JW (Cayman) Therapeutics Co. Ltd
藥明巨諾（開曼）有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2126)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2021

The board of directors (the "**Board**") of JW (Cayman) Therapeutics Co. Ltd (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries and consolidated affiliated entities (collectively, the "**Group**", "**we**" or "**us**") for the year ended December 31, 2021 (the "**Reporting Period**") together with the comparative figures for the year ended December 31, 2020.

ANNUAL RESULTS HIGHLIGHTS

FINANCIAL HIGHLIGHTS

IFRS Measure:

- Revenue was RMB30.8 million for the year ended December 31, 2021, compared to nil for the year ended December 31, 2020, as we successfully commercialized our anti-CD19 autologous chimeric antigen receptor T ("**CAR-T**") cell immunotherapy product Carteyva® (relmacabtagene autoleucel ("**relma-cel**"), R&D code: JWCAR029) for the treatment of adult patients with relapsed or refractory ("**r/r**") large B-cell lymphoma ("**LBCL**") after two or more lines of systemic therapy after we obtained the marketing approval for the product from the National Medical Products Administration of China ("**NMPA**") on September 3, 2021. We expect that the revenue will continue to increase from the sales of Carteyva® along with our commercialization progress as more patients are treated with Carteyva®.

- Cost of sales was RMB21.8 million for the year ended December 31, 2021, compared to nil for the year ended December 31, 2020. Our cost of sales primarily consists of raw material costs, staff costs, depreciation and amortization, manufacturing overhead and others.

- Gross profit was RMB9.0 million and gross profit margin was 29.4% for the year ended December 31, 2021. With the implementation of our cost reduction plan as more patients are treated with Carteyva®, we expect that our gross profit margin will grow continuously from the second half of 2022.

- Our research and development expenses increased by RMB189.2 million to RMB414.4 million for the year ended December 31, 2021, compared to RMB225.2 million for the year ended December 31, 2020. This increase was due to a range of factors, including primarily: (i) an increase in staff costs allocated to research and development; and (ii) an increase in research and development materials and in testing and clinical fees, which resulted principally from pre-clinical research and development activities relating to JWATM204/214 and JWATM203/213 for the treatment of hepatocellular carcinoma ("**HCC**") and pediatric and young adult patients with r/r acute lymphoblastic leukemia ("**ALL**"), as well as clinical research activities including on-going clinical trials relating to LBCL and clinical cost incurred on indications for relma-cel such as follicular lymphoma ("**FL**"), mantle cell lymphoma ("**MCL**") and second-line LBCL.

- Our general and administrative expenses decreased by RMB29.8 million to RMB201.5 million for the year ended December 31, 2021, compared to RMB231.3 million for the year ended December 31, 2020, primarily due to a decrease in share-based compensation expenses and the fact that no listing expenses were incurred in 2021. The effects of these factors were partially offset by an increase in other general and administrative expenses.

- Our selling expenses increased by RMB157.4 million to RMB170.7 million for the year ended December 31, 2021, compared to RMB13.3 million for the year ended December 31, 2020, primarily due to an increase in staff costs allocated to sales and marketing, as well as an increase in commercial business promotion fees, as we established our sales and marketing capabilities from the second half of 2020, and carried out commercial activities comprehensively in 2021 to fully support Carteyva® commercialization.

- Loss for the year decreased by RMB961.5 million to RMB702.3 million for the year ended December 31, 2021, compared to RMB1,663.8 million for the year ended December 31, 2020. This decrease was primarily due to (i) revenue and gross profit generated from Carteyva® launched in 2021; (ii) de-recognition of fair value changes of preferred shares along with our listing on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") on November 3, 2020 (the "**Listing Date**"); and (iii) de-recognition of warrants of upfront payment (as defined in the B Cell maturation antigen ("**BCMA**") License Agreement with Juno Therapeutics, Inc. ("**Juno**")) due to the decision made by Bristol Myers Squibb ("**BMS**") (Juno's parent company) to discontinue clinical development of orvacabtagene autoleucel ("**orva-cel**"). The effects of these factors were partially offset by an increase in our research and development expenses and selling expenses.

Non-IFRS Measure:

Our adjusted loss[1] was RMB664.1 million for the year ended December 31, 2021, representing an increase of RMB360.2 million from RMB303.9 million for the year ended December 31, 2020. The increase was primarily due to (i) increased selling expenses associated with headcount increase and commercial activities carried out; (ii) increased cash expenses for staff allocated to research and development; and (iii) increased fees and expenses for materials purchasing and testing and clinical trials. The effects of these factors were partially offset by the gross profit that we generated from commercialization of Carteyva®.

BUSINESS HIGHLIGHTS

During the past year, as an independent, innovative biotechnology company focusing on the developing, manufacturing and commercializing cell immunotherapy products, we have made significant progress in our business and achieved important milestones. The year 2021 marked a major milestone in the history of our Company. The successful approval of Carteyva® by the NMPA and the establishment of the commercialization team marked our Company's transition from the clinical development stage into commercialization. Based on our outstanding clinical development and operational capabilities, we have made steady progress on the clinical study of our pipeline candidates for both hematological cancers and solid tumors. In addition, we have continually enhanced our manufacturing capability; we have maintained the high manufacturing success rate for Carteyva® that we had previously achieved; and we have actively pursued the implementation of our cost reduction plan and next generation product development strategy. We have also strengthened our in-house research and development ("**R&D**") capability with the appointment of new chief scientific officer to provide strategic guidance in the development of a robust pipeline for our Company. We will continue to focus on pursuing our strategies to transform the treatment of cancer for patients.

1 Adjusted loss for the year is not a financial measure defined under IFRS. It represents the loss for the year excluding the effect of the following non-cash items: (a) loss on fair value changes of preferred shares; (b) loss on fair value changes of warrants; and (c) share-based compensation expenses. For the calculation and reconciliation of this non-IFRS measure, please refer to "Management Discussion and Analysis — Financial Review — 14. Non-IFRS Measure".

Since the beginning of 2021, we have achieved the following significant milestones in our business:

Commercial effort leading to successful launch of Carteyva®:

On September 3, 2021, the NMPA approved the New Drug Application ("**NDA**") relating to our anti-CD19 autologous CAR-T cell immunotherapy product Carteyva® (relma-cel, R&D code: JWCAR029) for the treatment of adult patients with r/r LBCL after two or more lines of systemic therapy. Carteyva® is the first CAR-T product approved as a Category 1 biologics product in China, and the sixth approved CAR-T product globally. Following receipt of this approval, we launched full-scale commercialization of Carteyva® with a clear focus and business model:

- We have built an in-house and dedicated commercial team with around 110 employees with different teams including Sales, Marketing, CAR-T Consultant, Innovative Payment and Hospital Access as of February 2022. These teams are led by experienced commercial leaders;

- As we commercialized Carteyva® during the last four months of 2021, we generated 54 prescriptions for Carteyva® and completed 30 infusions for r/r LBCL patients;

- Among the first 27 assessable commercial patients for Carteyva®, the best complete response rate ("**CRR**") was 55.6%, which is similar to the efficacy that Carteyva® demonstrated in the registrational clinical trials;

- We established the standardized vein to vein process to provide more detailed guidance to ensure a higher-quality experience for physicians and patients. We completed training and dry-run for the top 61 hospitals in China and certified those hospitals to administer Carteyva®;

- We engaged Shanghai Parma KDL (上藥康德樂) as our national distributor to provide professional delivery services; and

- We worked to promote insurance coverage of Carteyva® and collaborated with innovation payment platforms to address the affordability of Carteyva® for patients. 44 commercial insurance products and 16 city-level complementary medical insurance programs covered Carteyva®.

Clinical trials and development is on track:

- In January 2021, we commenced patient enrollment in our single-arm Phase II registrational trial in China to evaluate Carteyva® in MCL patients who previously received chemotherapy, anti-CD20 agent and BTK inhibitor, and patient enrollment in this clinical trial remains on schedule;

- In June 2021, we completed patient enrollment in our single-arm Phase II registrational trial to evaluate Carteyva® in low-grade FL patients;

- In July 2021, we filed, and the NMPA accepted for review, an investigational new drug ("**IND**") application relating to JWCAR129 as a treatment for multiple myeloma ("**MM**"), and we subsequently commenced an investigator-initiated trial of JWCAR129 for this indication;

- In September 2021, at the 24th Annual Meeting of the Chinese Society of Clinical Oncology, we reported updated efficacy and safety data from our Phase II registrational clinical trial of Carteyva® as a third-line treatment for LBCL;

- By the end of September 2021, we completed manufacturing process development for JWATM204, our T-cell receptor ("**TCR**") T-cell therapy candidate for the treatment of HCC;

- In December 2021:

  - At the 63rd Annual Meeting of the American Society of Hematology, we reported the primary clinical response from our Phase II registrational trial relating to Carteyva® as a treatment for low-grade FL;

  - We submitted to the NMPA, and the NMPA accepted for review, an IND application for a multi-center, randomized Phase II registrational clinical trial comparing Carteyva® to second-line LBCL standard of care therapy, including salvage chemotherapy +/- high dose chemotherapy followed by autologous stem cell transplant; and

  - The NMPA approved our IND application relating to JWCAR129 as a treatment for fourth-line or greater, r/r MM;

- In January 2022, we submitted to the NMPA, and the NMPA accepted for review, an IND application relating to a proposed single-arm Phase I/II registrational clinical trial in China to evaluate Carteyva® in pediatric and young adult patients with r/r ALL after at least two prior lines of therapy; and

- In February 2022, we submitted to the NMPA, and the NMPA accepted for review, our supplemental NDA ("**sNDA**") relating to Carteyva® as a treatment for third-line FL.

Enhancement of our manufacturing capability and implementation of our cost reduction plan:

- In February 2021, we announced a collaboration with Thermo Fisher Scientific Inc. ("**Thermo Fisher**") to ensure non-exclusive commercial access to Thermo Fisher's Gibco CTS Dynabeads CD3/CD28;

- In the fourth quarter of 2021, we completed an upgrade of our clinical manufacturing facility in Shanghai Waigaoqiao to enhance our capabilities to manufacture multiple products concurrently including clinical product for solid tumor;

- We continued to maintain the high manufacturing success rate of 99% for Carteyva®, which we have maintained since commencement of our LBCL registrational clinical trial;

- In the first quarter of 2022, we completed the technical transfer of the JWATM204 manufacturing process from the laboratory to our Waigaoqiao clinical manufacturing facility, and we qualified the facility for Good Manufacturing Practice ("**GMP**") manufacturing; and

- We successfully laid the foundation for execution of our plans to reduce the cost of raw materials, and we implemented processes and procedures in our GMP operations to enable cost reductions to be realized from the second half of 2022.

Focus on the clear strategy to support the future growth of our Company:

- Drive full-scale commercialization of Carteyva® and build upon our significant first mover advantage;

- Solidify our leadership in hematological cancers by continuing to develop Carteyva® for earlier lines of treatment and additional indications, as well as clinical development of other new products;

- Leverage our integrated cell therapy platform to expand into the emerging solid tumor market;

- Continuously enhance our manufacturing capability and reduce cost through innovation and scale; and

- Grow our business through in-licensing opportunities, partnerships and selective acquisitions, as well as in-house R&D.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

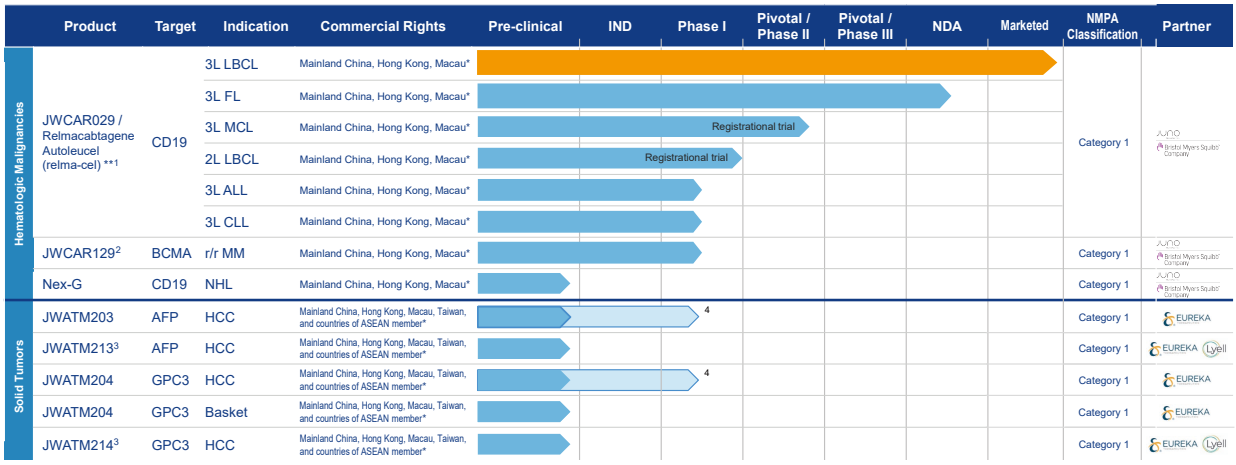
The Company is an independent, innovative biotechnology company focusing on the developing, manufacturing and commercializing cell immunotherapy products. Since our founding in 2016, we have built an integrated platform focused on developing, manufacturing and commercializing breakthrough cell-based immunotherapies for hematological cancers and solid tumors. Our vision is to develop innovative cell therapies for the China market to transform the treatment of cancer for Chinese patients.

We are an early entrant into the field of cell-based immunotherapy in China. Cell-based immunotherapies, including CAR-T treatments, are an innovative treatment method that uses human immune cells to fight cancer, representing a paradigm shift and the latest innovation in cancer treatment. On September 3, 2021, the NMPA approved our NDA for the Company's anti-CD19 autologous CAR-T cell immunotherapy product Carteyva® (relma-cel, R&D code: JWCAR029) for the treatment of adult patients with r/r LBCL after two or more lines of systemic therapy, and we have commenced full-scale commercialization of Carteyva®. Carteyva® is the first CAR-T product approved as a Category 1 biologics product in China, and sixth approved CAR-T product globally.

2021 was the first year of CAR-T product commercialization in China. Given the unmet medical needs that can be effectively addressed by CAR-T therapies, the market for CAR-T therapies in China is expected to experience strong growth through 2030, according to Frost & Sullivan. We believe that we are well-positioned to take advantage of this growing market, based on our potential superior anti-CD19 CAR-T product; our robust and differentiated cell therapy pipeline covering both hematological cancers and solid tumors; our fully integrated cell therapy development platform; our leading commercial manufacturing infrastructure and supply chain; and our seasoned management and strong support from the Shareholders of the Company (the "**Shareholders**").

Our Product Pipeline

We have developed a robust and differentiated cell-based immunotherapy pipeline, with a risk-balanced approach that has shown clear benefit in the field of cell therapies for hematological cancers and provides an opportunity to expand into the nascent field of cell therapies for solid tumors. Our product pipeline features a mix of product candidates targeting both proven and novel tumor antigens. The following chart summarizes the current development status of each of our product candidates:



Abbreviations: LBCL = large B-cell lymphoma; FL = follicular lymphoma; MCL = mantle cell lymphoma; ALL = acute lymphoblastic leukemia; CLL = chronic lymphocytic leukemia; MM = multiple myeloma; NHL = non-Hodgkin lymphoma; HCC = hepatocellular carcinoma; NSCLC = non-small cell lung cancer; AFP = alpha-fetoprotein; GPC3 = glypican-3; r/r = relapsed or refractory; 3L = third-line; 2L = second-line; Basket = basket design

* Mainland China, Hong Kong, Macau and Taiwan refer to Mainland China, Hong Kong (China), Macau (China) and Taiwan (China), respectively.

** Denotes a Core Product Candidate.

1 Relma-cel is based on the same CAR construct as the product lisocabtagene maraleucel ("**Breyanzi**" or "**lisocabtagene**" or "**liso-cel**") of Juno, which was approved by the U.S. Food and Drug Administration in February 2021.

2 JWCAR129 is based on the same CAR construct as Juno's product orva-cel.

3 Developing using Lyell technology.

4 JWATM204 is in a Phase I investigator-initiated trial in China. Eureka's products based on the CAR constructs underlying JWATM203 and JWATM204 are currently in Phase I/II trials in the US conducted by Eureka under an IND application. In November 2021, the U.S. FDA granted Fast Track Designation to Eureka's counterpart to JWATM203 for the treatment of hepatoblastoma ("**HB**") and HCC in pediatric patients, as well as "rare pediatric disease designation" for the treatment of HB. In February 2022, the FDA granted Orphan Drug Designation to Eureka's counterparts to JWATM203 and JWATM204.

Our Core Product Candidate — Carteyva® (relma-cel, R&D code: JWCAR029)

Carteyva®, our lead product candidate, has the potential to be a superior CAR-T therapy. It targets an antigen called CD19, which is expressed in a broad range of hematological cancers, including LBCL. Lymphomas are hematological cancers involving lymphoceles of the immune system, and LBCL is one of several types of non-Hodgkin's lymphoma ("**NHL**") that affect B-cells within the immune system. In addition to marketing Carteyva® as a third-line treatment for LBCL, we are also exploring the further clinical potential for Carteyva® by developing relma-cel as a third-line treatment for other types of NHL, including FL, MCL, chronic lymphocytic leukemia ("**CLL**") and ALL, and moreover as a second-line treatment for LBCL.

Carteyva® is based on a CAR construct that we have in-licensed from Juno for Mainland China, Hong Kong and Macau[2]. Juno's biologics license application for its product based on that same CAR construct ("**Breyanzi**" or "**lisocabtagene**" or "**liso-cel**") was approved by the U.S. Food and Drug Administration in February 2021.

Third-line LBCL

On September 3, 2021, the NMPA approved our NDA for the Company's anti-CD19 autologous CAR-T cell immunotherapy product Carteyva® for the treatment of adult patients with r/r LBCL after two or more lines of systemic therapy. Carteyva® is the first CAR-T product approved as a Category 1 biologics product in China, and sixth approved CAR-T product globally.

Carteyva®'s potential to be a superior CAR-T therapy is based on its potential best-in-class safety profile and competitive efficacy. Our Phase II registrational clinical trial of Carteyva® as a third-line treatment for LBCL demonstrated efficacy results of best overall response rate ("**ORR**") of 77.6% and best CRR of 51.7% as of the data cut-off date of December 31, 2020. In the same trial, severe cytokine release syndrome ("**sCRS**") was observed in 5.1% of treated patients, severe neurotoxicity ("**sNT**") was observed in 3.4% of treated patients, and no treatment-related deaths were reported. In addition, with a median follow-up of 17.9 months, the 1-year overall survival ("**OS**") rate was 76.9%, and there were no new safety signals. We reported these findings at the 24th Annual Meeting of Chinese Society of Clinical Oncology in Xiamen, Fujian Province, PRC, held in September 2021 and the 63rd Annual Meeting of the American Society of Hematology in Atlanta, Georgia, the United State, held in December 2021. Although head-to-head studies with comparable products have not been conducted, we believe that these data demonstrate the potential best-in-class safety profile and competitive efficacy of Carteyva®.

2 *Mainland China, Hong Kong and Macau refer to Mainland China, Hong Kong (China) and Macau (China), respectively.*

We have established manufacturing capacity and built up sales and marketing capabilities in anticipation of the full-scale commercialization of Carteyva® that we have now launched following NMPA approval of our NDA. For further information on our manufacturing capacity and our sales and marketing capabilities, please see "— Manufacturing" and "— Commercialization" below.

Third-line FL

In September 2020, the NMPA granted Breakthrough Therapy Designation for Carteyva® as a treatment for third-line FL. We currently are conducting a single-arm Phase II registrational trial to evaluate Carteyva® in low-grade FL (Grades 1 to 3a) patients, and we reported the primary clinical response in December 2021 at the 63rd Annual Meeting of the American Society of Hematology.

As of the data cut-off of September 10, 2021, 28 patients were treated with Carteyva® with at least three months of follow-up. Of 27 efficacy evaluable patients, as assessed by the investigator, best ORR was 100% (27 out of 27) and best CRR was 92.6% (25 out of 27). With a median follow-up of 8.84 months, median duration of response ("**DOR**"), progression-free survival ("**PFS**") and OS were not reached. In 28 patients who received Carteyva®, any grade and severe (grade 3 or higher) CRS were 42.9% and 0%, respectively, and any grade and severe (grade 3 or higher) NT were 17.9% and 3.6%, respectively.

In February 2022, we have submitted to the NMPA, and the NMPA has accepted for review, our sNDA relating to Carteyva® as a treatment for third-line FL. If approved on the timeline that we currently anticipate, Carteyva® would be the first CAR-T product approved for treatment of FL in China.

Third-line MCL

We are conducting a single-arm Phase II registrational trial in China to evaluate Carteyva® in MCL patients who previously received chemotherapy, anti-CD20 agent and BTK inhibitor. Patient enrollment began in January 2021 and is currently on schedule, and we anticipate submitting an sNDA in 2023.

Third-line CLL

We intend to conduct a single-arm early phase trial in China and expect to commence this study to evaluate Carteyva® in high-risk r/r CLL patients in 2022.

Third-line ALL

We intend to conduct a single-arm Phase I/II registrational trial in China to evaluate Carteyva® in pediatric and young adult patients with r/r ALL after at least two prior lines of therapy. We have submitted to the NMPA, and the NMPA has accepted for review, an IND application with respect to this trial, and we expect to commence this trial in 2022.

Second-line LBCL

We have completed a single-arm Phase I trial in China to evaluate Carteyva® in LBCL high risk patients due to lack of response and thus refractory to primary treatment. Data from this study is planned to be presented at a scientific conference and published in a peer review journal later in 2022. In December 2021, on the basis of data generated from this trial, we submitted to the NMPA, and the NMPA accepted for review, an IND application for a multi-center, randomized Phase II registrational clinical trial comparing Carteyva® to second-line LBCL standard of care therapy, including salvage chemotherapy +/- high dose chemotherapy followed by autologous stem cell transplant. The design will be similar to the TRANSFORM study evaluating Breyanzi, a CAR-T using the same CAR construct as Carteyva®, in this indication, which demonstrated highly statistically significant improvement in Event Free Survival for Breyanzi.

Cautionary Statement required by Rule 18A.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"): We cannot guarantee that we will be able to successfully develop or ultimately market Carteyva® in indications beyond the current NMPA-approved label. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the shares of the Company.

Other Pipeline Products

JWCAR129[3]

JWCAR129 is an autologous CAR-T therapy that we are developing for the treatment of MM. MM is a cancer of plasma cells, which are an important part of the immune system formed from matured B-cells to produce antibodies that help the body to attack and kill germs. MM is a condition in which plasma cells become cancerous and grow out of control.

JWCAR129 targets the BCMA, a protein which is highly expressed in a number of hematological malignancies, including MM. In December 2021, the NMPA approved our IND application relating to JWCAR129 as a treatment for fourth-line or greater, r/r MM. We are continuing our previously commenced investigator-initiated trial of JWCAR129 for this disease setting. Clinical evaluation on JWCAR 129 is ongoing in 2022.

Nex-G anti-CD19 Product Candidate

We are developing a set of new technologies and platforms to enable the next generation CAR-T product and manufacturing processes with shorter production cycle time, higher quality, better product characterization and improved product efficacy and safety, at a lower cost. We believe that this will establish a foundation for our next-generation autologous anti-CD19 product, as well as other products in our pipeline. We have established a manufacturing cost reduction development strategy that consists of the following elements: (1) near-term (1–2 years) — realize significant cost reduction by implementing technologies and procedures that reduce raw material wastes and scraps; (2) mid-term (2–3 years) — realize further cost reduction by replacing imported materials with domestic supplies; and (3) long-term (3–5 years) — implement new technologies that would simplify and/or replace/combine unit operations and thereby reduce raw material and labor costs; and potentially shorten production cycle time and possibly improve product characteristics and clinical outcome.

3 JWCAR129 is based on a CAR construct that we have in-licensed from Juno (the H125 vector). Juno's orva-cel is based on the same CAR construct. In February 2021, BMS announced that it would discontinue clinical development of orva-cel. We understand that this decision was driven by BMS' streamlining of its anti-BCMA product portfolio. On the other hand, we also understand that this decision was not related to the clinical profile of orva-cel, and BMS has stated that the orva-cel platform is an important part of their next generation strategy. We believe that orva-cel's clinical profile is competitive and intend to continue our development in MM with products using the orva-cel CAR construct in China to bring forward meaningful new options for patients in need.

We successfully executed our plans to develop processes and procedures to significantly reduce cost of raw materials, and some of these processes and procedures have already been implemented in our GMP operations since the fourth quarter of 2021. Full realization of our cost of sales reduction plans is expected in the second half of 2022, as we expect to have fully utilized legacy inventories associated with less efficient processes by the end of the first half of 2022.

We have also made significant progress in developing foundational unit operations that would enable us to develop our next generation autologous CAR-T manufacturing process platform. Initial process and product characteristic information also enable us to develop a comprehensive next-G product development plan.

JWATM204/214

JWATM204 is a potentially superior autologous, non-HLA-restricted, TCR T-cell therapy candidate built on Eureka's ARTEMIS® and E-ALPHA® platforms and targeting glypican-3 ("**GPC3**") for the treatment of HCC. Treatment of HCC represents a huge unmet medical need in China, and we believe that JWATM204 has the potential to be a promising treatment for patients with GPC3-positive HCC. In June 2020, we in-licensed from Eureka the rights to develop, manufacture and commercialize JWATM204 in Mainland China, Hong Kong, Macau, Taiwan[4] and the member countries of the Association of Southeast Asian Nations (the "**JW Territory**"). We completed manufacturing process development for the JWATM204 in the third quarter of 2021 by leveraging our relma-cel manufacturing process platform. In the fourth quarter of 2021, we completed an upgrade of our clinical manufacturing facility in Shanghai Waigaoqiao to enhance our capabilities to manufacture multiple products concurrently. In the first quarter of 2022, we completed the technical transfer of JWATM204 manufacturing process from process development laboratory to our Waigaoqiao clinical manufacturing facility, and qualified the facility for GMP manufacturing. We plan to initiate patient enrollment in an investigator-initiated trial in the first half of 2022.

Through our partnerships with Eureka and Lyell, we also plan to combine Lyell's technology in T-cell anti-exhaustion functionality with JWATM204 to create JWATM214, a next-generation innovative autologous cell therapy for HCC treatment. We are focused on vector manufacturing process development for the JWATM214 program in 2022, and we anticipate that vector manufacturing process development will be based entirely in China. We currently anticipate that clinical studies with respect to JWATM214 will commence in 2023.

4 Mainland China, Hong Kong, Macau and Taiwan refer to Mainland China, Hong Kong (China), Macau (China) and Taiwan (China), respectively.

JWATM203 is a potentially superior autologous T-cell receptor mimic ("**TCRm**") T-cell therapy targeting alpha-fetoprotein ("**AFP**") for the treatment of HCC. In June 2020, we in-licensed from Eureka the rights to develop, manufacture and commercialize JWATM203 in the JW Territory. As with JWATM204, we also plan to combine Lyell's technology in T-cell anti-exhaustion functionality with JWATM203 and Eureka's ARTEMIS® technology platform to create JWATM213, an additional autologous cell therapy for HCC treatment.

Cautionary Statement required by Rule 18A.05 of the Listing Rules: We cannot guarantee that we will be able to successfully develop or ultimately market our pipeline products. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the shares of the Company.

Potential Pipeline Products

We expect to continue to enrich our pipeline by bringing in novel next generation cell therapy candidates through opportunities to in-license. We have a right of first negotiation on the opportunity to develop and commercialize Juno engineered T-cell products in Mainland China, Hong Kong and Macau. In addition, we have a right to acquire an exclusive license to manufacture, develop and use certain Acepodia Biotechnologies, Ltd. ("**Acepodia**") products targeting human epidermal growth factor receptor 2 ("**HER2**") and an undisclosed target in Mainland China, Hong Kong and Macau.

The following chart sets forth current information about our opportunities to in-license:

	Product	Target	Indication	Commercial Rights	Pre-clinical	IND	Clinical	NDA	Partner
Hematologic Malignancies	JWACE055#	Undisclosed ##	Hematologic tumors	Mainland China, Hong Kong, Macau*					Acepodia
	Juno Pipeline Product 1^	CD22	ALL, NHL	Mainland China, Hong Kong, Macau*					JUNO Bristol Myers Squibb Company
Solid Tumors	JWACE002#	HER2	Solid tumors	Mainland China, Hong Kong, Macau*					Acepodia
	Juno Pipeline Product 2^	WT1	AML, NSCLC, Mesothelioma	Mainland China, Hong Kong, Macau*					JUNO Bristol Myers Squibb Company
	Juno Pipeline Product 3^	L1CAM	Solid tumors	Mainland China, Hong Kong, Macau*					JUNO Bristol Myers Squibb Company
	Juno Pipeline Product 4^	MUC16	Solid tumors	Mainland China, Hong Kong, Macau*					JUNO Bristol Myers Squibb Company
	Juno Pipeline Product 5^	ROR1	Solid tumors	Mainland China, Hong Kong, Macau*					JUNO Bristol Myers Squibb Company

Abbreviations: ALL = acute lymphoblastic leukemia; NHL = non-Hodgkin lymphoma; AML = acute myeloid leukemia; NSCLC = non-small cell lung cancer; HER2 = human epidermal growth factor receptor 2

* Mainland China, Hong Kong and Macau refer to Mainland China, Hong Kong (China) and Macau (China), respectively.

^ We have the right of first negotiation on the opportunity to develop and commercialize these Juno pipeline products in Mainland China, Hong Kong and Macau.

[#] JWACE055 and JWACE002 will become part of our pipeline when we exercise the related option with Acepodia. Acepodia's IND for JWACE002 was approved by the U.S. Food and Drug Administration in January 2020.

[##] JWACE055 target is not disclosed due to commercial sensitivity.

Manufacturing

In June 2020, we received a production license from Jiangsu Province authorities for our new commercial manufacturing facility in Suzhou. This facility provides approximately 10,000 square meters for commercial and clinical manufacturing in compliance with GMP and Quality Management System ("**QMS**") standards. It is designed to house four independent modules. The design of these modules can be adapted to support all cell platforms, including those using gene-modified autologous T-cells and NK cells, gene-modified or non-gene-modified tumor-infiltrating lymphocyte and gene-modified allogeneic immune cells, as well as facilities to produce clinical grade viral vectors that are used to genetically modify these cells. Currently, two of these modules have been constructed and qualified and are in full GMP operations, and our manufacturing facility currently has the capacity to support autologous CAR-T treatment of up to 2,500 patients per year.

Our manufacturing facility is designed to address all of the major challenges associated with scaling up from clinical scale to commercial scale manufacturing, which represents a paradigm shift in which product quality, regulatory compliance, process reliability, scalability and cost of goods all become critical factors. We believe the degree of automation that we have designed into our commercial manufacturing processes positions us as a leader in terms of CAR-T manufacturing.

Our Suzhou operations have been executing according to our commercialization plans and have made significant achievements during the last year. In March 2021, we received and passed relma-cel PAI (Pre-approval Inspection) conducted jointly by the NMPA and Jiangsu Province FDA with no critical or major observations. In June 2021, our production license for Suzhou site was renewed with the license type changed from As to As+Cs (A as MAH (Marketing Authorization Holder) owner and manufacturer, C as CMO (contract manufacturing organization), s as bio products).

Since the launch of our first commercial product Carteyva® in September 2021, we continue to maintain the high manufacturing success rate of 99%, which we have maintained since commencement of our LBCL registrational clinical trial. Relma-cel has demonstrated high rates of durable disease response and low rates of CAR-T associated toxicities.

In February 2021, we announced the collaboration with Thermo Fisher to ensure non-exclusive commercial access to Thermo Fisher's Gibco CTS Dynabeads CD3/CD28. This strategic collaboration will support the clinical development and commercial manufacturing of relma-cel as well as future CAR-T therapies in China. As we realize critical milestones in our commercialization strategy, we expect that this partnership will ensure we have the supply to scale up and meet important unmet medical needs of Chinese patients.

Commercialization

2021 is the first commericialization year for cell therapy in China. We are excited to be part of the event to provide breakthrough product to serve Chinese patients. With successful product launch in the last four months of 2021, we are pleased to report that Carteyva® generated 54 prescriptions and completed 30 infusion for r/r LBCL patients. Among the first 27 assessable patients, CRR was 55.6% according to reports from treating physicians regarding their assessment of best response after Carteyva® commercialization. This is similar to the CRR that Carteyva® demonstrated in the registrational clinical trial.

We have built a focused in-house sales and marketing team to market Carteyva® across China. We have established a commercial team consisting of 110 employees with different teams including Sales, Marketing, CAR-T Consultant, Innovative Payment and Hospital Access as of February 2022. These teams are led by experienced commercial leaders with a clear business model. To support hospitals ready to use our products, we conducted training and dry-run for each hospital to help physicians and nurses to understand deeper about relma-cel product itself and the whole vein to vein process. In 2021, we completed training and dry-run for the top 61 hospitals in China, and we certified those hospitals as qualified to administer Carteyva®. Meanwhile, Shanghai Pharma KDL (上藥康德樂) has been selected as our national distributor and will provide professional delivery service for each patient.

As CAR-T therapies are a new and comprehensive treatment process that is unlike any other treatment currently approved in the market, we have made significant efforts to educate physicians and patients on the potential benefits of CAR-T therapies, and to demonstrate the proper process in administering and monitoring the treatment as well as adverse effects management. In January 2022, "Guiding Principles for Clinical Application of relmacabtagene autoleucel injection (2021 version)" was published by Lymphoma Expert Committee of Chinese Society of Clinical Oncology, Hematology Branch of Chinese Medical Association and Hematologist Branch of Chinese Medical Doctor Association. This Guiding Principle was formulated by combining the current status of CAR-T practice and published data from Carteyva® related studies and it is the first clinical guiding principle for commercialized CAR-T product in China in order to further standardize the clinical application of Carteyva® and provide a reference for physicians.

To improve affordability, we are targeting to establish a multi-layer medical care system by cooperating with different partners including city-level complementary medical insurance and health insurance providers. We worked with innovation payment platforms which are able to provide installment payment services or mortgage loans to potential recipients of Carteyva® as a treatment. In addition, Carteyva® has been listed in 44 commercial insurance products and 16 city-level complementary medical insurance programs. We will strive to list Carteyva® into more insurance programs to improve affordability for patients who are eligible to be treated with Carteyva®.

In addition, because physicians are expected to play a key role in this process, not only in administering CAR-T therapies but also in educating patients about the treatment process and adverse effects management, we have designed our marketing and academic education strategy around close and continued engagement with physicians. We will continue to enhance our existing collaboration with these physicians and other stakeholders through establishment of a specialized team to oversee the training and provide support to physicians during CAR-T treatment.

With the efficacy, branding and precision of our commercial strategy, we are confident that Carteyva® will benefit more patients in the medium and longer term.

Impact of the COVID-19 pandemic

In light of the COVID-19 pandemic, we have endeavored to provide a safe work environment. We established a "Pandemic Response Taskforce", which monitored daily updates on national and local government policy changes. We implemented twice daily temperature checks and daily reporting of health status and travel history for all employees and onsite contractors, as well as a stringent visitors policy. We significantly increased the frequency of disinfections for all our facilities, and implemented policies on social distancing and facility ventilation.

The COVID-19 pandemic may have potential impact on our operations, including but not limited to the clinical trial patients enrollment, regulatory reviews and approval, commercial patients recruitment, procurement of raw materials and delivery of finished products, etc. The extent to which the COVID-19 pandemic will affect our operations cannot be predicted at this stage. We will continue to monitor the situation and adopt various measures to mitigate the impact.

Future and Development

In addition to driving full-scale commercialization of Carteyva®, we intend to focus on pursuing the following strategies as we pursue our vision of developing innovative cell therapies to transform the cancer treatment for patients:

Solidify our leadership in hematological cancers by continuing to develop Carteyva® for earlier lines of treatment and additional indications, as well as clinical development of other new products

Our approach to expand Carteyva®'s indications involves two key pillars: advancing Carteyva® into earlier lines of LBCL treatment and developing Carteyva® as a potential therapy for other hematological cancers that express the CD19 antigen. If our development plan is realized, we anticipate new sNDA approvals for Carteyva® in 2022 and 2023. Furthermore, to expand our product portfolio and solidify our leadership in hematological cancers, we intend to drive clinical development of cell therapy products for MM. As patients with MM are afflicted by frequent complications, for which there continues to be no viable cure, we believe that MM is a market with significant untapped potential.

Leverage our integrated cell therapy platform to expand into the solid tumor market

Our solid tumor portfolio is headlined by JWATM203 and JWATM204. We acquired the rights to develop, manufacture and commercialize these products in the JW Territory from Eureka in June 2020. Moreover, in August 2020, we entered into a collaboration agreement with Lyell pursuant to which we obtained the right to use Lyell's T-cell anti-exhaustion technology in conjunction with Eureka's ARTEMIS® platform to create JWATM213 and JWATM214 and to develop, commercialize and manufacture those products in the JW Territory. We believe there is an opportunity to use these technologies as a platform for multiple new cell therapies that can be applied across a broad range of rare and prevalent solid tumors, including HCC as well as others.

Continuously enhance our manufacturing capability and implement cost reduction plan through innovation and scale

We have had a 99% success rate for the manufacturing of Carteyva® since commencement of our LBCL registrational clinical trial. However, we intend to invest in further optimizing our manufacturing processes through technological enhancements and achieving economies of scale, with the ultimate goal of making the production of our cell therapies better, faster, and more cost effective.

Grow our business through in-licensing opportunities, partnerships and selective acquisitions, as well as in-house R&D

Since the establishment of our Company, we have used a mix of in-licensing opportunities, selective acquisitions and in-house R&D to fuel our growth into a leading cell therapy player in China. We leveraged our exclusive licenses of certain rights from Juno to introduce relma-cel and JWCAR129 into our pipeline, and we acquired rights from Eureka and Lyell that enabled us to introduce JWATM203/213 and JWATM204/214 into our pipeline.

In addition, in January 2022, we strengthened our in-house R&D capabilities with the appointment of Dr. Shaun Paul Cordoba ("**Dr. Cordoba**") as our chief scientific officer. Dr. Cordoba is a highly regarded scientist in driving new innovations in cell immunotherapy technology. He is ranked third in the world as patent holder in relation to CAR technology, with over 270 patent filings in relation to enhancing CAR activity, shielding CAR-T cells from immunosuppression, and improving CAR safety. He will oversee the early-stage R&D, and will provide scientific leadership and strategic guidance to develop a robust cell immunotherapy pipeline for the Company.

We believe we have established a reputation in China as a preferred partner in cell therapy due to our proprietary platform and clinical track record, and we plan to leverage our platform and network to focus on potential opportunities in the cell therapy space that we deem to possess high growth or breakthrough technology potential. These potential opportunities include but are not limited to growth opportunities in alternative allogeneic approaches and new cellular targets which we believe represent novel and groundbreaking approaches to the treatment of cancer.

Moreover, we significantly enhanced our discovery platform through acquisition in June 2020 of certain rights to use Eureka's ARTEMIS® and E-ALPHA® platforms, and we intend to leverage our enhanced discovery platform to potentially identify and develop the next groundbreaking solution in cell therapy.

Finally, we plan to continue to leverage our network of strategic partners, leaders in the cell therapy field and the contract research organization field, respectively, as we continue to advance into new, undiscovered cellular targets and treatment.

FINANCIAL REVIEW

Year Ended December 31, 2021 Compared to Year Ended December 31, 2020

IFRS Measure:

	Year ended December 31,	
	2021	2020
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Revenue	**30,797**	—
Cost of sales	**(21,752)**	—
Gross profit	**9,045**	—
General and administrative expenses	**(201,518)**	(231,294)
Research and development expenses	**(414,397)**	(225,215)
Selling expense	**(170,732)**	(13,268)
Other income	**6,444**	1,322
Other gains/(losses), net	**12,075**	27,617
Operating loss	**(759,083)**	(440,838)
Finance income	**8,296**	3,441
Finance costs	**(2,692)**	(770)
Finance income/(costs) — net	**5,604**	2,671
Fair value changes of preferred shares	**—**	(1,190,797)
Fair value changes of warrants	**51,151**	(34,839)
Loss before income tax	**(702,328)**	(1,663,803)
Income tax expense	**—**	—
Loss for the year	**(702,328)**	(1,663,803)
Non-IFRS measure:		
Adjusted loss for the year	**(664,109)**	(303,917)

1. Overview

Our loss for the year decreased from RMB1,663.8 million for the year ended December 31, 2020 to RMB702.3 million for the year ended December 31, 2021. This decrease was primarily due to revenue and gross profit generated from our new product launched in 2021, de-recognition of fair value changes of preferred shares along with the Listing Date, and de-recognition of warrants of upfront payment defined in the BCMA License Agreement with Juno due to the decision made by BMS to discontinue clinical development of orva-cel. The effects of these factors were partially offset by an increase in research and development expenses and selling expenses.

Our adjusted loss increased from RMB303.9 million for the year ended December 31, 2020 to RMB664.1 million for the year ended December 31, 2021, primarily as a result of (i) increased selling expenses associated with headcount increase and commercial activities carried out; (ii) increased cash expenses for staff allocated to research and development; and (iii) increased fees and expenses for materials purchasing and testing and clinical trials. The effects of these factors were partially offset by an increase in our gross profit.

2. Revenue

We successfully commercialized our anti-CD19 autologous CAR-T cell immunotherapy product Carteyva® (relma-cel, R&D code: JWCAR029) for the treatment of adult patients with r/r LBCL after two or more lines of systemic therapy after obtaining the marketing approval for the product from the NMPA on September 3, 2021.

With our product launch in the last four months of 2021, our revenue for the year ended December 31, 2021 was RMB30.8 million, as compared to nil for the year ended December 31, 2020. Revenue was recognized at the point of infusion. We expect that our revenue will continue to increase from the sales of Carteyva® along with our commercialization progress as more patients are treated with Carteyva®.

The following table sets forth a breakdown of revenue from our products for the year indicated.

	Year ended December 31,			
	2021		2020	
	RMB'000	***%***	*RMB'000*	*%*
	(Audited)		(Audited)	
Carteyva®	**30,797**	**100.0**	—	—
Total revenue	**30,797**	**100.0**	—	—

3. Cost of Sales

Our cost of sales was RMB21.8 million for the year ended December 31, 2021, as compared to nil for the year ended December 31, 2020. Our cost of sales primarily consists of raw material costs, staff costs, depreciation and amortization, manufacturing overhead and others.

The following table sets forth a breakdown of our cost of sales for the year indicated:

	Year ended December 31,			
	2021		2020	
	RMB'000	***%***	*RMB'000*	*%*
	(Audited)		(Audited)	
Carteyva®	**21,752**	**100.0**	—	—
Total cost of sales	**21,752**	**100.0**	—	—

4. Gross Profit and Gross Profit Margin

Our gross profit represents our revenue minus our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue.

Our gross profit was RMB9.0 million and gross profit margin was 29.4% for the year ended December 31, 2021, compared to nil for the year ended December 31, 2020. With the implementation of cost reduction plan and more patients treated with Carteyva®, we expect that our gross profit margin will grow continuously from the second half of 2022.

5. Research and Development Expenses

The following table provides a breakdown of our research and development expenses for the year ended December 31, 2020 and 2021.

	Year ended December 31,	
	2021	2020
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Employee benefit expenses	**192,404**	102,051
— Share-based compensation expenses	***25,100***	*22,790*
R&D materials	**97,488**	41,763
Testing and clinical fees	**64,230**	47,108
Depreciation and amortization	**31,931**	20,841
Office expenses	**17,586**	5,988
Others	**10,758**	7,464
Research and development expenses	**414,397**	225,215

Our research and development expenses increased from RMB225.2 million for the year ended December 31, 2020 to RMB414.4 million for the year ended December 31, 2021. This increase was primarily due to an increase of RMB90.4 million in staff costs allocated to research and development, which resulted principally from an increase in headcount allocated to research and development. The increase in research and development expenses was also due in part to an increase of approximately RMB55.7 million in research and development materials and approximately RMB17.1 million in testing and clinical fees which resulted principally from pre-clinical research and development activities relating to JWATM204/214 and JWATM203/213 for the treatment of HCC and pediatric and young adult patients with r/r ALL, as well as clinical research activities including on-going clinical trial on third-line LBCL and clinical cost incurred on indications for relma-cel such as FL, MCL and second-line LBCL.

6. General and Administrative Expenses

The following table provides a breakdown of our general and administrative expenses for the year ended December 31, 2020 and 2021.

	Year ended December 31,	
	2021	2020
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Employee benefit expenses	**114,145**	148,671
— Share-based compensation expenses	***55,909***	*108,497*
Professional service fees	**50,587**	25,689
Depreciation and amortization	**8,126**	2,749
Office expenses	**15,815**	8,777
Auditor's remuneration	**2,490**	2,356
Non-audit remuneration	**1,161**	758
Listing expenses	**—**	35,564
Others	**9,194**	6,730
General and Administrative Expenses	**201,518**	231,294

Our general and administrative expenses decreased from RMB231.3 million for the year ended December 31, 2020 to RMB201.5 million for the year ended December 31, 2021. This decrease resulted primarily from a decrease of RMB34.5 million in staff costs allocated to general and administrative, which resulted from a decrease in share-based compensation expenses. The decrease in general and administrative expenses was also due to the fact that no listing expenses were incurred in 2021. The effects of the foregoing factors were partially offset by an increase in other general and administrative expenses.

7. Selling Expenses

The following table provides a breakdown of our selling expenses for the year ended December 31, 2020 and 2021.

	Year ended December 31,	
	2021	2020
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Employee benefit expenses	**78,376**	8,330
— Share-based compensation expenses	***8,361***	*2,963*
Business promotion fees	**50,823**	3,404
Professional service fees	**31,049**	1,037
Office expenses	**8,995**	21
Others	**1,489**	476
Selling expenses	**170,732**	13,268

Our selling expenses increased from RMB13.3 million for the year ended December 31, 2020 to RMB170.7 million for the year ended December 31, 2021. This increase was primarily due to an increase of RMB70.0 million in staff costs allocated to sales and marketing and an increase of RMB47.4 million in commercial business promotion fees, as we established our sales and marketing capabilities from the second half of 2020, and carried out commercial activities comprehensively in 2021 to fully support Carteyva® commercialization.

8. Other Income

Our other income amounted to RMB6.4 million for the year ended December 31, 2021, as compared to RMB1.3 million for the year ended December 31, 2020. Our other income in both years was related to government grants.

9. Other Gains and Losses

Our other gains and losses amounted to net other gains of RMB12.1 million for the year ended December 31, 2021, as compared to net other gains of RMB27.6 million for the year ended December 31, 2020. This change resulted primarily from (i) a foreign exchange gain of RMB14.8 million for the year ended December 31, 2021, as compared to a foreign exchange gain of RMB28.9 million for the year ended December 31, 2020 due to an unrealized gain from the changes in foreign currency exchange rates where the transactional currency was different from the functional currency of the operating subsidiary, and the exchange rate fluctuated much more stably during 2021

compared to 2020; (ii) bargain purchase gain, which amounted to nil for the year ended December 31, 2021, as compared to RMB6.0 million for the year ended December 31, 2020 as we completed our business combination with Syracuse Biopharma (Hong Kong) Limited ("**Syracuse Hong Kong**") and its subsidiaries ("**Syracuse Group**") on June 30, 2020 (the "**Acquisition Date**") and recognized one-time gains; and (iii) a fair value loss of contingent consideration for business combination which amounted to RMB2.1 million for the year ended December 31, 2021, compared to a fair value loss of RMB7.9 million for the year ended December 31, 2020, as we recognized at fair value by discounted cash flow model and classified as a financial liability measured at fair value through profit or loss for the contingent consideration and settled by the Syracuse Holdback Shares issued on October 8, 2021 pursuant to the Asset Purchase Agreement with Eureka and Eureka Therapeutics (Cayman), Inc. (collectively, "**Eureka Group**"), and Syracuse Biopharma (Cayman) Ltd. ("**Syracuse Cayman**").

10. Fair Value Changes of Preferred Shares

The fair value changes of preferred shares was a non-cash and non-recurring accounting adjustment recognized as of the Listing Date. For the year ended December 31, 2021, we did not record any losses or gains on fair value changes of preferred shares, compared to RMB1,190.8 million of the fair value losses for the year ended December 31, 2020, as all preferred shares were converted to ordinary shares upon the Listing Date.

11. Fair Value Changes of Warrants

Fair value changes of warrants changed from a loss of RMB34.8 million for the year ended December 31, 2020 to a gain of RMB51.2 million for the year ended December 31, 2021. The change was primarily due to our de-recognition of the warrants of upfront payment defined in the BCMA License Agreement with Juno due to the decision made by BMS to discontinue clinical development of orva-cel.

12. Income Tax Expense

For the year ended December 31, 2020 and 2021, we did not incur any income tax expense, as we did not generate taxable income in either year.

13. Loss for the Year

As a result of the foregoing factors, our loss for the year decreased from RMB1,663.8 million for the year ended December 31, 2020 to RMB702.3 million for the year ended December 31, 2021.

14. Non-IFRS Measure

To supplement the Group's consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted loss for the year as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe that these adjusted measures provide useful information to Shareholders and potential investors in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

Adjusted loss for the year represents the loss for the year excluding the effect of certain non-cash items and one-time events, namely the loss on fair value changes of preferred shares, fair value changes of warrants and share-based compensation expenses. The term adjusted loss for the year is not defined under 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, our results of operations or financial condition as reported under IFRS. Our presentation of this adjusted figure may not be comparable to similarly titled measures presented by other companies. However, we believe that this non-IFRS measure reflects our core operating results by eliminating potential impacts of items that our management do not consider to be indicative of our core operating performance, and thus, facilitate comparisons of core operating performance from period to period and company to company to the extent applicable. The table below sets forth a reconciliation of loss to adjusted loss for the years indicated:

	Year ended December 31,	
	2021	2020
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Loss for the year	**(702,328)**	(1,663,803)
Added:		
Fair value changes of warrants	**(51,151)**	34,839
Fair value changes of preferred shares	**—**	1,190,797
Share-based compensation expenses	**89,370**	134,250
Adjusted loss for the year (Non-IFRS)	**(664,109)**	(303,917)

Selected Data from Statement of Financial Position

	As at December 31,	
	2021	2020
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Total current assets	**1,895,040**	2,647,359
Total non-current assets	**1,221,566**	1,132,133
Total assets	**3,116,606**	3,779,492
Total current liabilities	**198,900**	237,045
Total non-current liabilities	**126,849**	112,712
Total liabilities	**325,749**	349,757
Net current assets	**1,696,140**	2,410,314

15. Liquidity and Sources of Funding and Borrowing

As at December 31, 2021, our current assets amounted to RMB1,895.0 million, including bank balances and cash of RMB1,834.4 million and other current assets of RMB60.6 million. As at the same date, our current liabilities amounted to RMB198.9 million, primarily including trade and other payables of RMB178.7 million and lease liabilities of RMB15.2 million. As at December 31, 2020 and December 31, 2021 we have an unsecured bank borrowings in the amount of RMB100.0 million for the construction of our commercial manufacturing facility in Suzhou, PRC.

16. Key Financial Ratios

The following table sets forth the key financial ratios of our Group as of the dates indicated:

	As at December 31, 2021	As at December 31, 2020
Current ratio[(1)]	**9.5**	11.2
Ratio of total liabilities to total assets[(2)]	**0.1**	0.1
Gearing ratio[(3)]	**N/A[(4)]**	N/A[(4)]

(1) Current ratio equals current assets divided by current liabilities as of the date indicated.

(2) Ratio of total liabilities to total assets equals total liabilities divided by total assets as of the date indicated.

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

(4) Gearing ratio is not applicable as our interest-bearing borrowings less cash equivalents was negative.

17. Material Investments

We did not make any material investments during the year ended December 31, 2021.

18. Material Acquisitions and Disposals

We did not engage in any material acquisitions or disposals during the year ended December 31, 2021.

19. Pledge of Assets

As at December 31, 2021, the Group had no pledge of assets.

20. Contingent Liabilities

As at December 31, 2021, we did not have any material contingent liabilities.

21. Foreign Exchange Exposure

The Group mainly operated in Mainland China and a majority of its transactions were settled in Renminbi, the functional currency of the Company's primary subsidiaries. As at December 31, 2021, a significant amount of the Group's bank balances and cash was denominated in U.S. dollars. Except for certain bank balances and cash, other receivables, trade and other payables denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations as at December 31, 2021. The Group currently does not have any foreign currency hedging transactions. However, the management monitors the foreign exchange exposure and will consider hedging significant foreign exchange of the Group exposure should the need arise.

22. Employees and Remuneration

As at December 31, 2021, we had 534 employees. The following table sets forth the total number of employees by function as of December 31, 2021:

	Number of Employees	**% of total**
Technical operations	222	41.6
Quality	92	17.2
Medical	71	13.3
Business development and general administrative	9	1.7
Commercial	98	18.3
Support	42	7.9
Total	**534**	**100.0**

The total remuneration cost (including Directors' emoluments) incurred by the Group for the year ended December 31, 2021 was RMB392.0 million, as compared to RMB259.1 million for the year ended December 31, 2020.

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

The Company has also adopted the Pre-IPO Incentivization Scheme, the Restricted Share Unit Schemes and the Post-IPO Incentivization Scheme. Please refer to the section headed "Statutory and General Information — D. Share Incentivization Schemes" in Appendix V to the prospectus dated October 22, 2020 (the "**Prospectus**") for further details.

EVENTS AFTER THE REPORTING PERIOD

The Group has the following events taken place subsequent to December 31, 2021:

- On January 31, 2022, JW THERAPEUTICS LLC, an indirect wholly-owned subsidiary of the Company, was incorporated in Delaware of the United States.

- On March 6, 2022, the Company, JW Therapeutics (Shanghai) Co., Ltd. (上海藥明巨諾生物科技有限公司) ("**JW Shanghai**") (an indirect wholly-owned subsidiary of the Company) and Dr. Yiping James Li ("**Dr. Li**"), an executive Director, the Chairman of the Board ("**Chairman**") and the Chief Executive Officer ("**CEO**") of the Company, entered into a tri-party agreement, pursuant to which JW Shanghai agrees to withhold the individual income tax in China for Dr. Li in respect of the restricted share units and share options granted to Dr. Li by the Company, which will be funded by a loan in an aggregate principal amount of up to HK$43.0 million at an interest rate of 3.6% per annum for a term of one year provided by the Company to Dr. Li. The loan is secured by certain shares legally and beneficially owned by Dr. Li himself or through companies wholly-owned by him. For more details, please refer to the announcement of the Company dated March 6, 2022.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	Year ended December 31, 2021 RMB'000	2020 RMB'000
Revenue	3	**30,797**	—
Cost of sales	6	**(21,752)**	—
Gross Profit		**9,045**	—
Other income	4	**6,444**	1,322
Other gains — net	5	**12,075**	27,617
Selling expenses	6	**(170,732)**	(13,268)
General and administrative expenses	6	**(201,518)**	(231,294)
Research and development expenses	6	**(414,397)**	(225,215)
Operating loss		**(759,083)**	(440,838)
Finance income		**8,296**	3,441
Finance costs		**(2,692)**	(770)
Finance income — net		**5,604**	2,671
Fair values loss of preferred shares		**—**	(1,190,797)
Fair values gain/(loss) of warrants		**51,151**	(34,839)
Loss before income tax		**(702,328)**	(1,663,803)
Income tax expense	7	**—**	—
Loss for the year and attribute to the equity holders of the Company		**(702,328)**	(1,663,803)
Loss per share for the loss attributable to owners of the Company			
— Basic and diluted (in RMB)	8	**(1.76)**	(12.61)

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Year ended December 31,	
	2021	2020
	RMB'000	*RMB'000*
Loss for the year	**(702,328)**	(1,663,803)
Other comprehensive loss:		
Items that will not be reclassified to profit or loss		
— Exchange differences on translation	**(83,539)**	(80,829)
Other comprehensive loss for the year, net of tax	**(83,539)**	(80,829)
Total comprehensive loss for the year and attribute to the equity holders of the Company	**(785,867)**	(1,744,632)

CONSOLIDATED BALANCE SHEETS

AS AT DECEMBER 31, 2021

	Note	As at December 31, 2021 RMB'000	2020 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**319,894**	285,224
Right-of-use assets		**45,784**	22,636
Intangible assets	*10*	**816,289**	774,974
Prepayment for license		**6,376**	6,525
Other non-current assets		**33,223**	42,774
Total Non-current Assets		**1,221,566**	1,132,133
Current assets			
Inventories	*11*	**31,402**	955
Other current assets		**17,405**	9,750
Other receivables and prepayments		**11,834**	2,794
Restricted bank deposits		**—**	3,262
Cash and cash equivalents		**1,834,399**	2,630,598
Total current assets		**1,895,040**	2,647,359
Total assets		**3,116,606**	3,779,492

CONSOLIDATED BALANCE SHEETS (CONT'D)

AS AT DECEMBER 31, 2021

	Note	As at December 31, 2021 RMB'000	2020 RMB'000
EQUITY			
Equity attributable to owners of the Company			
Share capital		**27**	26
Reserves		**6,142,033**	6,078,584
Accumulated losses		**(3,351,203)**	(2,648,875)
Total equity		**2,790,857**	3,429,735
LIABILITIES			
Non-current liabilities			
Borrowings		**95,000**	100,000
Lease liabilities		**31,849**	12,712
Total non-current liabilities		**126,849**	112,712
Current liabilities			
Borrowings		**5,000**	—
Lease liabilities		**15,186**	10,881
Trade and other payables	*12*	**178,714**	119,053
Contingent consideration for business combination	*13*	**—**	55,369
Warrants		**—**	51,742
Total current liabilities		**198,900**	237,045
Total liabilities		**325,749**	349,757
Total equity and liabilities		**3,116,606**	3,779,492

NOTES:

1 General information

JW (Cayman) Therapeutics Co. Ltd (the "**Company**") was incorporated in the Cayman Islands, with its registered office situate at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1–1104, Cayman Islands, on 6 September 2017 as an exempted company with limited liability.

The Company and its subsidiaries, hereinafter collectively referred to as the "**Group**" are primarily engaged in research and development ("**R&D**"), manufacturing, and marketing of anti-tumor drugs in the People's Republic of China (the "**PRC**").

The Company's shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on November 3, 2020 (the "**Listing**").

The consolidated financial statements are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated.

2 Summary of significant accounting policies

2.1 Basis of preparation

The annual results set out in this announcement do not constitute the consolidated financial statements of the Group for the year ended December 31, 2021 but are extracted from these financial statements, which are prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by International Accounting Standards Board and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

The consolidated financial statements has been prepared under the historical cost convention, as modified by the revaluation of financial liabilities at fair value through profit or loss, which are carried at fair value.

2.2 New standard, amendments and interpretation adopted by the Group

A number of new standard, amendments and interpretation became applicable for the current reporting period and the Group changed its accounting policies and make adjustments as a result of adopting these new standard, amendments and interpretation set out below:

- Interest Rate Benchmark Reform Phase 2 — amendments to IAS 39, IFRS 4,IFRS 7, IFRS 9 and IFRS 16.

- Covid-19-Related Rent Concessions beyond 30 June 2021 — amendments to IFRS 16.

The adoption of the above new standard, amendments, improvement and interpretation to existing standards do not have a material impact on the Group.

2.3 New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for December 31, 2021 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 Revenue

	Year ended December 31,	
	2021	2020
	RMB'000	*RMB'000*
Revenue from sales of goods		
— at a point of time	**30,797**	—

4 Other income

	Year ended December 31,	
	2021	2020
	RMB'000	*RMB'000*
Government grants — cost related *(Note)*	**6,444**	1,322

Note: The government grants and subsidies related to funding received to compensate for the Group's research and development expenses. Some of the grants received are related to future costs expected to be incurred and require the Group to comply with conditions attached to the grants and the government to acknowledge the compliance of these conditions. When the required conditions set by the government for such grants are met, the proportion of the qualified funds is recognized as "other income" and the remaining balance is recorded as "Trade and other payables-deferred income".

5 Other gains-net

	Year ended December 31,	
	2021	2020
	RMB'000	*RMB'000*
Net foreign exchange gain	**14,842**	28,903
Bargain purchase gain	**—**	6,016
Fair value loss of contingent consideration for business combination *(Note 13)*	**(2,089)**	(7,897)
Others	**(678)**	595
Total	**12,075**	27,617

6 Expenses by nature

	Year ended December 31,	
	2021	2020
	RMB'000	*RMB'000*
Employee benefit expenses (including Directors' emoluments)	**386,915**	259,052
Materials and consumables	**109,051**	41,763
Professional service expenses	**81,791**	26,726
Testing and clinical expenses	**64,285**	47,108
Business promotion fee	**52,523**	5,655
Office expenses	**33,852**	9,408
Depreciation of property, plant and equipment	**27,084**	13,819
Depreciation-right of use assets	**13,314**	9,349
Short term lease and low value lease expenses	**9,168**	5,378
Auditors' remuneration-audit service	**3,651**	3,114
— Audit service	**2,490**	2,356
— Non-audit service	**1,161**	758
Amortization of license	**3,563**	—
Royalty Fee	**1,857**	—
Amortization of other intangible assets	**1,687**	422
Listing expenses	**—**	35,564
Other expenses	**19,658**	12,419
Total cost of sales, selling, general and administrative expenses and research and development expenses	**808,399**	469,777

7 Income tax expense

	Year ended December 31,	
	2021	2020
	RMB'000	*RMB'000*
Current income tax	**—**	—
Deferred income tax	**—**	—
Total	**—**	—

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 operated.

(a) Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. There is no income tax in the Cayman Islands and accordingly, the operating results reported by the Company, is not subject to any income tax in the Cayman Islands.

(b) Hong Kong income tax

No provision for Hong Kong profits tax has been provided for at the rate of 16.5% as the Company has no estimated assessable profit.

(c) The PRC corporate income tax

No provision for Mainland China income tax has been provided for at a rate of 25% pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, as the Group's PRC entities have no estimated assessable profits.

8 Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss of the Group attribute to owners of the Company by weighted average number of ordinary shares issued during the year.

	Year ended December 31,	
	2021	2020
	RMB'000	*RMB'000*
Loss attributable to the ordinary equity holders of the Company *(RMB'000)*	**(702,328)**	(1,663,803)
Weighted average number of ordinary shares in issue *(in thousand) (Note)*	**399,749**	131,901
Basic loss per share *(RMB)*	**(1.76)**	(12.61)

Note: On August 21, 2020, the Company underwent a subdivision of shares whereby each issued and unissued share of par value US$0.0001 each in our Company's authorized share capital shall be subdivided into 10 shares of US$0.00001 par value each.

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the year ended December 31, 2021, the Company had one category of potential ordinary shares: the stock options granted to employees (2020: two categories of potential ordinary shares: preferred shares and the stock options granted to employees). As the Group incurred losses for the years ended December 31, 2021 and 2020, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the years ended December 31, 2021 and 2020 are the same as basic loss per share.

9 Dividend

No dividend was paid nor declared by the Company for the year ended December 31, 2021 (2020: nil).

10 Intangible assets

	Computer software *RMB'000*	Licenses *RMB'000* *(Note)*	Construction in progress *RMB'000*	Total *RMB'000*
As at January 1, 2020				
Cost	2,021	144,477	10,737	157,235
Accumulated amortization	(288)	—	—	(288)
Net book amount	1,733	144,477	10,737	156,947
Year ended December 31, 2020				
Opening net book amount	1,733	144,477	10,737	156,947
Additions	72	—	5,900	5,972
Transfer	3,132	—	(3,132)	—
Acquisition of subsidiaries *(Note 13)*	1	674,676	—	674,677
Amortization charges *(Note 6)*	(422)	—	—	(422)
Currency translation differences	—	(62,200)	—	(62,200)
Closing net book amount	4,516	756,953	13,505	774,974
As at December 31, 2020				
Cost	5,226	756,953	13,505	775,684
Accumulated amortization	(710)	—	—	(710)
Net book amount	4,516	756,953	13,505	774,974
Year ended December 31, 2021				
Opening net book amount	4,516	756,953	13,505	774,974
Additions	—	31,879	32,164	64,043
Transfer	44,092	—	(44,092)	—
Amortization charges *(Note 6)*	(1,898)	(3,563)	—	(5,461)
Currency translation differences	—	(17,267)	—	(17,267)
Closing net book amount	46,710	768,002	1,577	816,289
As at December 31, 2021				
Cost	49,318	771,565	1,577	822,460
Accumulated amortization	(2,608)	(3,563)	—	(6,171)
Net book amount	46,710	768,002	1,577	816,289

Note:

Licenses Recognition

(i) License and Strategic Alliance Agreement

In December 2017, the Group entered into License and Strategic Alliance Agreement ("**License and Strategic Alliance Agreement**") with Juno Therapeutics, Inc. ("**Juno**") to develop and commercialize relma-cel in Mainland China, Hong Kong and Macau. The Group recognized a total amount of USD11,570,000 (equivalent to RMB75,601,000) as intangible assets based on the fair value in year 2017.

In January 2021, the Group completed the treatment of 100 patients with relma-cel in clinical trials. As such, the Group provided Juno milestone payment in cash in an amount of USD5,000,000 (equivalent to RMB32,462,000) in connection with the License and Strategic Alliance Agreement and further recognized it as intangible assets.

(ii) BCMA license

In April 2019, the Group entered into License Agreement — BCMA ("**BCMA License Agreement**") with Juno to develop and commercialize JWCAR129 in Mainland China, Hong Kong and Macau. The Group recognized a total amount of USD9,140,000 (equivalent to RMB61,318,000) as intangible assets based on the fair value in year 2019.

(iii) Eureka licenses

Licenses acquired in a business combination (Note 13) are recognized at fair value at the acquisition date ("**Eureka Licenses**"), which includes certain licenses under development and commercialization in Mainland China, Hong Kong, Macau, Taiwan and the member countries of Association of South East Asia Nation. The Group recognized a total amount of USD95,300,000 (equivalent to RMB674,676,000) as intangible assets based on the fair value.

The Company has engaged an independent valuer to determine the fair value of the licenses. The discounted cash flow model was used to determine the value. Key assumptions are listed below:

	June 2020
Gross margin	79.1%~81.4%
Revenue growth rate	3.1%~229.4%
Discount rate	24%

11 Inventories

	Year ended December 31,	
	2021	2020
	RMB'000	*RMB'000*
Raw materials	**22,643**	955
Work in progress	**8,759**	—
Total	**31,402**	955

12 Trade and other payables

	As at December 31,	
	2021	2020
	RMB'000	*RMB'000*
Trade payables	**2,565**	902
Payables for purchase of services and R&D materials	**69,514**	23,475
Payables for purchase of property, plant and equipment	**16,934**	16,557
Accrued expenses	**42,313**	28,892
Staff salaries and welfare payables	**40,479**	24,904
Payroll tax	**5,468**	1,881
Deferred income	**1,441**	6,791
Listing expenses	**—**	15,651
Total	**178,714**	119,053

The aging of trade payables based on the demand note as at December 31, 2021 are as follows:

	As at December 31,	
	2021	2020
	RMB'000	*RMB'000*
Less than 1 year	**2,565**	902

The carrying amounts of trade and other payables (excluding accrued expenses) of the Group are denominated in the following currencies:

	As at December 31,	
	2021	2020
	RMB'000	*RMB'000*
RMB	**119,306**	67,602
USD	**17,095**	22,559
	136,401	90,161

13 Business Combination

On 30 June 2020, the Group acquired 100% equity interest of Syracuse Biopharma (Hong Kong) Limited ("**Syracuse HK**") and its subsidiaries ("**Syracuse Group**") from Syracuse Biopharma (Cayman) Ltd., ("**Syracuse Cayman**"), which is engaged in R&D, manufacturing, and marketing of anti-tumor drugs. As part of the acquisition, the Group also entered into a License Agreement ("**Eureka License Agreement**") with Eureka Therapeutics Inc., Eureka Therapeutics (Cayman), Inc. and Syracuse Cayman. The total consideration for the acquisition including Eureka License Agreement is USD96,053,000 (equivalent to RMB680,007,000), which consists of 4,631,374 shares issued by the Company and contingent consideration to be settled by ordinary shares within 12 months after acquisition date. The fair value of the ordinary shares issued as the consideration was based on the share price on 30 June 2020 of USD19.16 per share valued by an independent valuer. Issue costs directly attributable to the issue of the shares was not material. The acquisition is a business combination not under common control.

The Group controlled the board and business of Syracuse Group through the appointment of director to the board of Syracuse Hong Kong effective from 30 June 2020. Accordingly, the acquisition date was determined on 30 June 2020.

The following table summarize the consideration paid for the acquisitions, the fair value of assets acquired and liabilities assumed at the acquisition date.

	As at June 30, 2020 *RMB'000*
Fair value of ordinary shares issued	628,214
— Share capital	3
— Reserves	628,211
Fair value of contingent consideration	51,793
Total consideration	680,007

Recognized amounts of identifiable assets acquired and liabilities assumed

	As at June 30, 2020 *RMB'000*
Cash and cash equivalents	45,308
Licenses	674,676
Other assets	9,273
Accruals and other payables	(43,234)
Total identifiable net assets	686,023
Bargain purchase gain	(6,016)
	680,007

The total cash flows from business combination were the net cash inflows derived from the cash and cash equivalents acquired from Syracuse Group, as the consideration for the acquisition are ordinary shares granted to the equity holders of Syracuse Group.

The acquired business contributed no revenue and net loss of RMB12,493,899 of the Group since the date of acquisition for the year ended December 31, 2020.

If the acquisitions had occurred on January 1, 2020, the comprehensive loss for the year ended December 31, 2020 would have been increased by RMB48,020,000.

Contingent consideration of business Combination

The contingent consideration is recognized at fair value by discounted cash flow model and classified as a financial liability measured at fair value through profit or loss on date of acquisition and at year end.The fair value of contingent consideration for business combination is determined by discounted cash flow model.

Key valuation assumptions used for discounted cash flow as at June 30, 2020:

	As at June 30, 2020
Discount rate	17%

In January and October 2021, the group issued 23,050 and 4,840,654 ordinary shares to settle the contingent consideration of business combination.

Movements of contingent consideration of business combination for the year ended December 31, 2021 is set out below:

	RMB'000
At January 1, 2021	**55,369**
Settle by shares	(56,824)
Change in fair value	2,089
Currency translation difference	(634)
At December 31, 2021	**—**

14 Subsequent events

On January 31, 2022, JW THERAPEUTICS LLC, an indirect wholly-owned subsidiary of the Company, was incorporated in Delaware of the United States.

On March 6, 2022, the Company, JW Shanghai and Dr. Li, the Chairman of the Company entered into a tri-party agreement (the "**Agreement**"). Pursuant to the Agreement, JW Shanghai provides Dr. Li one year loan facility of up to HK$43.0 million for the purpose to withhold the individual income tax in relation to the restricted share units and share options granted to Dr. Li by the Company. This loan is secured by certain shares legally and beneficially owned by Dr. Li himself or through companies wholly-owned by him and bearing an interest rate of 3.6% per annum.

USE OF NET PROCEEDS FROM LISTING

Our shares were listed on the Main Board of the Hong Kong Stock Exchange on November 3, 2020 (the "**Listing**"). The Group received net proceeds (after deducting the underwriting fees and related costs and expenses) from the issue of new shares by the Company in its Listing and the subsequent over-allotment option partially exercised by the Joint Global Coordinators approximately HK$2,495.8 million. There was no change in the intended use of net proceeds as previously disclosed in the Prospectus as follows and the Company will gradually utilize the residual amount of the net proceeds in accordance with such intended purposes depending on actual business needs.

The net proceeds (adjusted on a pro rata basis based on the actual net proceeds) have been and will be utilized in accordance with the purposes set out in the Prospectus. The table below sets out the planned applications of the net proceeds and actual usage up to December 31, 2021:

Intended Applications	**Amount of net proceeds** *(HK$ million)*	**Percentage of total net proceed**	**Net proceeds brought forward for the Reporting Period** *(HK$ million)*	**Actual usage up to December 31, 2021** *(HK$ million)*	**Unutilized net proceeds as at December 31, 2021** *(HK$ million)*
Research and development activities relating to relma-cel	748.74	30%	739.44	400.80	338.64
Building a focused in-house sales and marketing team to market relma-cel across Mainland China	249.58	10%	242.88	184.87	58.01
Research and development activities relating to JWCAR129	149.75	6%	143.85	60.72	83.13
Research and development activities relating to our other pre-clinical product candidates including our JWATM203 Program, our JWATM204 Program and Nex-G	698.82	28%	696.23	79.21	617.02
Acquisition of the Acepodia license through exercising the Acepodia Option	99.83	4%	99.83	—	99.83
New potential acquisitions and in-licensing opportunities	299.50	12%	299.50	—	299.50
Working capital and general corporate purposes	249.58	10%	234.53	110.70	123.83
Total	**2,495.80**	**100.0%**	**2,456.26**	**836.30**	**1,619.96**

The net proceeds are expected to be fully utilized by December 31, 2023. The expected timeline for utilizing the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended December 31, 2021.

OTHER INFORMATION

ANNUAL GENERAL MEETING AND CLOSURE OF THE REGISTER OF MEMBERS

The annual general meeting ("**AGM**") will be held on June 7, 2022. A notice convening the AGM is expected to be published and dispatched to the Shareholders in due course in accordance with the requirements of the Listing Rules.

The register of members of the Company will be closed from June 1, 2022 to June 7, 2022, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on May 31, 2022.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules as its own code of corporate governance throughout the year ended December 31, 2021.

Except as expressly described below, the Company has complied with all applicable code provisions of the CG Code during the year ended December 31, 2021.

Separation of the Roles of the Chairman and CEO

Dr. Li is currently the Chairman and CEO. We consider that having Dr. Li acting as both the Chairman and CEO will provide a strong and consistent leadership to us and allow for more effective planning and management of our Group. Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman of the Board and CEO should be separate and should not be performed by the same individual. However, in view of Dr. Li's extensive experience in the industry, personal profile and critical role in our Group and our historical development, we consider that it is beneficial to the business prospects of our Group that Dr. Li continues to act as both the Chairman and CEO upon Listing.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding securities transactions, namely the Code for Securities Transactions by Directors (the "**Securities Transactions Code**"), which applies to all directors of the Company on terms no less than the required standard indicated by the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix 10 to the Listing Rules (the "**Model Code**").

Having made specific enquiries of all Directors, each of the Directors has confirmed that he or she has complied with the required standards as set out in the Securities Transactions Code and the Model Code for the year ended December 31, 2021.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Board has established the Audit Committee which is chaired by an independent non-executive Director, Mr. Yiu Leung Andy Cheung, and consists of another independent non-executive Director, Mr. Kin Cheong Kelvin Ho, and one non-executive Director, Ms. Xing Gao. The primary duties of the Audit Committee are to assist the Board by monitoring the Company's ongoing compliance with the applicable laws and regulations that governs its business operations, providing an independent view on the effectiveness of the Company's internal control policies, financial management processes and risk management systems.

The Audit Committee had, together with the management and external auditor of the Company, reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended December 31, 2021.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of comprehensive loss and the related notes thereto for the year ended December 31, 2021 as set out above in this preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

PUBLICATION OF THE ANNUAL RESULTS AND 2021 ANNUAL REPORT ON THE WEBSITES OF THE HONG KONG STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.jwtherapeutics.com), and the 2021 annual report containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Hong Kong Stock Exchange and the Company in due course.

By order of the Board
JW (Cayman) Therapeutics Co. Ltd
藥明巨諾(開曼)有限公司*
Yiping James Li
Chairman and Executive Director

Shanghai, PRC, March 23, 2022

As at the date of this announcement, the Board comprises Dr. Yiping James Li as Chairman and executive Director, Dr. Krishnan Viswanadhan, Ms. Xing Gao, Dr. Ann Li Lee, Mr. Jinyin Wang, Dr. Cheng Liu as non-executive Directors, and Mr. Chi Shing Li, Mr. Yiu Leung Andy Cheung, Mr. Kin Cheong Kelvin Ho as independent non-executive Directors.

* *For identification purpose only*