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

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

**(Stock Code: 2197)**

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2021

The board (the "**Board**") of directors (the "**Directors**") of Clover Biopharmaceuticals, Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2021 (the "**Reporting Period**"), together with the comparative figures for the year ended December 31, 2020. The consolidated financial statements of the Group for the Reporting Period have been reviewed by the audit committee of the Company (the "**Audit Committee**") and audited by the Company's auditor, Ernst & Young.

In this announcement, "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

## FINANCIAL HIGHLIGHTS

| | Year Ended December 31, | |
|---|---|---|
| | **2021** | 2020 |
| | ***RMB'000*** | *RMB'000* |
| Cash and cash equivalents | **2,767,371** | 516,184 |
| Other income and gains | **38,262** | 24,341 |
| Research and development expenses | **(1,826,301)** | (228,219) |
| Administrative expenses | **(345,710)** | (76,429) |
| Loss for the year | **(6,016,303)** | (912,898) |
| Adjusted loss for the year* | **(2,083,451)** | (315,239) |

* Adjusted loss for the year is not defined under the International Financial Reporting Standards (the "**IFRSs**"). It represents the loss for the year excluding the effect brought by share-based payment expenses and fair value changes of convertible redeemable preferred shares.

**IFRS Measures:**

Our cash and cash equivalents increased by RMB2,251.2 million from RMB516.2 million as of December 31, 2020 to RMB2,767.4 million as of December 31, 2021, primarily attributable to the proceeds generated from our series C financing in March 2021 and the initial public offering (the "**IPO**") and listing on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") of the Company in November 2021.

Other income and gains of the Group increased by RMB14.0 million from RMB24.3 million for the year ended December 31, 2020 to RMB38.3 million for the year ended December 31, 2021, primarily due to the net foreign exchange gain during 2021 as compared to the net foreign exchange loss in 2020 and the increase in interest earned on higher average cash balances mainly because of the proceeds from the Company's financing activities.

Research and development expenses increased by RMB1,598.1 million from RMB228.2 million for the year ended December 31, 2020 to RMB1,826.3 million for the year ended December 31, 2021. This increase was primarily attributable to (i) a significant increase in clinical trial expenses for the Company's global pivotal Phase 2/3 clinical trial for SCB-2019 (CpG 1018/Alum) ("**SPECTRA**"), (ii) an increase in additional research and development expenses for the conduct of other clinical trials and preclinical studies and service fees paid to contract development and manufacturing organizations ("**CDMO(s)**") to prepare for commercial launch, and (iii) an increase in employee salaries and benefits as we continued hiring in clinical operations, chemical manufacturing and control ("**CMC**") and project management to support the development and prepare for commercialization of SCB-2019 (CpG 1018/Alum).

Administrative expenses of the Group increased by RMB269.3 million from RMB76.4 million for the year ended December 31, 2020 to RMB345.7 million for the year ended December 31, 2021, which was primarily attributable to (i) the increase in management and administrative staff headcount to support the rapid expansion of the Company; (ii) the increase in third-party recruitment agency costs; (iii) IPO listing expenses; and (iv) the increase in consulting expenses associated with the anticipated commercialization of SCB-2019 (CpG 1018/Alum) and other operating and administrative activities.

Loss for the year increased by RMB5,103.4 million from RMB912.9 million for the year ended December 31, 2020 to RMB6,016.3 million for the year ended December 31, 2021. The increase was primarily attributable to (i) the increase in research and development expenses and administrative expenses and (ii) the increase in the fair value loss on convertible redeemable preferred shares of RMB3,209.9 million.

**Non-IFRS Measures:**

Adjusted loss for the year represents the loss for the year excluding the effect brought by share-based payment expenses and certain non-cash items and non-recurring events, namely the fair value changes of convertible redeemable preferred shares.

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

| | Year Ended December 31, | |
|---|---|---|
| | **2021** | 2020 |
| | ***RMB'000*** | *RMB'000* |
| Loss for the year | **(6,016,303)** | (912,898) |
| **Added**: | | |
| Fair value changes of convertible redeemable preferred shares | **3,807,638** | 597,659 |
| Share-based payment expenses | **125,214** | – |
| Adjusted loss for the year | **(2,083,451)** | (315,239) |

**BUSINESS HIGHLIGHTS**

On November 5, 2021 (the "**Listing Date**"), the ordinary shares (the "**Shares**") of the Company were successfully listed on the Stock Exchange. We have made significant progress with respect to our product pipeline and business operations since our Listing Date.

**Trimer-Tag™ Vaccines**

**SCB-2019 (CpG 1018/Alum)** (Adjuvanted Protein-based COVID-19 Vaccine Candidate)

Regulatory Submissions:

- We remain actively engaged with China's National Medical Products Administration (the "**NMPA**"), European Medicines Agency (the "**EMA**") and the World Health Organization (the "**WHO**") regarding data needed to support conditional approval for SCB-2019 (CpG 1018/Alum), and we expect to include booster clinical data in our regulatory submissions.

- We received feedback from the WHO in December 2021 following their Good Manufacturing Practice ("**GMP**") inspection of our manufacturing facility in Changxing, Zhejiang province, China (the "**Changxing Facility**"). We have been augmenting the facility and believe the Changxing Facility continues to be on track for additional pre-approval GMP inspections in the second quarter of 2022.

We expect to complete regulatory submissions in the middle of 2022 for the NMPA and in the third quarter of 2022 for the EMA and the WHO, with ongoing preparations to commence commercial launch of SCB-2019 (CpG 1018/Alum) after receiving conditional approvals.

Clinical Trials:

- SPECTRA Efficacy Data: In September 2021, we announced SPECTRA final efficacy data. SCB-2019 (CpG 1018/Alum) demonstrated 100% efficacy against severe COVID-19 and hospitalization, 84% efficacy against moderate-to-severe COVID-19, 67% efficacy against COVID-19 of any severity caused by any strain of SARS-CoV-2 in SPECTRA, and a favorable safety profile. SCB-2019 (CpG 1018/Alum) also demonstrated significantly reduced risk of COVID-19 disease in previously infected individuals in SPECTRA.

- Heterologous Booster Data: In February 2022, initial data from a Phase 2 clinical trial in Brazil demonstrated that a single SCB-2019 (CpG 1018/Alum) booster dose induced at least 3-fold higher neutralizing antibodies against the prototype strain compared to a booster dose of AstraZeneca's COVID-19 vaccine in individuals who previously received two doses of AstraZeneca's vaccine. Additional data from this trial is anticipated in the second quarter of 2022.

- SPECTRA Follow-up Efficacy Analysis: In March 2022, we announced that SCB-2019 (CpG 1018/Alum) maintained 100% efficacy against severe COVID-19 and demonstrated 95% efficacy against hospitalization at five months after the second dose in the primary vaccination setting against any SARS-CoV-2 strain. There was also no evidence that clinical efficacy against COVID-19 declined over a five-month period in individuals with prior SARS-CoV-2 infection who were subsequently boosted with SCB-2019 (CpG 1018/Alum). No safety concerns were observed in individuals dosed with SCB-2019 (CpG 1018/Alum) in this follow-up period.

- Booster Data Including Omicron Neutralizing Antibodies: In March 2022, we announced that preliminary data from ongoing clinical trials demonstrated that a SCB-2019 (CpG 1018/Alum) booster dose in both homologous and heterologous booster settings induced strong immune responses and broad neutralization against all variants of concern, including Omicron.

Partnerships:

- Milestone payment under Gavi, the Vaccine Alliance (the "**GAVI**") Advanced Purchase Agreement (the "**APA**"): In December 2021, we received a milestone payment of US$64 million from GAVI upon achieving certain milestones under the APA signed in June 2021, bringing the total funding received to-date from GAVI to US$224 million.

- Expansion of Coalition for Epidemic Preparedness Innovations (the "**CEPI**") Funding: CEPI increased its funding commitment to us in November 2021 for a total potential funding of up to US$397.4 million.

- Execution of Commercial Supply Agreement with Dynavax for CpG 1018: In June 2021, we executed a commercial supply agreement with Dynavax for its CpG 1018 advanced adjuvant for commercial use in our COVID-19 vaccine candidate, SCB-2019 (CpG 1018/Alum).

Publications:

- SPECTRA Final Efficacy Data Published in *the Lancet*: In January 2022, final efficacy analysis and safety data for two doses of SCB-2019 (CpG 1018/Alum) utilized for primary vaccination in the global Phase 2/3 SPECTRA trial were published in the peer-reviewed journal, *the Lancet*.

**Oncology Programs:**

SCB-313 (Recombinant Human TRAIL-Trimer Fusion Protein)

- Ascentage Pharma Collaboration: In December 2021, we formed a clinical collaboration with Jiangsu Ascentage Pharma Co., Ltd. (江蘇亞盛醫藥開發有限公司), a biopharmaceutical company engaged in the research, development and commercialization of small molecule pharmaceutical products and a wholly-owned subsidiary of Ascentage Pharma Group International ("**Ascentage Pharma**") whose shares are listed on the Stock Exchange (stock code: 6855), to evaluate our SCB-313 asset in combination with Ascentage Pharma's APG-1387 in a Phase 1b/2 clinical trial for advanced peritoneal carcinomatosis.

- Malignant Ascites (the "**MA**") Phase 1 Interim Data: In the third quarter of 2021, we released positive Phase 1 interim data for SCB-313 in MA demonstrating an acceptable safety profile at all tested dose levels and a measurable clinical effect following SCB-313 treatment.

SCB-219 (TPO-mimetic Bispecific-Fc)

- Investigational New Drug (the "**IND**") Application approved by the Center for Drug Evaluation (the "**CDE**"): In December 2021, the CDE of the NMPA granted the IND approval for SCB-219 for the treatment of chemotherapy-induced thrombocytopenia (the "**CIT**") as a Category I biological Drug.

**Corporate Expansion and Advancements**

- Shanghai Research and Development Center: In January 2022, we announced the start of construction on a new research and development center in Zhangjiang Hi-Tech Park, Shanghai, China to expand our preclinical development, process development and pilot manufacturing capabilities.

- IPO: In November 2021, we successfully completed the IPO on the Stock Exchange raising approximately HK$2.0 billion in gross proceeds from, among others, top-tier institutional investors including Orbimed, Hillhouse, Temasek and Rock Springs Capital.

**Key Management Appointment**

- President of Global Research and Development Appointment: In February 2022, Nicholas Jackson, Ph.D. was appointed as the president of global research and development of our Company.

For details of any of the foregoing, please refer to the rest of this announcement and, where applicable, the Company's prior announcements published on the websites of the Stock Exchange and the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

We are a global, clinical-stage biotechnology company committed to developing novel vaccines and biologic therapeutic candidates.

Our vision is to empower humanity with a healthier future through transformative science. Our mission is to leverage the Trimer-Tag™ technology platform and manufacturing capabilities for the discovery, development and commercialization of novel vaccines and biologic therapies.

Since our inception in 2007, we have had a clear focus on translating cutting-edge science into solutions to address significant unmet medical needs. We started with the Trimer-Tag™ technology platform, established in-house research and development capabilities in Chengdu, Sichuan province, China, built out a commercial-scale manufacturing facility in Changxing, Zhejiang province, China, and along the journey have assembled and continue to build a world-class team to evolve the Company into the organization it is today.

Leveraging the Trimer-Tag™ technology platform, we have created a pipeline of innovative vaccines and oncology candidates. Our lead product candidate is SCB-2019 (CpG 1018/Alum), a protein-based COVID-19 vaccine candidate that is being submitted for conditional regulatory approval to the NMPA, the EMA and the WHO, with ongoing preparations to commence product launch following conditional regulatory approval. Our lead oncology program is SCB-313, a TRAIL-Trimer fusion protein, under development for intracavitary malignancies and has reported positive Phase 1 interim data for MA.

The Trimer-Tag™ technology platform is a product development platform for the creation of protein-based vaccines and immuno-oncology therapies based on naturally trimerization-dependent targets. The Trimer-Tag™ technology platform can trimerize any protein of interest into covalently-trimerized structures. The trimerization motif of Trimer-Tag™ is based on a human amino acid sequence derived from human collagen (C-terminal domain of Type I procollagen). Currently, Trimer-Tag™ is the only trimerization technology platform globally for producing recombinant, covalently-trimerized fusion proteins (trimer-tagged proteins) utilizing a human-derived trimerization tag.

Additionally, we have a legacy portfolio of Fc-fusion protein molecules that leverage our in-house manufacturing expertise. SCB-808 is our most advanced Fc-fusion program. It is an Enbrel® (etanercept) biosimilar in a ready-for-injection, prefilled syringe formulation in a Phase 3 clinical trial. Enbrel® is indicated for the treatment of rheumatic diseases, including ankylosing spondylitis and rheumatoid arthritis.

We are committed to partnering with leading global healthcare organizations to advance our breakthrough pipeline programs and deliver our vaccines and therapeutics to the global population. We have established partnerships with CEPI, Dynavax, GAVI, United Nations Children's Fund (the "**UNICEF**"), and Pan American Health Organization (the "**PAHO**") with the aim to deliver a safe and effective COVID-19 vaccine to countries and regions around the world affected by the COVID-19 pandemic. In addition, we expect to explore additional strategic relationships with premiere global biopharmaceutical companies and/or academic institutions to derive further value from the Trimer-Tag™ technology platform, alternative platforms, and our innovative product pipeline to maximize the commercial potential of our pipeline products.

The following chart summarizes the development status of our vaccine, oncology and Fc-fusion product candidates.




(1) Core Product and COVID-19 vaccine candidate. Announced on September 2021 SPECTRA met the primary and secondary efficacy endpoints. We expect to obtain conditional approvals in 2022 and commence product launch soon after. (2) SCB-2020S antigen is a chimeric SARS-CoV-2 spike protein based on the RBD of Beta variant and the NTD of the original strain. This candidate will be evaluated with CAS-1, an in-house developed oil-in-water emulsion-based adjuvant. (3) Other vaccine candidates in early-stage development. (4) Our oncology product candidate for the treatment of malignant ascites (MA), malignant pleural effusions (MPE), and peritoneal carcinomatosis (PC) to address global unmet medical need of intracavitary malignancies. Also exploring the treatment of bladder cancer. We are conducting five Phase 1 clinical trials for SCB-313 in China and Australia for the treatment of intracavitary malignancies. We plan to initiate additional Phase 1 clinical trials for SCB-313 to explore new indications, such as bladder cancer, and combination approaches. (5) On December 9th 2021, we entered a partnership with Ascentage to jointly conduct Phase 1b/2 study to evaluate the safety, tolerability, pharmacokinetics/pharmacodynamics (PK/PD), and efficacy of SCB-313 in combination with APG-1387 for the treatment of patients with primary or secondary peritoneal carcinomatosis. (6) Our Fc-Fusion product candidate for CIT and ITP. We received the IND approval from NMPA in December 2021. (7) This oncology product candidate is in early-stage development, and we are still assessing the target indication(s) for this product. (8) Our Fc-Fusion product candidate is a biosimilar to Enbrel. In China, Enbrel was approved by the NMPA in February 2010 to treat RA and AS. We received the IND approval from NMPA in November 2017 and completed a Phase 1 clinical trial in January 2019. We are conducting a Phase 3 clinical trial with data expected in 2024+. To date, the NMPA did not raise any objections or material concerns with respect to the development of SCB-808. (9) Our Fc-Fusion product candidates is a biosimilar to Eylea.

**Trimer-Tag™ Vaccine Candidates**

We have leveraged the Trimer-Tag™ technology platform to create our innovate pipeline programs. Our lead program, SCB-2019 (CpG 1018/Alum), is an adjuvanted, protein-based COVID-19 vaccine candidate developed to address COVID-19 which is caused by the SARS-CoV-2 virus.

SCB-2019 (CpG 1018/Alum) combines an antigen, SCB-2019, and two adjuvants, CpG 1018 and aluminum hydroxide ("**Alum**"). The SCB-2019 antigen was developed with the Trimer-Tag™ technology platform and is a stabilized trimeric form of the S-protein ("**S-Trimer™**") based on the original strain of the SARS-CoV-2 virus. Based upon the clinical data generated to date, we plan to develop SCB-2019 (CpG 1018/Alum) for primary vaccination and as a universal booster candidate. We are pursuing conditional approval and continuing to generate additional data to support the use of SCB-2019 (CpG 1018/Alum) in the current pandemic and longer-term endemic SARS-CoV-2 setting.

We remain actively engaged with the NMPA, the EMA and the WHO regarding data needed to support conditional approval for SCB-2019 (CpG 1018/Alum). We expect to complete regulatory submissions in the middle of 2022 for the NMPA and in the third quarter of 2022 for the EMA and the WHO, with product launch commencing after receiving conditional approval.

**Commercialization**

We have started to build out an in-house core commercialization team with an initial focus on preparing for the potential SCB-2019 (CpG 1018/Alum) product launch after receiving conditional approval. We intend to continue to expand our commercial team to adapt and pivot with the evolving commercial COVID-19 landscape and with additional product launches.

## BUSINESS REVIEW

### Trimer-Tag™ Vaccines

### SCB-2019 (CpG 1018/Alum) (Adjuvanted Protein-based COVID-19 Vaccine Candidate)

Clinical Trials:

- SPECTRA Trial Initiation: In March 2021, the first participants were dosed with SCB-2019 (CpG 1018/Alum) in SPECTRA, a global Phase 2/3 clinical trial that enrolled over 30,000 participants.

- SPECTRA Efficacy Data: In September 2021, we announced that SPECTRA met the primary and secondary efficacy endpoints. SCB-2019 (CpG 1018/Alum) demonstrated 100% efficacy against severe COVID-19 and hospitalization, 84% efficacy against moderate-to-severe COVID-19 and 67% efficacy against COVID-19 of any severity caused by any strain of SARS-CoV-2 and showed a favorable safety profile. SCB-2019 (CpG 1018/Alum) also showed significant incremental protection against COVID-19 in previously infected individuals with a rapid and strong boosting effect on neutralizing antibody titers.

- Heterologous Booster Trial Initiation: In November 2021, a Phase 2 study in Brazil was initiated to evaluate the immunogenicity and safety of formulations of SCB-2019 as a heterologous booster dose in participants previously vaccinated with AstraZeneca's COVID-19 vaccine or Sinovac's CoronaVac®. The Phase 2 trial is an investigator-initiated study, sponsored by Instituto D'Or de Pesquisa e Ensino (the "**IDOR**") with funding from the Bill & Melinda Gates Foundation and supported by the Brazilian Ministry of Health.

Post-Reporting Period (expected) milestones and achievements:

- SPECTRA Follow-up Efficacy Analysis: In March 2022, we announced that SCB-2019 (CpG 1018/Alum) maintained 100% efficacy against severe COVID-19 and demonstrated 95% efficacy against hospitalization at five months after the second dose in the primary vaccination setting against any SARS-CoV-2 strain. There was also no evidence that clinical efficacy against COVID-19 declined over a five-month period in individuals with prior SARS-CoV-2 infection who were subsequently boosted with SCB-2019 (CpG 1018/Alum). No safety concerns were observed in individuals dosed with SCB-2019 (CpG 1018/Alum) in this follow-up period.

- Adolescents (12-18 Years) Trial: In January 2022, we amended SPECTRA to expand the evaluation of the adolescent (12-18 years) subgroup up to 1,200 adolescents. Initial data are anticipated in the first half of 2022.

- Pediatric Population: We have aligned with the EMA Paediatric Committee on our Paediatric Investigation Plan (PIP) and have a plan to generate clinical trial data for SCB-2019 (CpG 1018/Alum) in the pediatric population.

- Variant-Adapted COVID-19 Vaccine Candidates: We have produced and are evaluating multiple variant-adapted Trimer-Tag™ protein-based COVID-19 vaccine candidates (including Omicron-specific). Future development will be guided by data generated and the need for variant-adapted and broadly protective COVID-19 vaccine candidates.

***Universal COVID-19 Booster Vaccine Development:*** We plan to complete development of SCB-2019 (CpG 1018/Alum) as a universal COVID-19 booster vaccine in 2022, to potentially enable its use as a booster dose, regardless of the vaccine technology used for the primary vaccination or previous SARS-CoV-2 infection history.

Post-Reporting Period (expected) milestones and achievements:

- Booster Data Including Omicron Neutralizing Antibodies: In March 2022, we announced that preliminary data from ongoing clinical trials demonstrated that a SCB-2019 (CpG 1018/Alum) booster dose in both homologous and heterologous booster settings induced strong immune responses and broad neutralization against all variants of concern, including Omicron.

- Heterologous Booster Trial Data: In February 2022, initial data from a Phase 2 clinical trial in Brazil demonstrated that a single SCB-2019 (CpG 1018/Alum) booster dose induced at least 3-fold higher neutralizing antibodies against the prototype strain compared to a booster dose of AstraZeneca's COVID-19 vaccine in individuals who previously received two doses of AstraZeneca's vaccine. Additional data from this trial in comparison to AstraZeneca's COVID-19 vaccine and Sinovac's CoronaVac® are anticipated in the second quarter of 2022.

- Homologous Booster Trial Initiation: In January 2022, SPECTRA was amended to evaluate SCB-2019 (CpG 1018/Alum) as a homologous booster in up to 4,000 adult participants previously vaccinated with SCB-2019 (CpG 1018/Alum).

Partnerships: Demand for COVID-19 vaccines across the globe remains strong for primary vaccination and booster doses. We believe SCB-2019 (CpG 1018/Alum) has the potential to be differentiated with its high efficacy, potential best-in-field safety and tolerability, and stability under standard refrigeration storage and transportation conditions. We continue to expand existing and establish new global partnerships to ensure fair and equitable global distribution of SCB-2019 (CpG 1018/Alum) to those most in need.

- Milestone Payment under the GAVI APA: In December 2021, we received a milestone payment of US$64 million from GAVI upon achieving certain milestones under the APA signed in June 2021 to supply up to 414 million doses of SCB-2019 (CpG 1018/Alum) to the COVAX Facility, bringing the total funding received to-date from GAVI to US$224 million.

    - PAHO Long-Term Agreement (the "**LTA**") Signed: In February 2022, we signed an LTA with PAHO, Regional Office for the Americas of the World Health Organization, to support the supply of our COVID-19 vaccine candidate, SCB-2019 (CpG 1018/Alum), to the COVAX Facility.

    - UNICEF LTA Signed: In December 2021, we entered into an LTA with UNICEF to support the supply of our COVID-19 vaccine candidate, SCB-2019 (CpG 1018/Alum), to the COVAX Facility.

- Expansion of CEPI Funding: CEPI funding supports the development of SCB-2019 (CpG 1018/Alum) for primary vaccination as well as a potential booster candidate. CEPI increased its funding commitment to us in July 2021 (up to an additional US$32.8 million) and again in November 2021 (up to a further additional US$36.9 million) for a total potential funding of up to US$397.4 million.

- Execution of Commercial Supply Agreement with Dynavax for CpG 1018: In June 2021, we executed a commercial supply agreement with Dynavax for its CpG 1018 advanced adjuvant for commercial use in our COVID-19 vaccine candidate, SCB-2019 (CpG 1018/Alum).

**Regulatory and Manufacturing:**

We remain actively engaged with the NMPA, the EMA and the WHO regarding data needed to support conditional approval for SCB-2019 (CpG 1018/Alum) and expect to include booster clinical data in our regulatory submissions. We received feedback from the WHO in December 2021 following their GMP inspection of our Changxing Facility. We have been augmenting the facility and believe the Changxing Facility continues to be on track for additional pre-approval GMP inspections in the second quarter of 2022. We expect to complete regulatory submissions in the middle of 2022 for the NMPA and in the third quarter of 2022 for the EMA and the WHO, with commercial launch commencing after receiving conditional approvals.

The Company remains committed to fulfilling its commitment to the COVAX Facility as well as making its COVID-19 vaccine available for procurement in China. In parallel, we are also evaluating potential regulatory submissions to specific countries for Emergency Use Authorizations or conditional approvals.

To meet the expected global demand, we have engaged multiple CDMO sites in order to augment our internal manufacturing capacity.

Post-Reporting Period (expected) milestones and achievements:

- Two pathways to achieve WHO EUL:
    - NMPA/WHO regulatory pathway: We have received feedback from the WHO on our Changxing Facility. The Changxing Facility continues to be on track for additional pre-approval GMP inspections in the second quarter of 2022.
    - EMA/WHO regulatory pathway: In January 2022, we engaged an experienced CDMO site to support and advance our EMA submissions. We believe this CDMO site will be able to support regulatory submissions to the EMA and the WHO in the third quarter of 2022. This strategic approach will help ensure our COVID-19 vaccine is commercialized as quickly as possible.

**Publications:**

- Phase 1 Data published in the *Lancet*: In January 2021, clinical data from the Phase 1 study evaluating SCB-2019 (CpG 1018/Alum) as a COVID-19 vaccine candidate was published in the peer-reviewed journal, the *Lancet*.

Post-Reporting Period (expected) milestones and achievements:

- SPECTRA Final Efficacy Data Published in the *Lancet*: In January 2022, final efficacy analysis and safety data for two doses of SCB-2019 (CpG 1018/Alum) utilized for primary vaccination in the global Phase 2/3 SPECTRA trial was published in the peer-reviewed journal, the *Lancet.*

**SCB-2020S (CAS-1) (Second-generation COVID-19 Vaccine Candidate)**

The SCB-2020S antigen has been designed with the N-terminal domain from the original SARS-CoV-2 strain and the receptor-binding domain from the Beta variant. We plan to evaluate SCB-2020S in clinical trials with our CAS-1 adjuvant, which is a squalene-based oil-in-water adjuvant.

Post-Reporting Period (expected) milestones and achievements:

- SCB-2020S (CAS-1) received Clinical Trial Application (CTA) approval in South Africa in March 2022, and we anticipate initiating a Phase 1 clinical trial in the first half of 2022.

**Next-generation/Pan COVID-19 Vaccine Candidate:**

Post-Reporting Period (expected) milestones and achievements:

- A next-generation COVID-19 vaccine candidate is under development to provide protection against SARS-CoV-2 variants.

**Non-COVID-19 Vaccines**

Post-Reporting Period (expected) milestones and achievements:

- ***Rabies RABV G-Trimer Vaccine Candidate:*** The Company is continuing the necessary preparation for clinical trials and anticipates advancing the program into IND-enabling studies in 2022.

- ***RSV F-Trimer Vaccine Candidate:*** The Company's RSV candidate (Fusion F Antigen-Trimer) is in early-stage development and undergoing preclinical activities.

- ***Influenza Vaccine Candidate:*** The Company is conducting preclinical activities on our influenza vaccine candidate (Hemagglutinin (HA)-Trimer) and is advancing this candidate towards the clinic.

**Oncology Product Candidates**

SCB-313 is our lead oncology program and is a TRAIL-Trimer fusion protein that was developed using the Trimer-Tag™ technology platform. SCB-313 is a covalently linked, native-like trimeric fusion protein structurally and functionally differentiated from the dimeric antibody-based structures and other native ligand-based candidates targeting the programmed cell death pathway, a trimerization-dependent pathway. SCB-313 has demonstrated bioactivity and binding affinity to death receptors DR4 and DR5 and is under evaluation for intracavitary malignancies, where it showed promising Phase 1 interim data for MA. There is a therapeutic gap for intracavitary malignancies and therefore a large market opportunity. The Company is also actively exploring SCB-313 in additional indications, including bladder cancer and in combination studies.

The Company is actively exploring additional assets in immuno-oncology and immunology indications and partnerships to further advance the pipeline.

**SCB-313 (Recombinant Human TRAIL-Trimer Fusion Protein)**

- Ascentage Pharma Collaboration: In December 2021, we formed a clinical collaboration with Ascentage Pharma to evaluate SCB-313 in combination with Ascentage Pharma's APG-1387, a second mitochondria-derived activator of caspase (SMAC)-mimetic/inhibitor of apoptosis proteins (IAP) antagonist, in a Phase 1b/2 clinical trial for advanced peritoneal carcionmatosis.

- MA Phase 1 Interim Data: In the third quarter of 2021, we released positive Phase 1 interim data for SCB-313 in MA demonstrating an acceptable safety profile at all tested dose levels and a measurable clinical effect following SCB-313 treatment.

**SCB-219 (TPO-mimetic Bispecific-Fc)**

- SCB-219 IND Application approved by the CDE: In December 2021, the CDE of the NMPA granted the IND approval for SCB-219 for the treatment of CIT as a Category I biological Drug.

**Other Fc-fusion Product Candidates**

SCB-808 is our most advanced Fc-fusion program. It is in development as a ready-for-injection, pre-filled syringe formulation Enbrel (etanercept) biosimilar in a Phase 3 clinical trial. Enbrel (etanercept) is indicated for the treatment of rheumatic diseases, including ankylosing spondylitis and rheumatoid arthritis.

**SCB-808 (Etanercept Prefilled Syringe):**

The Company is conducting a double-blinded, Phase 3 clinical trial to evaluate SCB-808's efficacy, safety and pharmacokinetics for the treatment of ankylosing spondylitis as compared to Enbrel.

- A Phase 1 Pharmacokinetics clinical trial was conducted for SCB-808 in comparison to Enbrel. This clinical trial is a double-sequence, double-period, double-dose randomized, open, cross-over design study, comparing SCB-808 injection (50mg) with the original drug etanercept for injection (Enli®) (50mg) in Chinese healthy male subjects. The primary endpoints were to evaluate the pharmacokinetics (Cmax and AUC0-) of SCB-808. The secondary endpoints were to evaluate the pharmacokinetics (AUC0-, t1/2 and Tmax), safety and immunogenicity of SCB-808. We expect to present these results at an upcoming medical congress during the second quarter of 2022.

- The open-label phase of the Phase 3 clinical trial was completed in December 2020 providing support for the double-blind comparative phase.

Post-Reporting Period (expected) milestones and achievements:

- The Company is continuing to prepare for the double-blind comparative phase of the Phase 3 clinical trial and anticipates we may have results from this study as early as in 2024, with potential regulatory submissions in 2025 and commercialization after regulatory approval.

**SCB-420 (Aflibercept):**

SCB-420 is an aflibercept biosimilar currently in development for ophthalmologic diseases such as wAMD.

**WARNING UNDER RULE 18A.08(3) OF THE LISTING RULES: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR DRUG CANDIDATES SUCCESSFULLY.**

**Intellectual Property**

As of December 31, 2021, the Group owned 19 registered trademarks in the PRC (4), Hong Kong (4), the European Union (8), and the United Kingdom (3). At the same date, the Group had filed 75 trademark applications in the PRC (42), Hong Kong (12), the United States (6), the European Union (8), the United Kingdom (3), and other jurisdictions (4).

As of December 31, 2021, our owned patent portfolio consists of one issued U.S. patent, and 26 patent applications, including 20 PCT patent applications in nine patent families, three U.S. patent applications, one European patent application, and two PRC patent applications. Our owned patents and patent applications primarily include compositions, methods and uses related to tumor necrosis factor ("**TNF**") superfamily ("**TNFSF**") and certain vaccines against enveloped RNA viruses, including SCB-2019 (CpG 1018/Alum). As of December 31, 2021, we in-licensed the exclusive worldwide rights for the Trimer-Tag™ technology platform under thirteen issued patents, including three issued U.S. patents and ten issued patents in other jurisdictions, namely PRC, Japan, and Europe (i.e. the U.K., France, Germany, Spain, Italy, the Netherlands, and Switzerland/ Liechtenstein). Our in-licensed patents and patent applications primarily relate to methods and compositions for producing secreted trimeric fusion proteins employing the Trimer-Tag™ technology.

**Impact of COVID-19 and response**

The Company anticipates that the clinical trials in China and overseas will not be significantly affected by the outbreak of COVID-19. Based on information available as of the date of this announcement, we believe that the outbreak of COVID-19 will not cause material interruption to our business operation and will not have significant impact on our financial conditions and financial results.

We are unable to predict if and when COVID-19 will be suppressed. The above conclusion is based on the information about COVID-19 available for the time being. We cannot be sure if COVID-19 will not worsen and if our operation results will not be materially and adversely affected.

**Corporate Expansion and Advancements**

- IPO: In November 2021, we successfully completed the IPO on the Stock Exchange raising approximately HK$2.0 billion in gross proceeds from, among others, top-tier institutional investors including Orbimed, Hillhouse, Temasek and Rock Springs Capital.

Post-Reporting Period (expected) milestones and achievements:

- Hang Seng Composite Index Inclusion: The Company was selected for inclusion as a constituent stock of the Hang Seng Composite Index, effective as of March 7, 2022. Selection as a constituent stock for the HSCI enables the Shares to become eligible for trading on the Hong Kong Stock Connect, a channel for stock trading between investors in Hong Kong and those in mainland China.

- Key Management Appointment: In February 2022, Nicholas Jackson, Ph.D. was appointed as the president of global research and development of our Company. Dr. Jackson has spent over 22 years in vaccine and immunotherapeutic research and development roles, leading multiple successful global programs in bacterial, viral and non-infectious disease targets. In his most recent role with CEPI, Nicholas was the head of vaccine programs and technology for research and development and also served as the managing director of CEPI's China office in Shanghai. Prior to his work at CEPI, Dr. Jackson was vice president, head of global research for Sanofi Pasteur, responsible for leading vaccine research and early development activities globally. Before Sanofi Pasteur, Nicholas held vaccine and immunotherapeutic development roles at Pfizer, IAVI and GlaxoSmithKline, where he oversaw R&D programs, global clinical trials and collaborations.

- UK Antibody Innovation Center: In February 2022, we announced the establishment of an antibody innovation center facility in the United Kingdom to develop novel monoclonal antibody platforms, which will be utilized for developing novel products in oncology and infectious diseases.

- Shanghai Research and Development Center: In January 2022, we announced the start of construction of a new research and development center in Zhangjiang Hi-Tech Park, Shanghai, China to expand our preclinical development, process development and pilot manufacturing capabilities.

**Future Development and Outlook**

Leveraging our expanding capabilities, we plan to implement the following strategies to position the Company for long-term success as a leading global biotechnology company developing novel vaccines and biologic therapeutic candidates: (i) accelerate the development and commercialization of SCB-2019 (CpG 1018/Alum) for primary vaccination and as a universal booster candidate, (ii) develop our second-generation COVID-19 vaccines, (iii) advance the development and commercialization of SCB-313, (iv) expand and advance our product pipeline in vaccines and immuno-oncology, (v) further enhance our research and development, manufacturing, and commercialization capabilities to build an integrated biotechnology company, and (vi) explore synergistic and collaborative opportunities to enhance our growth and increase our value as a global biotechnology company.

## FINANCIAL REVIEW

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

| | Year ended December 31, | |
|---|---|---|
| | **2021** | 2020 |
| | ***RMB'000*** | *RMB'000* |
| Other income and gains | **38,262** | 24,341 |
| Administrative expenses | **(345,710)** | (76,429) |
| Research and development expenses | **(1,826,301)** | (228,219) |
| Fair value changes of convertible redeemable preferred shares | **(3,807,638)** | (597,659) |
| Other expenses | **(66,700)** | (31,959) |
| Finance costs | **(8,216)** | (2,973) |
| **LOSS BEFORE TAX** | **(6,016,303)** | (912,898) |
| Income tax expense | **–** | – |
| **LOSS FOR THE YEAR** | **(6,016,303)** | (912,898) |
| **OTHER COMPREHENSIVE INCOME** | | |
| Other comprehensive income that will not be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of the Company | **(15,064)** | – |
| Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods | **(15,064)** | – |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of foreign operations | **124,555** | (2,021) |
| Net other comprehensive income that may be reclassified to profit or loss in subsequent periods | **124,555** | (2,021) |
| **OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX** | **109,491** | (2,021) |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | **(5,906,812)** | (914,919) |
| **Non-IFRS Measures** | | |
| Adjusted loss for the year | **(2,083,451)** | (315,239) |

**Other Income and Gains**

The Group's other income and gains primarily consist of government grants, bank interest income, foreign exchange differences, and net changes in fair value of financial assets. The government grants consist of: (i) subsidies from local government for expenditure arising from research and development activities, and (ii) awards for new drug development.

For the year ended December 31, 2021, other income and gains of the Group increased by RMB14.0 million from RMB24.3 million for the year ended December 31, 2020 to RMB38.3 million, primarily due to the net foreign exchange gain for the year ended December 31, 2021 as compared to the net foreign exchange loss for the year ended December 31, 2020 and the increase in interests earned on higher average cash balances mainly because of the proceeds from the Company's financing activities.

**Administrative Expenses**

The Group's administrative expenses primarily consist of (i) employee salaries and benefits; (ii) professional service fees; (iii) consulting fees; (iv) listing expenses; (v) office expenses and (iv) depreciation and amortization expenses. Other administrative expenses include travel expenditures and other miscellaneous expenses in connection with administration activities.

For the year ended December 31, 2021, the administrative expenses of the Group increased by RMB269.3 million, from RMB76.4 million for the year ended December 31, 2020 to RMB345.7 million, which was primarily attributable to (i) the increase in management and administrative staff headcount to support the rapid expansion of the Company; (ii) the increase in third-party recruitment agency costs; (iii) IPO listing expenses; and (iv) the increase in consulting expenses associated with the anticipated commercialization of SCB-2019 (CpG 1018/Alum) and other operating and administrative activities.

| | **Year ended December 31,** | |
|---|---|---|
| | **2021** | 2020 |
| | ***RMB'000*** | *RMB'000* |
| Employee salaries and benefits | **173,722** | 32,967 |
| Professional service fees | **50,135** | 19,822 |
| Consulting fees | **38,380** | 7,154 |
| Listing expenses | **33,619** | 1,991 |
| Office expenses | **10,537** | 2,931 |
| Depreciation and amortization | **11,406** | 4,544 |
| Others | **27,911** | 7,020 |
| **Total** | **345,710** | 76,429 |

**Research and Development Expenses**

The Group's research and development expenses primarily consist of: (i) clinical trial expenses, including payments to contract research organizations, hospitals and other medical institutions and fees incurred for clinical trials; (ii) salaries, bonus, welfare and share-based compensation for research and development personnel; (iii) costs of raw materials and consumables used for research and development of our product candidates; (iv) R&D consultation and service expenses, mainly related to preclinical study costs and service fees paid to CDMOs to prepare for commercial launch; and (v) depreciation and amortization in relation to our leasehold buildings, machinery and equipment.

For the year ended December 31, 2021, research and development expenses increased by RMB1,598.1 million from RMB228.2 million for the year ended December 31, 2020 to RMB1,826.3 million. This increase was primarily attributable to (i) a significant increase in clinical trial expenses for SPECTRA, (ii) an increase in additional research and development expenses for the conduct of other clinical trials and preclinical studies and service fees paid to CDMOs to prepare for commercial launch, and (iii) an increase in employee salaries and benefits as we increased staffing in clinical operations, CMC and project management to support the development and prepare for commercialization of SCB-2019 (CpG 1018/Alum).

| | **Year ended December 31,** | |
|---|---|---|
| | **2021** | 2020 |
| | ***RMB'000*** | *RMB'000* |
| Clinical trial expenses | **1,225,586** | 76,321 |
| R&D consultation and service fees | **144,582** | 29,473 |
| Employee salaries and benefits | **286,584** | 66,418 |
| Costs of raw materials and consumables | **133,704** | 39,655 |
| Depreciation and amortization | **9,305** | 2,316 |
| Others | **26,540** | 14,036 |
| **Total** | **1,826,301** | 228,219 |

**Fair Value Changes of Convertible Redeemable Preferred Shares**

The Group's fair value change of convertible redeemable preferred shares refers to the fair value losses of the series A, series B, series B-2 and series C preferred shares, which takes into account exchange rate changes.

For the year ended December 31, 2021, the Group recorded fair value loss on convertible redeemable preferred shares of RMB3,807.6 million, representing an increase of RMB3,209.9 million from RMB597.7 million for the year ended December 31, 2020 as the fair value of convertible redeemable preferred shares increased upon the completion of the IPO. Such loss due to the fair value changes of convertible redeemable preferred shares was non-cash and non-recurring. All of the Company's preferred shares were converted to ordinary shares upon the Listing Date. The Group will not incur any additional losses related to the fair value changes of preferred shares going forward.

**Finance Costs**

The Group's finance costs primarily consist of (i) expenses associated with the issuance of our preferred shares, mainly comprising of consulting fees, and (ii) interest on lease liabilities, mainly in relation to the offices in Beijing, Shanghai and Chengdu for our operation.

Our finance costs increased by RMB5.2 million from RMB3.0 million for the year ended December 31, 2020 to RMB8.2 million for the year ended December 31, 2021. This increase in finance costs was primarily due to the higher costs associated with the issuance of our series C preferred shares in 2021 compared to the issuance of our series B-2 preferred shares in 2020, as well as an increase in interest expenses on lease liabilities.

**Loss for the Year**

As a result of the above, the loss for the year for the Group increased by RMB5,103.4 million from RMB912.9 million for the year ended December 31, 2020 to RMB6,016.3 million for the year ended December 31, 2021.

**Non-IFRS Measure**

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

Adjusted loss for the year represents the loss for the year excluding the effect of share-based payment expenses, and the change in fair value of the convertible redeemable preferred shares which is non-cash and non-recurring. This non-IFRS measure should not be considered in isolation from, or as a substitute for the analysis of, the Group's IFRS reporting. The Company's presentation of such adjusted figures may not be comparable to a similarly titled measure presented by other companies. However, the Company believes that this non-IFRS measure is a better indication of the Group's normal operating result and a better basis of comparisons for operating performance from period to period.

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

| | **Year Ended December 31,** | |
|---|---|---|
| | **2021** | 2020 |
| | ***RMB'000*** | *RMB'000* |
| Loss for the year | **(6,016,303)** | (912,898) |
| **Added**: | | |
| Fair value changes of convertible redeemable preferred shares | **3,807,638** | 597,659 |
| Equity-settled share-based payment expenses | **125,214** | – |
| Adjusted loss for the year | **(2,083,451)** | (315,239) |

**Selected Data from Consolidated Statement of Financial Position**

| | As of December 31, | |
|---|---|---|
| | **2021** | 2020 |
| | ***RMB'000*** | *RMB'000* |
| Total current assets | **5,076,495** | 1,048,425 |
| Total non-current assets | **269,165** | 139,103 |
| Total Assets | **5,345,660** | 1,187,528 |
| Total current liabilities | **2,148,109** | 66,734 |
| Total non-current liabilities | **1,978,403** | 2,103,535 |
| Total liabilities | **4,126,512** | 2,170,269 |
| Net current assets | **2,928,386** | 981,691 |

**Liquidity and Source of Funding and Borrowings**

As of December 31, 2021, the Group's cash and cash equivalents increased by RMB2,251.2 million from RMB516.2 million as of December 31, 2020 to RMB2,767.4 million. The increase primarily resulted from the proceeds from the IPO and the series C financing, and payments from GAVI under the APA, which was partly offset by expenditure incurred for our research and development activities and operation.

As of December 31, 2021, the current assets of the Group totaled RMB5,076.5 million, including cash and cash equivalents and time deposits and restricted cash of RMB2,835.3 million, prepayments, other receivables and other assets of RMB1,441.6 million, inventories of RMB768.7 million, and financial assets at fair value through profit or loss of RMB30.9 million.

As of December 31, 2021, the current liabilities of the Group were RMB2,148.1 million, including contract liabilities of RMB1,423.5 million, trade payables of RMB588.6 million, other payables and accruals of RMB114.5 million, and lease liabilities (within one year) of RMB21.5 million.

As of December 31, 2021, the Group had no bank loans. There was no material influence of seasonality on the Group's borrowing needs. Currently, the Group follows a set of funding and treasury policies to manage its capital resources and mitigate potential risks. The Group endeavors to maintain an adequate level of cash and cash equivalents to address short term funding needs. The Board would also consider various funding sources depending on the Group's funding needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The Board reviews and evaluates the Group's funding and treasury policy from time to time to ensure its adequacy and effectiveness.

**Significant Investments, Material Acquisitions and Disposals**

As of December 31, 2021, we did not hold any significant investments. We also did not have material acquisitions or disposals of subsidiaries, associates, and joint ventures for the year ended December 31, 2021.

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

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

**Contingent Liabilities**

The Group did not have any material contingent liabilities as of December 31, 2021.

**Gearing ratio**

The gearing ratio is calculated using total liabilities divided by total assets and multiplied by 100%. As of December 31, 2021, our gearing ratio was 77.2% (December 31, 2020: 182.8%).

**Capital Commitments**

The capital commitments of the Group as of December 31, 2021 were RMB65.5 million, reflecting an increase of RMB32.8 million from RMB32.7 million as of December 31, 2020, primarily attributable to progress made in the construction of research and CMC facilities.

**Pledge of Assets**

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

**Foreign Exchange Exposure**

During the year ended December 31, 2021, the Group mainly operated in China and a majority of its transactions were settled in RMB, the functional currency of the Company's primary operating subsidiaries. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. 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 of December 31, 2021.

**Employees and Remuneration**

As of December 31, 2021, the Group had 814 employees. The total remuneration cost incurred by the Group for the year ended December 31, 2021 was RMB460.3 million. The following table sets forth the details of our employees by function as of December 31, 2021:

| **Function** | **Number of employee** | **% of total** |
|---|---|---|
| Research and Development | 253 | 31.1 |
| Manufacturing and CMC | 376 | 46.2 |
| General and Administrative | 185 | 22.7 |
| **Total** | 814 | 100.0 |

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

The Company has also adopted a restricted share unit scheme on April 15, 2021, a pre-IPO share option plan on April 15, 2021 and a post-IPO share option plan on September 26, 2021 to provide incentives for the eligible participants. For details, please refer to the paragraph headed "D. Share Incentive Plans" in Appendix IV to the prospectus of the Company dated October 25, 2021 (the "**Prospectus**").

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | *Notes* | **2021** | 2020 |
|---|---|---|---|
| | | ***RMB'000*** | *RMB'000* |
| Other income and gains | *4* | **38,262** | 24,341 |
| Administrative expenses | | **(345,710)** | (76,429) |
| Research and development expenses | | **(1,826,301)** | (228,219) |
| Fair value changes of convertible redeemable preferred shares | | **(3,807,638)** | (597,659) |
| Other expenses | | **(66,700)** | (31,959) |
| Finance costs | | **(8,216)** | (2,973) |
| LOSS BEFORE TAX | | **(6,016,303)** | (912,898) |
| Income tax expense | *6* | **–** | – |
| LOSS FOR THE YEAR | | **(6,016,303)** | (912,898) |
| Attributable to: | | | |
| Owners of the parent | | **(6,016,303)** | (912,898) |
| LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (EXPRESSED IN RMB PER SHARE) | *8* | | |
| Basic and Diluted | | **(13.02)** | (2.61) |

| | *Notes* | **2021** | 2020 |
|---|---|---|---|
| | | ***RMB'000*** | *RMB'000* |
| LOSS FOR THE YEAR | | **(6,016,303)** | (912,898) |
| OTHER COMPREHENSIVE INCOME | | | |
| Other comprehensive income that will not be reclassified to profit or loss in subsequent periods: | | | |
| Exchange differences on translation of the Company | | **(15,064)** | – |
| Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods | | **(15,064)** | – |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods: | | | |
| Exchange differences on translation of foreign operations | | **124,555** | (2,021) |
| Net other comprehensive income that may be reclassified to profit or loss in subsequent periods | | **124,555** | (2,021) |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | | **109,491** | (2,021) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | **(5,906,812)** | (914,919) |
| Attributable to: | | | |
| Owners of the parent | | **(5,906,812)** | (914,919) |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | *Notes* | **2021** | 2020 |
|---|---|---|---|
| | | ***RMB'000*** | *RMB'000* |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | **155,689** | 65,897 |
| Right-of-use assets | | **66,714** | 21,090 |
| Intangible assets | | **13,828** | 277 |
| Other non-current assets | | **32,934** | 51,839 |
| Total non-current assets | | **269,165** | 139,103 |
| CURRENT ASSETS | | | |
| Inventories | | **768,691** | 50,881 |
| Prepayments, other receivables and other assets | *9* | **1,441,637** | 191,032 |
| Financial assets at fair value through profit or loss | | **30,908** | – |
| Time deposits and restricted cash | | **67,888** | 290,328 |
| Cash and cash equivalents | | **2,767,371** | 516,184 |
| Total current assets | | **5,076,495** | 1,048,425 |
| CURRENT LIABILITIES | | | |
| Trade payables | *10* | **588,559** | 33,820 |
| Other payables and accruals | | **114,524** | 28,655 |
| Contract liabilities | | **1,423,546** | – |
| Lease liabilities | | **21,480** | 4,259 |
| Total current liabilities | | **2,148,109** | 66,734 |
| NET CURRENT ASSETS | | **2,928,386** | 981,691 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | **3,197,551** | 1,120,794 |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | | **46,440** | 18,057 |
| Convertible redeemable preferred shares | | **–** | 1,127,306 |
| Deferred income | | **1,931,963** | 958,172 |
| Total non-current liabilities | | **1,978,403** | 2,103,535 |
| Net ASSETS/(LIABILITIES) | | **1,219,148** | (982,741) |
| EQUITY | | | |
| Equity attributable to owners of the parent | | | |
| Share Capital | | **742** | – |
| Treasury shares | | **(49)** | – |
| Reserves | | **1,218,455** | (982,741) |
| Total equity/(deficit) | | **1,219,148** | (982,741) |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. CORPORATE

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

The Company is an investment holding company. During the year, the Group was principally engaged in the research and development of biopharmaceutical products.

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

## 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (the "**IFRSs**") (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) issued by the International Accounting Standards Board (the "**IASB**"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets and financial liabilities which have been measured at fair value through profit or loss. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ("RMB'000") except when otherwise indicated.

**Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended December 31, 2021. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

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

The nature and the impact of the revised IFRSs are described below:

(a) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR"). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments did not have any impact on the financial position and performance of the Group.

(b) Amendment to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before June 30, 2021; and (iii) there is no substantive change to other terms and conditions of the lease.

During the year ended December 31, 2021, no lease of the Group has been reduced or waived by the lessors as a result of the COVID-19 pandemic. The amendment did not have any impact on the financial position and performance of the Group.

## 3. OPERATING SEGMENT INFORMATION

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

**Geographical information**

***(a) Non-current assets***

| | **2021** | 2020 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Mainland China | **266,868** | 139,103 |
| Other countries/regions | **2,297** | – |
| | **269,165** | 139,103 |

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

## 4. OTHER INCOME AND GAINS

| | **2021** | 2020 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Bank interest income | **10,890** | 3,408 |
| Government grants* | **14,226** | 20,359 |
| Foreign exchange differences, net | **10,350** | – |
| Fair value gains, net: | | |
| Financial assets at fair value through profit or loss | **908** | – |
| Others | **1,888** | 574 |
| | **38,262** | 24,341 |

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

## 5. LOSS BEFORE TAX

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

| | *Notes* | **2021** | 2020 |
|---|---|---|---|
| | | ***RMB'000*** | *RMB'000* |
| Research and development costs (excluding related employee benefit expense, depreciation and amortisation) | | **1,530,412** | 159,485 |
| Depreciation of property, plant and equipment | | **7,616** | 1,566 |
| Depreciation of right-of-use assets | | **12,195** | 4,023 |
| Amortisation of intangible assets | | **900** | 195 |
| Lease payments not included in the measurement of lease liabilities | | **1,488** | – |
| Fair value changes of convertible redeemable preferred shares | | **3,807,638** | 597,659 |
| Listing expenses | | **33,619** | 1,991 |
| Auditor's remuneration | | **2,360** | – |
| Employee benefit expense (including directors' and chief executive's remuneration): | | | |
| Wages, salaries and welfare | | **320,634** | 98,748 |
| Pension scheme contributions | | **15,932** | 1,191 |
| Share-based payment expenses | | **123,740** | – |
| Total of employee benefit expenses | | **460,306** | 99,939 |
| Foreign exchange difference, net | *4* | **(10,350)** | 31,896 |
| Write-down of inventories to net realisable value* | | **66,267** | – |

* The write-down of inventories to net realisable value is included in "Other expenses" in the consolidated statement of profit or loss.

## 6. INCOME TAX

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

**Cayman Islands**

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

**Hong Kong**

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax has been made as the Group has no assessable profits derived from or earned in Hong Kong during the year.

**Mainland China**

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), the subsidiaries which operate in Mainland China are subject to CIT at a rate of 25% (2020: 25%) on the taxable income.

**Australia**

The subsidiary incorporated in the Australia is subject to Australia statutory corporate income tax at a rate of 30%. However, the rate is reduced to 25% (2020:30%) following a preliminary assessment of the base rate entity rules in accordance with the Australian tax law during the year.

**United States of America**

The subsidiary incorporated in Delaware, United States was subject to statutory United States federal corporate income tax at a rate of 21% (2020: 21%) during the Year.

**Ireland**

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

A reconciliation of the tax expense applicable to loss before tax at the statutory rate for the jurisdiction in which the majority of the Group's subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

| | **2021** | 2020 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Loss before tax | **(6,016,303)** | (912,898) |
| Tax at the statutory tax rate of 25% | **(1,504,076)** | (228,225) |
| Effect of tax rate differences in other jurisdictions | **972,946** | (4,267) |
| Expenses not deductible for tax | **72,113** | 39 |
| Additional deductible allowance for qualified research and development costs | **(32,108)** | (17,929) |
| Tax losses utilised from previous periods | **(70,246)** | – |
| Deductible temporary differences not recognised | **463,679** | 152,235 |
| Tax losses not recognised | **97,692** | 98,147 |
| Tax charge at the Group's effective tax rate | **–** | – |

The Group had accumulated tax losses of RMB701,498,000 (2020: RMB483,329,000) as at December 31, 2021, out of which the tax losses in the PRC are available for a maximum of five years for offsetting against future taxable profits of the companies in which the losses arose, while the tax losses incurred by overseas entities can be carried forward permanently to offset against the future taxable profits of these companies in which the losses arose. The Group in the PRC had accumulated tax losses of RMB355,638,000 (2020: RMB347,287,000) as at December 31, 2021. The Group's overseas entities had accumulated tax losses of RMB345,860,000 (2020: RMB136,042,000) as at December 31, 2021.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

## 7. DIVIDENDS

No dividends have been declared and paid by the Company for the year ended December 31, 2021 (2020: nil).

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

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent of RMB6,016,303,000 (2020: RMB912,898,000) and the weighted average number of ordinary shares. The weighted average number of shares for the year ended December 31, 2021 is determined based on 462,117,327 shares (after adjusted for the effect of the capitalisation issue) in issue during the year. The weighted average number of shares for the year ended December 31, 2020 is determined based on 350,000,000 shares (after adjusted for the effect of the capitalisation issue) issued pursuant to the Reorganisation had been in issue throughout the year ended December 31, 2020.

The calculation of the diluted loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

As the Group incurred losses, no adjustment has been made to the basic loss per share amounts presented for the year ended December 31, 2021 (2020: nil) as the impact of the conversion of the convertible redeemable preferred shares and share options and restricted share units outstanding had an anti-dilutive effect on the basic loss per share amounts presented. Accordingly, the dilutive loss per share amounts for the years ended December 31, 2021 and 2020 are the same as the basic loss per share amounts.

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

| | **2021** | 2020 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Loss | | |
| Loss attributable to owners of the parent, used in the basic loss per share calculation: | **(6,016,303)** | (912,898) |

| | **Number of Shares** | |
|---|---|---|
| | **2021** | 2020 |
| Shares | | |
| Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation: | **462,117,327** | 350,000,000 |

## 9. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

| | **2021** | 2020 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Prepayments | **1,374,978** | 220,165 |
| Value-added tax recoverable | **73,477** | 18,423 |
| Other receivables | **26,116** | 4,283 |
| | **1,474,571** | 242,871 |
| Analysed into: | | |
| Non-current portion | **32,934** | 51,839 |
| Current portion | **1,441,637** | 191,032 |

Prepayments primarily consisted of advance payments to suppliers for raw materials, research and development services and machinery.

Value-added tax recoverable represented the value-added tax that can be used for future deduction.

The financial assets included in the above balances are other receivables that primarily consisted of deposits relating to office lease or services, which are non-interest-bearing, unsecured and repayable on demand. Other receivables had no history of default and were categorized in stage 1 at the end of each year.

To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the ageing. In calculating the expected credit loss rate, the Company considers the historical loss rate and adjusts for forward-looking macroeconomic data. During the year, the Company estimated that the expected credit loss rate for other receivables is minimal, as there was no history of default of other receivables and there is no significant change in the economic factors based on the assessment of the forward-looking information. The directors of the Company are of the opinion that the ECL in respect of these balances is minimal.

## 10. TRADE PAYABLES

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

| | **2021** | 2020 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 6 months | **584,783** | 33,102 |
| 6 to 12 months | **2,411** | 183 |
| Over 1 year | **1,365** | 535 |
| | **588,559** | 33,820 |

The trade payables are non-interesting-bearing and are normally settled on terms of 30 to 60 days.

## 11. EVENTS AFTER THE REPORTING PERIOD

On February 3, 2022, Clover Biopharmaceuticals AUS Pty Ltd. ("**Clover AUS**") received USD65,884,000 (equivalent to approximately RMB425,021,000) from CEPI to support the Group's research and development of COVID-19 vaccine pursuant to the Agreement with CEPI.

## OTHER INFORMATION

### Final Dividend

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

## CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company was incorporated in the Cayman Islands on October 31, 2018 as an exempted company with limited liability, and the Shares were listed on the Main Board of the Stock Exchange on November 5, 2021.

### Compliance with the Corporate Governance Code

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**Corporate Governance Code**") as set out in Appendix 14 to the Listing Rules as the basis of the Company's corporate governance practices.

The Company has applied the principles and code provisions as set out in the Corporate Governance Code and has complied with the code provisions in the Corporate Governance Code during the Reporting Period.

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

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

### Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules. Specific enquiries have been made to all Directors and the Directors have confirmed that they have complied with the Model Code from the Listing Date to December 31, 2021.

The Company's relevant employees, who are likely to be in possession of unpublished price-sensitive information ("**Inside Information**") of the Company, have also been subject to the Model Code. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company from the Listing Date to December 31, 2021.

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

## Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any member of the Group has purchased, sold or redeemed any of the Shares from the Listing Date to December 31, 2021.

## Audit Committee

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

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The Audit Committee is responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assist the Board to fulfill its responsibility over the audit. The Audit Committee comprises three independent non-executive Directors, namely Mr. Thomas LEGGETT, Mr. Jeffrey FARROW and Mr. Ting XIAO. Mr. Thomas LEGGETT is the chairman of the Audit Committee. Mr. Jeffrey FARROW is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Group's annual results for the year ended December 31, 2021 have been reviewed by the Audit Committee and audited by the independent auditor of the Company, Ernst & Young. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company during the Reporting Period.

## Scope of work of Ernst & Young

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2021 as set out in this announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

## Use of Net Proceeds from Global Offering

The Company's Shares were listed on the Stock Exchange on November 5, 2021. The net proceeds from the Global Offering amounted to approximately HK$1,884.3 million (equivalent to RMB1,549.0 million). As of December 31, 2021, approximately 11.3% of the net proceeds of the Global Offering had been utilized as follows:

| Function | % of use of proceeds (Approximately) | Planned application of net proceeds from the Global Offering *HK$ million* | Planned application of net proceeds from the Global Offering *RMB million* | Actual usage up to December 31, 2021 *RMB million* | Unutilised net proceeds as of December 31, 2021 *RMB million* |
|---|---|---|---|---|---|
| For the research and development, manufacturing and commercialization of our Core Products and related products | 65.0% | 1,224.8 | 1,006.9 | 71.3 | 935.6 |
| For the research and development, manufacturing and commercialization of other products in our pipeline | 22.5% | 424.0 | 348.5 | 33.7 | 314.8 |
| For working capital and other general corporate purposes | 12.5% | 235.5 | 193.6 | 70.8 | 122.8 |
| **Total** | 100.0% | 1,884.3 | 1,549.0 | 175.7 | 1,373.3 |

*Notes:*

1. The net proceeds have been and will be utilized in accordance with the purposes set out in the Prospectus. The unutilized net proceeds is 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 progress of R&D and market conditions made by the Company. It will be subject to change based on the current and future development of market conditions.

2. The net proceeds were received in HK$ and translated to RMB for application planning. As of December 31, 2021, the unused net proceeds were deposited with certain licensed banks in Hong Kong and the PRC.

## Subsequent Events

Save as disclosed elsewhere in this announcement, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to December 31, 2021 and up to the date of this announcement.

## Principal Risks and Uncertainties

Our business, financial condition and results of operations could be materially and adversely affected by certain risks and uncertainties. For details, please see the section headed "Risk Factors" of the Prospectus.

**Publication of Annual Results Announcement and Annual Report**

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

The annual report for the year ended December 31, 2021 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in April 2022.

**Appreciation**

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

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.**

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

Shanghai, PRC, March 29, 2022

*As of the date of this announcement, the Board comprises Dr. Peng LIANG and Mr. Joshua G LIANG as executive Directors; Dr. Xiaodong WANG, Mr. Ting XIAO and Mr. Dong LYU as non-executive Directors; and Dr. Xiaobin WU, Mr. Xiang LIAO, Mr. Jeffrey FARROW and Mr. Thomas LEGGETT as independent non-executive Directors.*