashing the power of innovative vaccines to save lives and improve health around the world. With integrated R&D, manufacturing and commercial capabilities as well as strong partnerships with organizations globally, the Company has a diverse pipeline of candidates that have the potential to meaningfully reduce the burden of vaccine-preventable diseases and to make more diseases preventable.

The Trimer-Tag technology platform, which was validated by the successful development of COVID-19 vaccine SCB-2019 (CpG 1018/Alum) and is being leveraged for the development of RSV vaccine candidate SCB-1019, is a product development platform for the creation of protein-based vaccines based on naturally trimerization-dependent targets. The Trimer-Tag technology platform can trimerize any protein of interest into covalently-trimerized structures. The trimerization motif of Trimer-Tag is based on a human amino acid sequence derived from human collagen (C-terminal domain of Type I procollagen). Currently, Trimer-Tag is the only trimerization technology platform globally for producing recombinant, covalently-trimerized fusion proteins (trimer-tagged proteins) utilizing a human-derived trimerization tag.

During the Reporting Period, the Company achieved multiple key milestones. Particularly, the Company's non-adjuvanted RSV prefusion-stabilized F (PreF)-Trimer subunit vaccine candidate SCB-1019 not only demonstrated strong preliminary immunogenicity and safety data from phase I trials in young (age 18-59) and older (age ≥60) adults, but also demonstrated encouraging head-to-head clinical results versus Arexvy of GSK commercialized RSV vaccine product to significantly de-risk and to indicate potential best-in-class combined efficacy & safety profile for our SCB-1019. The Company is committed to prioritizing resources to advancing the clinical development of SCB-1019 in order to further validate its potential best-in-field and differentiated profile in the global RSV vaccine market, which includes the RSV-containing respiratory combination vaccine markets and RSV re-vaccination in older adults (age ≥60) markets. Meanwhile, the Company had continued to strengthen our domestic commercialization capabilities strategically. With an optimized commercialization team and smooth execution, the Company successfully obtained the batch release of QIS at the end of July 2024, positioning the Company to better commercialize this influenza product in PRC in 2024.



(1) Clover entered into an exclusive agreement with Adimmune to commercialize AdimFlu-S (QIS) in mainland China in February 2023.

(2) COVID-19 vaccine received EUA in China in December 2022.

(3) Received positive Phase I results for SCB-219M, and a Phase lb trial evaluating repeated dosing of SCB-219M in CIT and CTIT patients is ongoing.

BUSINESS REVIEW

Our Products and Candidates

The Company focused on building a leading respiratory vaccine franchise to address unmet needs in preventing serious respiratory infectious diseases and to capture related significant cross-promotion, co-administration, and long-term lifecycle management opportunities.

RSV Vaccine Candidate

SCB-1019 is the Company's non-adjuvanted bivalent RSV vaccine candidate based on prefusion-stabilized F (PreF) protein leveraging the validated Trimer-Tag platform and proprietary stabilization mutations.

The Company initiated the phase I clinical trial in Australia in December 2023 which is a randomized, placebo-controlled study to assess the safety, reactogenicity and immunogenicity of SCB-1019 at multiple dose levels and in different formulations in young and older adults. The positive results in the young adult cohort (aged 18-59) and the older adult and elderly cohort (aged 60-85) were consistent, and they were publicly disclosed in early April and middle June 2024.

In the middle of June 2024, the Company initiated additional phase I clinical trial in older adult & elderly subjects in Australia to evaluate the immunogenicity and safety profiles of non-adjuvanted SCB-1019 compared head-to-head with a commercialized comparator ($AS01_E$-adjuvanted Arexvy, GSK's RSV vaccine). 70 older adult & elderly subjects were enrolled and received either SCB-1019, Arexvy or saline placebo.

At the end of October 2024, the Company announced positive results from this phase I clinical trial which significantly de-risk and indicate Clover's potential best-in-class combined efficacy and safety profile for SCB-1019. To-date, this is the first and the only clinical results announced globally evaluating head-to-head comparison with a licensed, commercialized and leading RSV vaccine product.

- **Immunogenicity Results**

    - RSV Neutralizing Antibodies (nAbs): Non-adjuvanted SCB-1019 induced geometric mean titers (GMTs) in RSV-A and RSV-B nAbs that were comparable to $AS01_E$-adjuvanted AREXVY at Day 28, with no statistically significant differences observed.

        - RSV-A nAbs: SCB-1019 induced GMTs in RSV-A nAbs of approximately 30,500 IU/mL, compared to approximately 26,700 IU/mL for AREXVY and approximately 3,300 IU/mL for placebo at Day 28.

        - RSV-B nAbs: SCB-1019 induced GMTs in RSV-B nAbs of approximately 32,000 IU/mL, compared to approximately 37,700 IU/mL for AREXVY and approximately 2,900 IU/mL for placebo at Day 28.

- RSV-B Specific Antibodies: SCB-1019 (bivalent RSV-A/B) included an approximately 1.5 fold higher trend in antibodies (Geometric Mean Ratio, GMR) against a potent RSV-B specific neutralization epitope in Site V compared to AREXVY (monovalent RSV-A), based on an exploratory competitive-ELISA assay, indicating the potential for greater and more sustained immunological breadth upon re-vaccination if confirmed in subsequent studies.

- **Safety & Reactogenicity Results**

  - Significantly lower rates of local adverse events (AEs) were observed for non-adjuvanted SCB1019 (16.7%) compared to $AS01_E$-adjuvanted AREXVY (76.7%).

  - SCB-1019 was generally well-tolerated. Local and systemic AEs were generally mild for SCB1019 and were comparable to saline placebo.

  - No vaccine related serious adverse events (SAEs), adverse events of special interest (AESIs), or AEs leading to discontinuation were observed.

Based on these positive Phase I trial results, the Company plans to initiate clinical trials in 2025 evaluating SCB-1019 utilized in an RSV re-vaccination setting and as part of a respiratory combination vaccine.

AdimFlu-S (QIS)

In February 2023, the Company announced that it entered into an exclusive agreement with Adimmune to distribute AdimFlu-S (QIS) in mainland China, where it is the only imported seasonal quadrivalent influenza vaccine approved for use in individuals aged three years and older.

At the end of July 2024, the Company obtained the batch release of QIS from National Institutes for Food and Drug Control (NIFDC), enabling the Company to achieve improved market access for AdimFlu-S (QIS) across mainland China in 2024.

At the date of this announcement, the QIS vaccine has been listed in 29 provinces and municipalities in China.

SCB-219M

SCB-219M is a fusion protein (TPO-mimetic bispecific-Fc) targeted to treat chemotherapy-induced thrombocytopenia (CIT). Compared to native TPO-based therapy, which is commercially available in China, SCB-219M could potentially overcome reduced efficacy due to anti-drug antibodies (ADA) and achieve a more convenient dosing regimen attributed to its longer half-life.

- In December 2023, the Company announced positive preliminary safety, efficacy and pharmacokinetics data in a Phase I clinical trial evaluating SCB-219M.

- In November 2024, a phase I b trial was initiated evaluating repeated dosing of SCB-219M in CIT patients.

COVID-19 Vaccine

- The Emergency Use Authorization (EUA) in China for our COVID-19 vaccine issued in December 2022 remains active.

- We are waiting for the updated COVID-19 vaccination guidance from National Health Commission while we are evaluating this emerging business opportunity to plan our resources prudently. The Company will continue to engage with regulatory authorities and policymakers regarding COVID-19 vaccine business opportunity.

We cannot guarantee that we will ultimately develop or market our core product successfully. Shareholders and potential investors of our Company are advised to exercise due care when dealing in the Shares of our Company.

R&D

As a biotechnology company, the Company continues to value scientific innovation and expand its product and candidate portfolio to achieve long-term and sustainable development.

The Company has been equipped and empowered by a comprehensive R&D team enabling product candidate discovery, proof-of-concept, preclinical and clinical development. As of Dec 31, 2024, the Company's in-house R&D activities were supported by 115 employees across regions.

Manufacturing

During the Reporting Period, the Company utilized manufacturing capabilities at its in-house commercial-scale manufacturing facility in Changxing, Zhejiang province to support development of its RSV vaccine candidate (SCB-1019). The facility has achieved commercial GMP status in China and received a vaccine Drug Manufacturing License (DML) from the China NMPA, representing potential advantages compared to other domestic manufacturers utilizing new manufacturing sites.

This in-house manufacturing site has proven commercial scale production track record and will be valuable to the development of the Company's other product candidates, including SCB-1019.

Other Key Corporate Developments

To navigate the challenges of the current macroeconomic environment, the Company continued to take significant measures to (1) heighten focus on its core strengths and capabilities in vaccine development and (2) prudently evaluate its expenses and streamline the organization to increase efficiency and improve effectiveness. The Company will continue to focus resources on achieving its top priorities while continuing to build an innovative portfolio that can potentially generate significant value-creation opportunities.

Future Outlook

Based on our validated Trimer-Tag platform and encouraging clinical trial results in 2024 for SCB-1019, the Company continues to stay focused to implement our long-term strategy to gradually build a leading respiratory vaccine franchise across the globe. Our phase I clinical trial results in Australia significantly de-risk and indicate Clover's potential best-in-class combined efficacy and safety profile for non-adjuvanted bivalent RSV vaccine candidate SCB-1019. The Company plans to initiate clinical trials in 2025 to evaluate SCB-1019 in an RSV re-vaccination setting and as part of a respiratory combination vaccine. We will continue to prioritize resources to further validate the potential best-in-field and differentiated profile of SCB-1019 in the global RSV vaccine market to maximize potential value creation and impact on public health.

In terms of corporate governance, the Company will keep taking significant measures towards corporate financial sustainability by improving operating efficiency, pursuing value-creating opportunities and maintaining a resilient cash position to support future success.

FINANCIAL REVIEW

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
REVENUE	**38,419**	39,255
Cost of sales	**(16,841)**	(15,014)
Gross profit	**21,578**	24,241
Other income and gains	**97,215**	2,571,354
Selling and distribution expenses	**(19,705)**	(54,766)
Administrative expenses	**(75,172)**	(198,816)
Research and development expenses	**(183,387)**	(649,885)
Other expenses	**(738,201)**	(1,811,944)
Finance costs	**(5,756)**	(18,723)
LOSS BEFORE TAX	**(903,428)**	(138,539)
Income tax expense	**–**	–
LOSS FOR THE YEAR	**(903,428)**	(138,539)

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company	**79,277**	88,246
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**79,277**	88,246
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(95,577)**	(69,237)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(95,577)**	(69,237)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	**(16,300)**	19,009
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(919,728)**	(119,530)
Non-IFRS Measures		
Adjusted loss for the year	**(887,150)**	(85,024)

Revenue

The Group's revenue mainly derives from AdimFlu-S (QIS) in the PRC.

At the end of each reporting period, the Group estimates the future sales return of the goods sold and a corresponding adjustment to revenue is recognized for those products expected to be returned. The estimation of sales return requires the use of judgment and estimates. Where the actual return rate is different from the original estimate, such a difference will be trued up in subsequent periods.

For the year ended December 31, 2024, revenue of RMB38.4 million was comparable to that of the year ended December 31, 2023. The increase in AdimFlu-S (QIS) revenue, driven by higher sales volume, was offset by sales return of AdimFlu-S (QIS) recognized in the Reporting Period, amounting to RMB11.6 million.

When estimating the sales return of the seasonal influenza vaccine that the Group distributes in the PRC, the Group considers all relevant factors including but not limited to the epidemiology data and market trends from prior years, the development trend of the epidemic in the current period as well as the most updated information about market demand based on the Group's research. The Group had anticipated that influenza epidemic might break out in the spring of 2024 which would lead to an increase in demand for influenza vaccination. However, no significant influenza outbreaks ultimately occurred during the first half of 2024, resulting in the actual return rate being higher than the initial estimate as at the end of 2023 and causing a negative impact on revenue recognized in 2024.

Without considering the aforesaid sales return recognized during the Reporting Period, the Group generated revenue of approximately RMB46.8 million for the year ended December 31, 2024 from AdimFlu-S (QIS) sales in the current flu season. With an optimized commercialization team and smooth execution, the Group successfully obtained the batch release of AdimFlu-S (QIS) at the end of July 2024, positioning the Group to better commercialize this influenza product in 2024.

Other Income and Gains

The Group's other income and gains primarily consist of bank interest income, funding from CEPI, government grants and waiver of trade payables.

For the year ended December 31, 2024, other income and gains decreased by RMB2,474.2 million from RMB2,571.4 million for the year ended December 31, 2023 to RMB97.2 million. The decrease was primarily due to the majority of the funding from CEPI was recognized in 2023, the effect of which was partially offset by a partial waiver of trade payables recognized in other income and gains, as well as increases in government grants and bank interest income.

In June 2024, the Group entered into a settlement agreement with one of its vendors, pursuant to which the vendor waived partial of the Group's payables under the service agreement between the two parties as an incentive for the Group to settle the amount due to the vendor. This waiver of debt was recognized in other income and gains, as all contractual obligations under the service agreement have been fulfilled by the vendor, and no additional services or goods are to be exchanged for the waived liability.

Selling and Distribution Expenses

The Group's selling and distribution expenses primarily consist of salaries and benefits for commercial team, market development expenses and travel expenses.

For the year ended December 31, 2024, selling and distribution expenses of the Group decreased by RMB35.1 million from RMB54.8 million for the year ended December 31, 2023 to RMB19.7 million. The decrease was primarily due to reduced salaries and benefits for commercial team and market development expenses excluding sales return impact as a result of an increasingly mature and efficient commercialization system, and also influenced by market development expenses deducted in the Reporting Period because of relevant sales return of AdimFlu-S (QIS).

Administrative Expenses

The Group's administrative expenses primarily consist of (i) employee salaries and benefits, including accrued share-based compensation expenses; (ii) consulting fees; (iii) depreciation and amortization expenses; and (iv) office expenses. Other administrative expenses include IT software license expenses and other miscellaneous expenses in connection with administration activities.

For the year ended December 31, 2024, administrative expenses of the Group significantly decreased by RMB123.6 million, or approximately 62%, from RMB198.8 million for the year ended December 31, 2023 to RMB75.2 million. This reduction was primarily attributable to decreases in employee salaries and benefits and consulting fees as a reflection of the ongoing cost-saving initiatives and the enhanced operation efficiency.

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Employee salaries and benefits	**46,706**	132,871
– Share-based compensation expenses	***14,273***	*34,626*
Consulting fees	**12,005**	26,260
Depreciation and amortization	**8,076**	13,471
Office expenses	**1,690**	8,450
Others	**6,695**	17,764
Total	**75,172**	198,816

Research and Development Expenses

The Group's R&D expenses primarily consist of: (i) employee salaries and benefits, including accrued share-based compensation expenses; (ii) clinical trial expenses, mainly consisting of payments to CROs, hospitals and other medical institutions and related fees; (iii) costs of raw materials and consumables used for R&D activities; (iv) R&D consulting and service fees, mainly related to preclinical study costs and service fees incurred by CDMOs to prepare for commercial launch; and (v) depreciation and amortization in relation to our leasehold buildings, machinery and equipment.

For the year ended December 31, 2024, R&D expenses decreased by RMB466.5 million, or 72%, from RMB649.9 million for the year ended December 31, 2023 to RMB183.4 million. The decrease was primarily attributable to (i) a significant decrease in CDMO service fees, raw materials and consumables used and clinical trial expenses, as SCB-2019 (CpG 1018/ Alum) related R&D (clinical, CMC and regulatory) activities were completed; and (ii) decreases in employee salaries and benefits, as the Group continues to strategically optimize the R&D team and prioritize respiratory vaccine products.

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Employee salaries and benefits	**100,428**	236,323
– Share-based compensation expenses	***7***	*16,443*
Clinical trial expenses	**11,133**	196,479
R&D consulting and service fees	**6,197**	50,692
Costs of raw materials and consumables	**11,669**	57,986
Depreciation and amortization	**30,988**	53,764
Others	**22,972**	54,641
Total	**183,387**	649,885

Other Expenses

The Group's other expenses primarily consist of write-down of inventories to net realizable value, net foreign exchange loss and impairment of property, plant and equipment.

For the year ended December 31, 2024, other expenses of the Group decreased by RMB1,073.7 million from RMB1,811.9 million for the year ended December 31, 2023 to RMB738.2 million, primarily because a large portion of COVID-19 vaccine-related inventories was made impairment provision in 2023.

Finance Costs

The Group's finance costs primarily consist of (i) interest on bank loans and (ii) interest on lease liabilities, mainly in relation to its offices in Shanghai and Chengdu.

For the year ended December 31, 2024, finance costs of the Group decreased by RMB12.9 million from RMB18.7 million for the year ended December 31, 2023 to RMB5.8 million, primarily due to decreased interest expenses related to bank loans.

Loss for the Year

As a result of the above, the loss of the Group increased by RMB764.9 million from RMB138.5 million for the year ended December 31, 2023 to RMB903.4 million for the year ended December 31, 2024.

Non-IFRS Measure

To supplement the Group's annual consolidated financial statements, which are presented in accordance with the IFRSs, the Group also provides adjusted loss for the year as supplemental information. Such measures are not required by the IFRSs, but the Group deems it useful information to its Shareholders and potential investors for the evaluation of the Group's annual consolidated financial results.

Adjusted loss for the year represents the loss for the year excluding the effect brought by share-based compensation expenses. This non-IFRS measure should not be considered in isolation from, or as a substitute for the analysis of, the Group's IFRS reporting. The Company's presentation of such adjusted figures may not be comparable to a similarly titled measure presented by other companies. However, the Company believes that this non-IFRS measure is a better indication of the Group's normal operating results and a better basis for the comparison of operating performance from period to period.

The table below sets forth a reconciliation of the loss for the year to the adjusted loss for the year during the years indicated:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Loss for the year	**(903,428)**	(138,549)
Added:		
Share-based compensation expenses	**16,278**	53,515
Adjusted loss for the year	**(887,150)**	(85,024)

Selected Data from Consolidated Statement of Financial Position

	As of December 31,	
	2024	2023
	RMB'000	*RMB'000*
Total current assets	**663,209**	1,899,519
Total non-current assets	**149,535**	201,915
Total Assets	**812,744**	2,101,434
Total current liabilities	**1,907,663**	2,277,003
Total non-current liabilities	**541,379**	557,264
Total liabilities	**2,449,042**	2,834,267
Net current liabilities	**(1,244,454)**	(377,484)

Liquidity and Source of Funding and Borrowings

As of December 31, 2024, the Group's cash and bank balances, including cash and cash equivalents, time deposits, restricted cash and pledged deposits, decreased by RMB539.0 million from RMB1,095.5 million as of December 31, 2023 to RMB556.5 million. The decrease primarily resulted from the net cash outflow resulted from bank loan repayment, continued investment in R&D activities and daily operation.

As of December 31, 2024, the current assets of the Group totaled RMB663.2 million, including cash and cash equivalents, time deposits, restricted cash and pledged deposits of RMB556.5 million, trade receivables of RMB41.0 million, prepayments, other receivables and other assets of RMB39.9 million, inventories of RMB11.0 million and financial assets at fair value through profit or loss of RMB14.8 million.

As of December 31, 2024, the current liabilities of the Group were RMB1,907.7 million, including contract liabilities of RMB1,612.5 million, trade payables of RMB120.5 million, other payables and accruals of RMB88.3 million, lease liabilities of RMB12.2 million, interest-bearing bank borrowings of RMB74.0 million and derivative financial instruments of RMB0.2 million.

As of December 31, 2024, the Group had short-term bank loans of RMB74.0 million, bearing fixed interest rates ranging from 1.25% to 3.60% per annum. The new borrowings during the Reporting Period were raised to fully enhance the efficiency of capital.

Currently, the Group follows a set of funding and treasury policies to manage its capital resources and mitigate potential risks. The Group endeavors to maintain an adequate level of cash and cash equivalents to address short-term funding needs. The Board would also consider various funding sources depending on the Group's funding needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The Board reviews and evaluates the Group's funding and treasury policy from time to time to ensure its adequacy and effectiveness.

Significant Investments, Material Acquisitions and Disposals

As of December 31, 2024, the Group did not hold any significant investments. The Group also did not have material acquisitions or disposals of subsidiaries, associates, and joint ventures for the year ended December 31, 2024.

Future Plans for Material Investments or Capital Assets

The Group had no other material capital expenditure plan as of the date of this announcement.

Contingent Liabilities

As of December 31, 2024, the Group did not have any contingent liabilities that we expected would materially adversely affect our business, financial position or results of operations.

Gearing Ratio

The gearing ratio is calculated using interest-bearing bank borrowings less cash and bank balances, divided by total equity and multiplied by 100%. As of December 31, 2024, the Group was in a net cash position and thus, gearing ratio is not applicable.

Capital Commitments

The capital commitments of the Group as of December 31, 2024 were RMB13.1 million, reflecting a decrease of RMB3.0 million from RMB16.1 million as of December 31, 2023, primarily attributable to the decrease in our future payments in relation to the intangible assets.

Pledge of Assets

As of December 31, 2024, the Group had a total of RMB143.8 million of time deposits pledged to secure its bank borrowings.

Foreign Exchange Exposure

The Company's functional currency is USD and the functional currency of the Company's subsidiaries in China is RMB. During the Reporting Period, the Group mainly operated in China with most of its transactions settled in RMB and USD. Our financial assets and liabilities are subject to foreign currency risk as a result of certain cash and bank balances, trade receivables, other receivables, trade payables, other payables and interest-bearing bank borrowings denominated in non-functional currencies. Therefore, fluctuations in the exchange rate of functional currency against non-functional currency could affect our results of operations. The Group currently does not have a foreign currency hedging policy. However, its management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when needed.

Employees and Remuneration

As of December 31, 2024, the Group had 300 employees. The total remuneration cost incurred by the Group for the year ended December 31, 2024 was RMB162.9 million. The following table sets forth the details of our employees by function as of December 31, 2024:

Function	**Number of employees**	**% of total**
R&D	115	38.3%
Manufacturing and CMC	100	33.3%
General and Administrative	51	17.0%
Selling and Marketing	34	11.4%
Total	300	100%

The remuneration package of the Group's employees includes salary, bonus and equity incentives, which is generally determined by their qualifications, industry experience, position and performance. The Group makes contributions to social insurance and housing provident funds in accordance with relevant laws and regulations.

The Company has also adopted a restricted share unit scheme and a pre-IPO share option plan on April 15, 2021 and a post-IPO share option plan on September 26, 2021 to provide incentives for the eligible participants. For details, please refer to the paragraph headed "D. Share Incentive Plans" in Appendix IV to the Prospectus.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
REVENUE	*4*	**38,419**	39,255
Cost of sales	*7*	**(16,841)**	(15,014)
Gross profit		**21,578**	24,241
Other income and gains	*5*	**97,215**	2,571,354
Selling and distribution expenses		**(19,705)**	(54,766)
Administrative expenses		**(75,172)**	(198,816)
Research and development expenses		**(183,387)**	(649,885)
Other expenses	*6*	**(738,201)**	(1,811,944)
Finance costs		**(5,756)**	(18,723)
LOSS BEFORE TAX	*7*	**(903,428)**	(138,539)
Income tax expense	*8*	**–**	–
LOSS FOR THE YEAR		**(903,428)**	(138,539)
Attributable to:			
Owners of the parent		**(903,428)**	(138,539)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (EXPRESSED IN RMB PER SHARE)	*10*		
Basic and diluted		**(0.72)**	(0.11)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2024	2023
	RMB'000	*RMB'000*
LOSS FOR THE YEAR	**(903,428)**	(138,539)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company	**79,277**	88,246
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**79,277**	88,246
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(95,577)**	(69,237)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(95,577)**	(69,237)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	**(16,300)**	19,009
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(919,728)**	(119,530)
Attributable to:		
Owners of the parent	**(919,728)**	(119,530)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**107,439**	149,720
Right-of-use assets		**8,742**	12,336
Intangible assets		**33,354**	39,859
Total non-current assets		**149,535**	201,915
CURRENT ASSETS			
Inventories		**11,031**	696,978
Trade receivables	*11*	**40,993**	24,106
Prepayments, other receivables and other assets		**39,890**	68,800
Financial assets at fair value through profit or loss		**14,780**	14,165
Time deposits and restricted cash		**11,504**	16,228
Pledged deposits		**143,768**	343,378
Cash and cash equivalents		**401,243**	735,864
Total current assets		**663,209**	1,899,519
CURRENT LIABILITIES			
Trade payables	*12*	**120,453**	247,829
Other payables and accruals		**88,411**	124,731
Derivative financial instruments		**200**	–
Interest-bearing bank borrowings		**73,966**	308,063
Contract liabilities	*13*	**1,612,450**	1,577,845
Lease liabilities		**12,183**	18,535
Total current liabilities		**1,907,663**	2,277,003
NET CURRENT LIABILITIES		**(1,244,454)**	(377,484)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(1,094,919)**	(175,569)
NON-CURRENT LIABILITIES			
Lease liabilities		**3,495**	7,853
Deferred income		**25,300**	44,364
Non-current portion of trade payables	*12*	**512,584**	505,047
Total non-current liabilities		**541,379**	557,264
Net liabilities		**(1,636,298)**	(732,833)
EQUITY			
Equity attributable to owners of the parent			
Share capital		**838**	838
Treasury shares		**(26)**	(30)
Reserves		**(1,637,110)**	(733,641)
Total deficit		**(1,636,298)**	(732,833)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 31 October 2018. The registered address of the Company is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. During the year, the Group was principally engaged in the research and development, manufacture and commercialisation of innovative vaccines.

The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") effective from 5 November 2021.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements have been prepared on the assumption that the Group will continue as a going concern, which assumes that the Group will be able to meet its obligations and continue its operations for the next twelve months after 31 December 2024 notwithstanding that as at 31 December 2024, the Group had net liabilities of RMB1,636,298,000 comprised of contract liabilities of RMB1,612,450,000 and non-current portion of trade payables of RMB512,584,000 and incurred a net loss of RMB903,428,000 during the year ended 31 December 2024. There is a dispute between the Group and the Global Alliance for Vaccines and Immunization ("**GAVI**") on the contract liabilities which represented the advanced payment received from GAVI amounting to USD224,000,000 or equivalent to RMB1,612,450,000 as at 31 December 2024. GAVI asserted that it is entitled to a repayment of the entire amount of the advanced payment and issued a letter of claim dated 21 March 2025 which claims for an immediate repayment by the Group of the advanced payment of USD224,000,000, details of which are included in note 13 to the consolidated financial statements.

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to maintain the Group's cashflow situation. The measures taken by the Group include, but not limited to, the following:

(i) With the assistance of outside legal counsel, the directors assessed the potential impact on the Group's projections on the operating results and the cashflows for a period of twelve months from 31 December 2024, arising in connection with the dispute with GAVI and the letter of claim dated 21 March 2025 ("**Claim**") and the notice of termination dated 21 March 2025 from GAVI, aiming to strenuously and unambiguously defend the Claim which the Group believes is without merit. The Group has also engaged outside legal counsel to assist in a robust and vigorous defense in the event that proceedings are subsequently initiated by GAVI, and the Group will diligently endeavor to secure the most advantageous outcome for the Group. In addition, management has assessed any other consequential impact resulted from the aforesaid dispute with GAVI which might affect the business and contractual relationship with the Group's other stakeholders including but not limited to customers, suppliers and other service providers;

(ii) The Group has implemented a range of strategies and initiatives to fortify the capital base of the Group, which include but not limited to raising new capital or financing, the reduction of non-core expenditures, such as further reprioritisation of pipelines and containment of general and administrative expenses; and

(iii) The Group will evaluate potential opportunities for strategic cooperation with alternative financing solutions which may be contingent upon the progress in development of the pipeline assets. Such initiatives, if successful, could enhance the Group's working capital and liquidity positions.

The board of directors have reviewed the Group's cash flow projections prepared by management, which cover a period of twelve months from 31 December 2024. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months after 31 December 2024. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

(i) The outcome of the dispute with GAVI and the subsequent proceedings, if initiated by GAVI, are not expected to conclude in 2025 and incur significant cash outflows for the next twelve months after 31 December 2024. The Group's other stakeholders, including but not limited to customers, suppliers and other service providers, are not expected to be affected by the Group's dispute with GAVI and are not expected to have any other new claims against the Group or acceleration of settlement of any current or non-current liabilities under the existing payment terms;

(ii) The successful and timely implementation of the strategies and initiatives to raise new capital or financing, control costs and reduce expenditures; and

(iii) The successful and timely implementation of strategic cooperation with alternative financing solutions achieved by the Group.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's 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* (the "2020 Amendments")
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised IFRS Accounting Standards are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one operating segment, which is the research and development, manufacturing and commercialisation of innovative vaccines. Since this is the only reportable operating segment of the Group, no further operating segment analysis therefore is presented.

Geographical information

(a) Revenue from external customers

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**35,177**	39,255
Korea	**3,242**	–
Total	**38,419**	39,255

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

(b) Non-current assets

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**149,535**	199,090
Other countries/regions	**–**	2,825
Total non-current assets	**149,535**	201,915

The non-current asset information above is based on the locations of the assets.

Information about a major customer

Revenue amounting to RMB35,178,000 (2023: RMB39,247,000) was derived from sales to a single customer.

4. REVENUE

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**38,419**	39,255

Revenue from contracts with customers

(a) Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Types of good		
Vaccines	**35,177**	39,255
Adjuvant	**3,242**	–
Total	**38,419**	39,255
Timing of revenue recognition		
Goods transferred at a point in time	**38,419**	39,255

(b) Performance obligations

Sale of vaccines

The performance obligation is satisfied upon delivery of the vaccines or receipt of the vaccines by customers and payment is generally due within 3 months to 1 year from release or delivery. The contracts provide customers with rights of return which give rise to variable consideration subject to constraint.

Sale of adjuvant

The performance obligation is satisfied upon receipt of the adjuvant to customers and payment is generally due within 1 months from delivery. The amounts disclosed above do not include variable consideration which is constrained.

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	2024	2023
	RMB'000	*RMB'000*
Waiver of trade payables*	**34,690**	–
Bank interest income	**23,685**	16,118
Funding from Coalition for Epidemic Preparedness Innovations ("**CEPI**") **	**19,574**	2,540,497
Government grants***	**14,760**	7,136
Rental income	**1,192**	2,040
Fair value gains, net:		
Financial assets at fair value through profit or loss	**399**	–
Gain on disposal of property, plant and equipment	**32**	–
Gain on disposal of right-of-use assets	**2,257**	2,309
Others	**626**	3,254
Total	**97,215**	2,571,354

* In June 2024, the Group entered into a settlement agreement with one of its vendors, pursuant to which the vendor waived part of the Group's payables under the service agreement between the two parties as an incentive for the Group to settle the amount due to the vendor. This waiver of debt is recognised in other income and gains, as all contractual obligations under the service agreement have been fulfilled by the vendor, and no additional services or goods are to be exchanged for the waived liability.

** Funding received from CEPI amounting to RMB19,574,000 was recognised in other income because the conditions attached to the funding have been fulfilled during the year ended 31 December 2024.

*** Government grants have been received from the local government authorities to support the subsidiaries' research and development activities and purchase of certain items of property, plant and equipment. There are no unfulfilled conditions related to these government grants.

6. OTHER EXPENSES

	2024	2023
	RMB'000	*RMB'000*
Write-down of inventories to net realisable value	**694,521**	1,697,406
Foreign exchange differences, net	**23,657**	34,982
Impairment of property, plant and equipment	**14,007**	2,099
Severance costs	**1,893**	33,630
Loss on disposal of intangible assets	**289**	7,047
Net fair value loss on foreign exchange swap	**197**	–
Loss on disposal of property, plant and equipment	**4**	3
Additional costs for termination of the Shanghai R&D Center project	**–**	3,981
Impairment of prepayments, other receivables and other assets	**–**	10,108
Impairment of right-of-use assets	**–**	8,210
Others	**3,633**	14,478
Total	**738,201**	1,811,944

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	2024	2023
	RMB'000	*RMB'000*
Cost of inventories sold	**16,841**	15,014
Research and development costs (excluding related employee benefit expenses, depreciation and amortisation)	**51,971**	359,798
Depreciation of property, plant and equipment	**28,406**	34,183
Depreciation of right-of-use assets	**5,627**	30,935
Amortisation of intangible assets	**6,290**	5,507
Lease payments not included in the measurement of lease liabilities	**575**	3,020
Auditor's remuneration	**2,353**	2,891
Employee benefit expenses (including directors' and chief executive's remuneration):		
Wages, salaries and welfare	**136,626**	315,905
Pension scheme contributions	**11,698**	22,193
Share-based compensation expenses	**14,584**	52,155
Total of employee benefit expenses	**162,908**	390,253

8. INCOME TAX

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

Cayman Islands

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

Hong Kong

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong. The first HKD2,000,000 (2023: HKD2,000,000) of assessable profits of this subsidiary are subject to 8.25% (2023: 8.25%) and the remaining assessable profits are subject to 16.5% (2023: 16.5%). No provision for Hong Kong profits tax has been made as the Group has no assessable profits derived from or earned in Hong Kong during the year.

Mainland China

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), the subsidiaries which operate in Mainland China are subject to CIT at a rate of 25% (2023: 25%) on the taxable income.

Australia

The subsidiary incorporated in the Australia is subject to Australia statutory corporate income tax at a rate of 30% (2023: 30%). However, the rate is reduced to 25% (2023: 25%) following a preliminary assessment of the base rate entity rules in accordance with the Australian tax law during the year.

United States of America

The subsidiary incorporated in Delaware, United States was subject to statutory United States federal corporate income tax at a rate of 21% (2023: 21%) during the year.

United Kingdom

The subsidiary incorporated in the United Kingdom is subject to corporation income tax on its worldwide profits at 19% (2023: 19%) during the year.

Ireland

The subsidiary incorporated in Ireland is subject to Ireland corporate income tax at a rate of 25% (2023: 25%) on the estimated assessable profits arising in Ireland during the year.

9. DIVIDENDS

No dividends have been declared and paid by the Company for the year ended 31 December 2024 (2023: nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent of RMB903,428,000 (2023: RMB138,539,000) and the weighted average number of ordinary shares. The weighted average number of shares for the year ended 31 December 2024 is determined based on 1,253,673,382 shares outstanding during the year (2023: 1,243,504,146).

As the Group incurred losses, no adjustment has been made to the basic loss per share amount presented for the year ended 31 December 2024 (2023: nil) as the impact of the share options and restricted share units outstanding had an anti-dilutive effect on the basic loss per share amount presented. Accordingly, the dilutive loss per share amounts for the years ended 31 December 2024 and 2023 are the same as the basic loss per share amounts.

The calculation of basic and diluted loss per share is based on:

	2024	2023
	RMB'000	*RMB'000*
Loss		
Loss attributable to owners of the parent, used in the basic loss per share calculation:	**(903,428)**	(138,539)

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic loss per share calculation:	**1,253,673,382**	1,243,504,146

11. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**40,993**	24,106
Impairment	**–**	–
Net carrying amount	**40,993**	24,106

The Group's trading terms with its customers are mainly on credit. The credit period is generally 3 months to 1 year, depending on the contract terms. Each customer has a maximum credit limit. The majority of the Group's trade receivables relate to one major customer, as such, there is a concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	2024	2023
	RMB'000	*RMB'000*
Within 6 months	**40,989**	24,104
Over 6 months	**4**	2
Total	**40,993**	24,106

An impairment analysis is performed at each reporting date. The Group has applied the simplified approach to provide for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The directors of the Company are of the opinion that the ECL in respect of the balance of trade receivables is minimal. No loss allowance for impairment of trade receivables is provided as at 31 December 2024 (2023: nil).

12. TRADE PAYABLES

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

	2024	2023
	RMB'000	*RMB'000*
Within 6 months	**35,653**	156,119
6 to 12 months	**23,781**	52,815
Over 1 year	**573,603**	543,942
Total	**633,037**	752,876
Analysed into:		
Current portion	**120,453**	247,829
Non-current portion	**512,584**	505,047

The trade payables are non-interest-bearing and are normally settled on 60-day terms, except for certain suppliers with specified payment terms.

Non-current portion of trade payables of USD71,307,000 (equivalent to RMB512,584,000) represented the trade payables due to Dynavax Technologies Corporation ("**Dynavax**") for procurement of CpG 1018 adjuvant, which was included in trade payables. During the year ended 31 December 2024, the Company had reassessed the payment terms under the purchase agreement with Dynavax and confirmed with Dynavax on the amounts payable and the respective timing of payment. The amount of USD71,307,000 (equivalent to RMB512,584,000 as of 31 December 2024 and RMB505,047,000 as of 31 December 2023) was classified as non-current portion of trade payables to reflect the timing of settlement of the payables to Dynavax, which would be over 12 months from the balance sheet date.

13. CONTRACT LIABILITIES

	2024	2023
	RMB'000	*RMB'000*
Advances from customers	**1,612,450**	1,577,845

Contract liabilities represented the advances received from the Global Alliance for Vaccines and Immunization ("**GAVI**") to deliver the Company's SCB-2019 (CpG 1018/Alum) vaccines (the "**Vaccines**"). In June 2021, the Company and GAVI entered into the Advance Purchase Agreement ("**APA**"), pursuant to which GAVI agreed to procure (i) 64 million doses of Vaccines, and (ii) up to 350 million doses of Vaccines pursuant to the options stated therein. The advances could be used to fund non-refundable payments to the Group's suppliers to secure for procurement of raw materials and services required to manufacture any of the firm order commitment and/or the additional doses. On 15 September 2022, the Company and GAVI entered into and signed an amendment to the APA (the "**amended APA**"), pursuant to which the Company and GAVI agreed to convert the initial firm order commitment into an option to procure 64 million doses of Vaccines over an extended period from 1 January 2023 to 31 December 2026, and to cancel the original purchase option of up to 350 million doses.

GAVI has not exercised its option to purchase the Vaccines under the amended APA during the year ended 31 December 2024. However, a dispute occurred between the Company and GAVI regarding the advances received by the Company. GAVI asserted that it is entitled to a repayment of the entire amount of advances amounting to USD224 million, which the Company believes is without merit.

The Group received from GAVI a one month's prior written notice dated 21 March 2025 which asserts a unilateral termination of the APA and a letter of claim dated 21 March 2025 which claims for an immediate repayment by the Group of the advanced payment of USD224 million ("**Claim**"). GAVI asserted that it intends to instruct its legal advisor to commence arbitration to recover the advances payment, should the repayment by the Group not be made within 14 days. The Company rejects the Claim, believing it is without merit based on the terms of the APA, and has engaged outside legal counsel to assess the issues arising in connection with the Claim and assist in the defense in the event that proceedings are subsequently initiated by GAVI. As of the report date, the Company is not aware of any proceedings initiated by GAVI in relation to the Claim.

As at 31 December 2024, advances from GAVI amounting to USD224,000,000, equivalent to RMB1,612,450,000, was accounted for as contract liabilities in the consolidated statement of financial position.

14. EVENTS AFTER THE REPORTING PERIOD

Except for the receipt of the unilateral APA termination notice dated 21 March 2025 and a letter of claim for an immediate repayment by the Group of USD224 million dated 21 March 2025 from GAVI, details of which are included in note 13 to the consolidated financial statements, there are no other significant subsequent events after the end of reporting period that require additional disclosure or adjustments.

OTHER INFORMATION

Final Dividend

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2024.

Compliance with the Corporate Governance Code

The Company strives to achieve 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.

The Company has adopted the principles and code provisions of the Corporate Governance Code as the basis of the Company's corporate governance practices. The Company has applied the principles and code provisions as set out in the Corporate Governance Code and has complied with the code provisions in the Corporate Governance Code during the Reporting Period.

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

Full details of the Company's corporate governance practices will be set out in the Company's annual report.

Compliance with the Model Code

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules. Specific enquiries have been made to all Directors and the Directors have confirmed that they have complied with the Model Code during the Reporting Period.

The Company has also established a policy on "Inside Information" to comply with its obligations under the SFO and the Listing Rules.

The Company's relevant employees, who are likely to be in possession of Inside Information of the Company, have also been subject to the Model Code. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company during the Reporting Period.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any member of the Group has purchased, sold or redeemed any listed securities (including sale of treasury shares) of the Company during the Reporting Period.

Extract of the Auditor's Report

The following is the extract of the independent auditor's report on the Company's consolidated financial statements for the year ended 31 December 2024:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of matter – Material uncertainty related to going concern

We draw attention to note 2.1 to the consolidated financial statements, which indicates that the Group incurred a net loss of RMB903,428,000 during the year ended 31 December 2024 and the Group had net liabilities of RMB1,636,298,000 as of 31 December 2024. These conditions, along with other matters as set forth in note 2.1 to the consolidated financial statements, indicate the existence of material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Audit Committee

The Listing Rules require every listed issuer to establish an audit committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise.

The Group has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, review and approve connected transactions and to advise the Board. The Audit Committee comprises three independent non-executive Directors, namely Mr. Thomas Leggett, Mr. Jeffrey Farrow and Mr. Liao Xiang. Mr. Thomas Leggett is the chairman of the Audit Committee. Mr. Jeffrey Farrow is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Group's annual results for the year ended December 31, 2024 have been reviewed by the Audit Committee and the annual results have also been audited by the independent auditor of the Company, Ernst & Young. 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 during the Reporting Period.

Scope of work of Ernst & Young

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in this announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

Use of Net Proceeds from the Global Offering

The Company's Shares were listed on the Stock Exchange on November 5, 2021. The net proceeds from the Global Offering amounted to approximately HKD1,884.3 million (equivalent to approximately RMB1,549.0 million).

Reference is made to the announcement of the Company dated August 23, 2023 in relation to the change in use of proceeds from the Global Offering. In order to navigate the current macroeconomic environment and focus on programs that will bring long-term value, on August 22, 2023, the Board has resolved to change the intended use of the unutilized net proceeds from the Global Offering of approximately RMB415.2 million in total as of August 22, 2023.

As of December 31, 2024, approximately RMB1,472.7 million, accounting for 95.1% of the net proceeds from the Global Offering had been utilized in accordance with the use as stated in the section headed "Future Plans and Use of Proceeds" in the Prospectus or the use after change approved on August 22, 2023 (see below).

The utilization of the net proceeds from the Global Offering during the year ended December 31, 2024 and the expected timeline for utilization are as follows:

Use of proceeds after change	**Revised percentage of unutilized net proceeds approved on August 22, 2023**	**Revised allocation of unutilized net proceeds approved on August 22, 2023** *RMB million*	**Unutilized net proceeds as of December 31, 2023** *RMB million*	**Actual usage during the year ended December 31, 2024** *RMB million*	**Unutilized net proceeds as of December 31, 2024** *RMB million*	**Expected timeline of full utilization of the unused net proceeds**
For the preclinical development and clinical trials of RSV vaccine candidate, SCB-1019	55.0%	228.4	174.9	133.7	41.2	By December 2025
For the R&D of other product candidates, including ≥ 1 mid-to late-stage in-licensed vaccines	22.5%	93.4	75.2	40.1	35.1	By December 2025
For the R&D and regulatory submission for updated version of COVID-19 vaccine including the XBB.1.5 variant	12.5%	51.9	–	–	–	Completed
For working capital and other general corporate purposes	10.0%	41.5	–	–	–	Completed
Total	**100.0%**	**415.2**	**250.1**	**173.8**	**76.3**	

Notes:

1. The expected timeline for utilizing the remaining proceeds is based on the best estimation of the future progress of R&D and market conditions, which has been updated to December 2025. This adjustment is attributed to cost savings from R&D expenses, driven by ongoing organizational optimization.

2. The net proceeds were received in HKD and translated to RMB for application planning. As of the date of this announcement, the unused net proceeds were deposited with certain licensed banks in Hong Kong and the PRC.

Use of Net Proceeds from the Placing

References are made to the Company's announcements dated December 6, 2022 and December 13, 2022 in relation to the Placing. On December 6, 2022, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company agreed to appoint the Placing Agent, and the Placing Agent agreed to act as agent of the Company to procure subscribers, on a best effort basis, to subscribe for a total of 128,000,000 Placing Shares at the Placing Price upon the terms and subject to the conditions set out in the Placing Agreement. The Placing was completed on December 13, 2022. The net proceeds from the Placing (after deducting all relevant fees, costs and expenses to be borne or incurred by the Company) are approximately HKD500.5 million (equivalent to RMB449.0 million).

Reference is made to the announcement of the Company dated August 23, 2023 in relation to the change in use of proceeds from the Placing. In order to expand commercialization capabilities to support the commercialization of the Company's respiratory vaccine products including seasonal influenza and COVID-19 vaccines, on August 22, 2023, the Board has resolved to change the intended use of the unutilized net proceed from the Placing of approximately RMB69.4 million in total as of August 22, 2023.

As of December 31, 2024, approximately RMB426.5 million, accounting for 95.0% of the net proceeds from the Placing had been utilized in accordance with the use as stated in the Placing Agreement or the use after change approved on August 22, 2023.

Set out below is the utilization of the net proceeds from the Placing for the year ended December 31, 2024 and the expected timeline for utilization:

Use of proceeds after change	**Revised percentage of unutilized net proceeds approved on August 22, 2023**	**Revised allocation of net proceeds approved on August 22, 2023** *RMB million*	**Unutilized net proceeds as of December 31, 2023** *RMB million*	**Actual usage during the year ended June 30, 2024** *RMB million*	**Unutilized net proceeds as of December 31, 2024** *RMB million*	**Expected timeline of full utilization of the unused net proceeds**
For expanding commercialization capabilities to support the commercialization of respiratory vaccine products including seasonal influenza and COVID-19 vaccine	100.0%	69.4	50.5	28.0	22.5	By December 2025
Total	**100.0%**	**69.4**	**50.5**	**28.0**	**22.5**	

Notes:

1. The expected timeline for utilizing the remaining proceeds is based on the best estimation of the future progress of regulatory approval, commercialization, post-marketing R&D and market conditions made by the Company, which has been updated to December 2025. This adjustment is attributed to cost savings from selling and distribution expenses, driven by ongoing organizational optimization.

2. The net proceeds were received in HKD and translated to RMB for application planning. As of the date of this announcement, the unused net proceeds were deposited with certain licensed banks in Hong Kong.

Events After the End of Reporting Period

Save as disclosed in note 14 to the consolidated financial statements as included in this announcement, no important events affecting the Company occurred subsequent to December 31, 2024 and up to the date of this announcement.

Principal Risks and Uncertainties

The following list is a summary of certain principal risks and uncertainties faced by the Group, some of which are beyond its control:

- If we are unable to successfully complete clinical development, obtain regulatory approval and commercialize the Group's product candidates, or experience significant delays in doing so, our business will be significantly harmed;

- If the Group encounters difficulties enrolling patients or participants in our clinical trials, our clinical development activities could be delayed and result in increased costs and longer development periods or otherwise adversely affected;

- If clinical trials of product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates;

- Clinical development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results;

- The regulatory approval processes of regulatory authorities of national and multilateral institutions are lengthy, time-consuming and inherently unpredictable. If the Group is ultimately unable to obtain regulatory approval for product candidates, our business will be substantially harmed;

- The Group's rights to develop and commercialize our Trimer-Tag pipeline products are subject, in part, to the terms and conditions of licenses granted to us by the Group's licensor GenHunter;

- If the Group is unable to maintain sufficient distribution, marketing, and sales capabilities, the Group may not be able to generate product sales revenues;

- The regulatory pathway for vaccines is highly dynamic and continues to evolve and may result in unexpected or unforeseen delays or challenges;

- The manufacture of biologics is a complex process which requires significant expertise and capital investment, and if the Group encounters problems in manufacturing our future products, the business could suffer;

- If the Group is unable to obtain and maintain patent protection for our product candidates or the Trimer-Tag technology platform, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against the Group, and its ability to successfully commercialize any product or technology may be adversely affected;

- The Group engages CROs to conduct certain elements of its pre-clinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties, meet expected deadlines, or comply with regulatory requirements, the Group may not be able to obtain regulatory approval for or commercialize product candidates and its business could be substantially harmed;

- The Group has entered into collaborations and may form or seek collaborations or strategic alliances or enter into licensing arrangements in the future, and the Group may not realize the benefits of such alliances or licensing arrangements; and

- In the event that the GAVI initiates arbitration proceedings with the Group, there exists a potential risk of incurring contingent liabilities with other relevant vendors.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

Publication of Annual Results Announcement and Annual Report

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

The annual report for the year ended December 31, 2024 containing all the information required by Appendix D2 to the Listing Rules will be dispatched only to the Shareholders as per the Company's corporate communications arrangement and will be published on the websites of the Stock Exchange and the Company in April 2025.

APPRECIATION

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

The Company cannot guarantee that it will be able to ultimately develop and market its drug and vaccine candidates successfully. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

Definitions and Glossary of Technical Teams

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of our Company
"CDMO(s)"	contract development and manufacturing organization(s), a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing
"CEPI"	Coalition for Epidemic Preparedness Innovations, a foundation that takes donations from public, private, philanthropic, and civil society organizations, to finance independent research projects to develop vaccines against emerging infectious diseases
"China" or "the PRC"	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
"CMC"	chemistry, manufacturing, and controls processes in the development, licensure, manufacturing, and ongoing marketing of pharmaceutical products
"Companies Ordinance"	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Company", "our Company", "the Company" or "Clover"	Clover Biopharmaceuticals, Ltd. (三葉草生物製藥有限公司), an exempted company incorporated in the Cayman Islands on October 31, 2018
"connected transaction"	has the meaning ascribed thereto under the Listing Rules
"Core Product(s)"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for purpose of the prospectus, our Core Products refers to SCB-2019 (CpG 1018/Alum) and SCB-808

"Corporate Governance Code"	Part 2 of Appendix C1 to the Listing Rules
"CRO(s)"	contract research organizations
"Director(s)"	the director(s) of the Company
"Dynavax"	Dynavax Technologies Corporation, a fully-integrated pharmaceutical company develops, and commercializes novel vaccines
"GAVI"	the Global Alliance for Vaccines and Immunization, a public-private global health partnership with the goal of increasing access to immunization in poor countries
"Global Offering"	the Hong Kong Public Offering (as defined in the Prospectus) and the International Offering (as defined in the Prospectus)
"GMP"	good manufacturing practices, the aspect of quality assurance that ensures that medicinal products are consistently produced and controlled to the quality standards appropriate to their intended use and as required by the product specification
"Group", "we" or "us"	our Company and its subsidiaries
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"Listing"	the initial public offering or initial listing of our Shares on the Stock Exchange
"Listing Date"	November 5, 2021, the date on which dealings in our Shares first commence on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules

"NMPA"	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局), or CFDA
"Placee(s)"	professional, institutional or other investor(s) selected and procured by the Placing Agent to subscribe for the Placing Shares pursuant to the Placing Agreement
"Placing"	the placing of the Placing Shares by the Placing Agent to the Placees at the Placing Price pursuant to the Placing Agreement
"Placing Agent"	Credit Suisse (Hong Kong) Limited, incorporated in Hong Kong with limited liability and a registered institution under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, each as defined under the SFO
"Placing Agreement"	the placing agreement entered into between the Company and the Placing Agent dated December 6, 2022 in respect of the Placing
"Placing Price"	HK$3.95 per Placing Share
"Placing Shares"	128,000,000 new Shares allotted and issued by the Company pursuant to the Placing Agreement
"Prospectus"	the prospectus issued by the Company dated October 25, 2021
"R&D"	research and development
"Reporting Period"	the year ended December 31, 2024
"RMB"	Renminbi Yuan, the lawful currency of China
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	shares in the share capital of our Company, with a nominal value of USD0.0001 each
"Shareholder(s)"	holder(s) of the Share(s)

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"USD"	United States dollars, the lawful currency of the United States
"WHO"	World Health Organization, a specialized agency of the United Nations responsible for international public health

By order of the Board
Clover Biopharmaceuticals, Ltd.
Dr. Peng LIANG
Chairman of the Board

Shanghai, PRC, March 31, 2025

As of the date of this announcement, the Board comprises Dr. Peng LIANG and Mr. Joshua G LIANG as executive Directors; Dr. Xiaodong WANG, Dr. Donna Marie AMBROSINO and Dr. Ralf Leo CLEMENS as non-executive Directors; and Dr. Xiaobin WU, Mr. Xiang LIAO, Mr. Jeffrey FARROW and Mr. Thomas LEGGETT as independent non-executive Directors.