Zheru Zhang – President; Jielun Zhu – CFO, I-Mab Biopharma, China

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Zheru Zhang and Jielun Zhu of I-Mab Biopharma, shares their vision for the ambitious biotech company looking to develop their dual-pronged strategy of in-licensing 'fast-to-market' assets for their China portfolio while accelerating proof-of-concept of their internally developed candidates; what it means to operate at 'I-Mab speed', not just 'China Speed'; the importance of their US presence; and their dream of developing I-Mab into an integrated end-to-end global biopharma company.

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Zheru, you were originally with Tasgen, which merged with Third Venture Capital in 2017 to create what is now known as I-Mab Biopharma. What was the rationale behind this move?

Zheru Zhang (ZZ): The main reason was the synergy between both companies. Third Venture Capital had its strengths more on the discovery and early clinical development side, while Tasgen was strong in CMC and non-clinical development so the combination of both companies formed a whole drug discovery and development value chain. I-Mab became an integrated biotech company with discovery, CMC, pre-clinical and clinical development capabilities, which is what has driven our fast growth over the past a couple of years.

From the very beginning of I-Mab, our founder, Chairman and CEO, Dr. Jingwu Zang has set the vision to bring transformational medicines to patients globally through innovation. This is why we have always been exclusively focused on developing potential best-in-class and first-in-class medicines from the inception. As a newly established biotech company, positioning is critical. I-Mab has a clear therapeutic area focus on immuno-oncology and autoimmune diseases. Over the past three years, our unique position with competitive pipeline and dynamic business strategy has allowed us to

progress at a great speed. Speed is of critical importance, particularly in the competitive field of immuno-oncology.

Chinese biotechs are well-known for the fast pace of growth and development. How does I-Mab achieve this speed?

Jielun Zhu (JZ): Our model is to do everything as fast as we can but with quality. Admittedly, this is not always easy, but we like to say, there is the 'China speed' and there is the 'I-Mab speed', which is even faster. This is absolutely key if we want to develop global first-in-class biologics. In general, if you launch the eighth or ninth drug within a category globally, it is extremely unlikely that it will be a best-in-class drug. Speed is our competitive edge.

ZZ: To achieve this, we have taken advantage of an open innovation ecosystem. If we want to be fast, we cannot solely rely on in-house R&D. This is why we have partnered with the best organizations for certain steps of the R&D value chain, leveraging synergies and complementarities between internal and external R&D capabilities. This enables us to maximize our productivity and efficiency.

The same applies to our CMC capabilities. We have our own state-of-the-art small scale process development labs, we are also accelerating our development through partnerships with CDMOs such as WuXi Biologics and Patheon. At the same time, we are planning to build our own process development and manufacturing capabilities to meet the growing demand for clinical trial materials and future commercial supplies, as our pipeline continues to grow and progress.

I-Mab has its China portfolio, which includes in-licensed products with a 'fast-to-market' strategy within China, and a global portfolio, which are in-house assets developed for the global market. How does I-Mab manage both portfolios in terms of your strategy and resource allocation?

JZ: It is very important that we invest our resources in the right areas. To achieve a delicate balance between exclusive positioning of our first-in-class and best-in-class potential with the inherent development risk, we have adopted a unique business model and a risk-controlled portfolio strategy, which comprises two elements: a lower-risk, fast-to-market China portfolio, and a higher-risk, fast to proof-of-concept with the Global Portfolio.

The fast-to-market China Portfolio is built around in-licensed investigational drugs that have demonstrated a favourable clinical safety profile and preliminary efficacy data in Phase 1 or 2 trials in the US, Europe, or elsewhere. We only select candidates with the potential to become first-in-class or best-in-class therapeutics for urgent unmet medical needs in China. We currently have five assets that are either in, or ready to enter, Phase 2 and 3 clinical trials in Greater China. They require large investments in terms of absolute

dollar amounts simply because they are in the late stages of clinical development where we are recruiting hundreds of patients, compared to our Phase I clinical trials being conducted in the United States.

Where the goal of the China Portfolio is to bring in-licensed products to the Chinese market as quickly as possible, the Global Portfolio focuses on demonstrating proof-of-concept, namely safety and preliminary efficacy, for our internally developed innovative biologic drug candidates. The strategy is to clinically validate these candidates in the US, where we can take advantage of the US FDA's streamlined regulatory system for innovative drugs, which includes a clearly defined process with predictable timeline. Once clinically validated, the further clinical development of these candidates is pursued in China, where we have access to huge patient pools, extensive clinical trial networks, collaborations with leading hospitals, and a regulatory pathway that allows for fast-track approval of drugs that are supported by solid clinical data generated in the US. This is where the two portfolio strategies meet and can generate significant development synergy.

The Global Portfolio contains biologics with first-in-class or best-in-class potential that fall into two categories: mAbs and bi-specific molecules. We currently have three mAbs in Phase 1 trials in the US (TJC4 and TJC5 for multiple cancer indications, and TJM2 for rheumatoid arthritis and other autoimmune diseases), and two mAbs – TJ210 for oncology and autoimmune disease, and TJX7 for autoimmune diseases – are at the CMC stage, with INDs and the initiation of Phase 1 trials in the US expected in 2020. We also have a panel of global first-in-class bispecific antibodies that are in pre-clinical development. This is an area that is rapidly gaining traction worldwide. We are at the forefront of this trend and have proprietary technologies to engineer these promising molecules.

In order to optimally manage these two portfolios and maximize the synergies between them, our regulatory, clinical, discovery and CMC teams are integrated across our China and US sites and evenly distributed across our pre-clinical and clinical programs, with the dollar investments more weighted towards later-stage assets more as a reflection of the cost of late-stage clinical trials.

Amongst these candidates, are there any in particular you might want to highlight?

ZZ: We are very excited about all our programs. I could highlight TJC4, our CD47 antibody, which we truly believe has the potential to become a best-in-class drug based on the current *in vitro* and *in vivo* data we have generated. TJC4 is an antibody recognizing a rare epitope. This antibody was originally selected, by design, to avoid or minimize binding to RBCs, while maintaining high tumor-killing potency. Our China and US teams, along with our partners, are all working very diligently to ensure that we realize the potential of this molecule.

In fact, both our CD47 and CD73 antibodies have attracted a high level of interest from global pharmaceutical companies and KOLs due to their clinical differentiation potential from competitor antibodies. This is a strong testament to our discovery, CMC development, and clinical development capabilities.

I-Mab also has a team based in the US. How does that contribute to your overall strategy in terms of both R&D and business?

JZ: Our US team is essential to our development strategy. We currently have a small but very capable team based in Maryland which is responsible for managing the three Phase 1 trials previously mentioned. As part of our global strategy, we plan to expand our research and development capabilities in the US to include regulatory affairs, translational medicine, drug formulation and clinical operations. These specific functions in the US are complementary to and an integral part of our overall research and development capabilities to support clinical development of our Global Portfolio. In addition, we also intend to expand our operational footprint in the US to create an independent multi-functional business entity covering global business development, investor relations and corporate communications and other operational capabilities. These plans are being implemented as we speak, and we are very excited about the growth trajectory of our US presence.

Looking forward, what more can we expect from I-Mab in terms of more partnerships?

ZZ: Certainly, we are very open to new collaborations with companies across the globe. We keep a very open mind when it comes to potential partnerships. Our focus will remain in immuno-oncology and autoimmune diseases, and within these therapeutic areas we are focusing on monoclonal antibody and bi-specific antibody.

For instance, in July 2018, we signed a USD 100 million agreement with ABL Bio, a Korean company for some of our bi-specific antibodies. We would like to build on our success to maximize the value of our pipeline and provide a sustainable revenue stream before the commercialization of our marketed products.

The senior management team at I-Mab have all previously worked in the US or in Europe, so we all share the same perspective on the importance of following international drug development standards. This ensures that we speak the same language as our international partners. For instance, our successful partnership with MorphoSys is based on the fact that we share the same philosophy on how to move and manage the development of a globally competitive, highly innovative drug candidate. Our systems are quite compatible and therefore, the partnership has been a fruitful one.

Jielun, on a more personal note, prior to joining I-Mab, you were MD and Asia Head of Healthcare Investment Banking and Capital Markets at Jefferies Group LLC. Why did you decide to join I-Mab amongst the many other innovative biotechs in China?

JZ: The biggest draw for me to join I-Mab is beyond the normal career and financial

considerations, I felt that it would be deeply meaningful to be part of something that was going to last. I-Mab is certainly one of the best examples of the next generation of innovative Chinese biotech companies. When I-Mab says it wants to innovate, it actually puts the money where its mouth is. Our founder & CEO, Dr. Jingwu Zang, is extremely committed to play on the global stage and compete with global innovation. This is what convinced me to take the leap.

My role as CFO in I-Mab also gives me the opportunity to support the CEO, the management team and the board in steering the company in the right direction. I hope to offer my experience within the capital markets and familiarity with investors to also help on the business side, where possible. The operational exposure I have been getting in the business is certainly beyond anything I have experienced on the banking side and also helps me develop a renewed appreciation for how hard it is to build a young organization, let alone in a highly complicated and risky industry such as the biotech world, to adapt, adjust and grow.

Over the next three to five years, what would you like to see I-Mab?

JZ: I-Mab is unique. We certainly do things differently, and we stand out because we have our in-house innovation engine that discovers and develops drugs that we will test in the global marketplace. We are willing and able to compete internationally.

ZZ: In the next five years, I would like to see I-Mab to become a fully integrated end-to-end global biopharmaceutical company. In that regard, we hope to be in a position to launch our first wave of products in the Greater China markets. We also expect to have our own manufacturing facility completed.