UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

Date of Report: July 25, 2022

Commission File Number: 001-39307

Legend Biotech Corporation
(Exact Name of Registrant as Specified in its Charter)

2101 Cottontail Lane
Somerset, New Jersey 08873
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Press Release Dated July 25, 2022

On July 25, 2022, Legend Biotech Corporation (the "Company") issued a press release announcing a proposed underwritten public offering of $250 million of American Depositary Shares ("ADSs"), each representing two ordinary shares, and up to an additional $37.5 million of ADSs sold in the public offering to the underwriters pursuant to an option to purchase additional ADSs (the "Offering"). The Company is filing a copy of the press release relating to the Offering as Exhibit 99.1 hereto, which is incorporated by reference herein.

The press release was issued pursuant to, and in accordance with, Rule 134 under the Securities Act of 1933, as amended, and is neither an offer to sell nor a solicitation of an offer to buy the ordinary shares, ADSs or any other securities and shall not constitute an offer to sell or a solicitation of an offer to buy, or a sale of, the ordinary shares, ADSs or any other securities in any jurisdiction in which such offer, solicitation or sale is unlawful.

Financial Results for the Three Months Ended March 31, 2022

The Company is furnishing this report on Form 6-K to provide its unaudited consolidated financial statements for the three months ended March 31, 2022 and 2021 and to provide Management's Discussion and Analysis of Financial Condition and Results of Operations with respect to such financial statements.

The unaudited condensed consolidated financial statements as of March 31, 2022 and for the three months ended March 31, 2022 and 2021 are attached to this Form 6-K as Exhibit 99.2. Management's Discussion and Analysis of Financial Condition and Results of Operations is attached to this Form 6-K as Exhibit 99.3. The Company is also updating certain of its Risk Factors that were previously included in Item 3.D of its Annual Report on Form 20-F, which updated Risk Factors are attached to this Form 6-K as Exhibit 99.4. In addition, the Company is updating its pipeline of product candidates, as set forth in Exhibit 99.5.

This report on Form 6-K is hereby incorporated by reference into the Company's Registration Statements on Form F-3 (Registration Nos. 333-257625 and 333-257609) and the Company's Registration Statement on Form S-8 (Registration No. 333-239478).

EXHIBIT INDEX

Exhibit	Title
99.1	Press Release dated July 25, 2022.
99.2	Unaudited Interim Condensed Consolidated Financial Statements as of March 31, 2022 and for the three months ended March 31, 2022 and 2021.
99.3	Management's Discussion and Analysis of Financial Condition and Results of Operations.
99.4	Select Updated Risk Factors.
99.5	Pipeline.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LEGEND BIOTECH CORPORATION

July 25, 2022

By: /s/ Ying Huang
Ying Huang, Ph.D.
Chief Executive Officer

Legend Biotech Corporation Announces Proposed Public Offering

SOMERSET, NJ – July 25, 2022 – Legend Biotech Corporation (NASDAQ: LEGN) ("Legend Biotech"), a global biotechnology company developing, manufacturing and commercializing novel therapies to treat life-threatening diseases, today announced that it intends to offer and sell $250 million of American Depositary Shares ("ADSs"), each representing two ordinary shares, in an underwritten public offering. All ADSs to be sold in the proposed offering will be offered by Legend Biotech. Legend Biotech also intends to grant the underwriters a 30-day option to purchase up to an additional $37.5 million of ADSs sold in the public offering at the public offering price, less underwriting discounts and commissions. The offering is subject to market conditions, and there can be no assurance as to whether or when the offering may be completed or the actual size or terms of the offering.

Morgan Stanley, J.P. Morgan, Jefferies and Evercore ISI are serving as joint book-running managers for the offering. BMO Capital Markets is acting as a book-runner.

The ADSs are being offered by Legend Biotech pursuant to an effective shelf registration statement that was previously filed with the Securities and Exchange Commission ("SEC"). The offering is being made only by means of a written prospectus and prospectus supplement that form a part of the registration statement. A preliminary prospectus supplement relating to and describing the terms of the offering will be filed with the SEC and will be available on the SEC's website at www.sec.gov. A copy of the preliminary prospectus supplement can be obtained, when available, from Morgan Stanley & Co. LLC, 180 Varick Street, 2nd Floor, New York, NY 10014, Attention: Prospectus Department, or by telephone at (866) 718-1649; J.P. Morgan Securities LLC, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717, by telephone at 866-803-9204 or by email at prospectus-eq_fi@jpmorganchase.com; Jefferies LLC, Attention: Equity Syndicate Prospectus Department, 520 Madison Avenue, New York, NY 10022, by telephone at 877-821-7388 or by email at prospectus_department@jefferies.com; or Evercore Group L.L.C., Attention: Equity Capital Markets, 55 East 52nd Street, 35th Floor, New York, NY 10055, by telephone at 888-474-0200 or by email at ecm.prospectus@evercore.com.

This press release does not constitute an offer to sell or the solicitation of an offer to buy securities, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

About Legend Biotech

Legend Biotech is a global biotechnology company dedicated to treating, and one day curing, life-threatening diseases. Headquartered in Somerset, New Jersey, we are developing advanced cell therapies across a diverse array of technology platforms, including autologous and allogeneic chimeric antigen receptor T-cell and natural killer (NK) cell-based immunotherapy. From our three R&D sites around the world, we apply these innovative technologies to pursue the discovery of safe, efficacious and cutting-edge therapeutics for patients worldwide.

Cautionary Note Regarding Forward-Looking Statements

Statements in this press release about future expectations, plans and prospects, as well as any other statements regarding matters that are not historical facts, may constitute "forward-looking statements" within the meaning of The Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements relating to the proposed public offering. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: the uncertainties related to market conditions and the completion of the proposed public offering on the anticipated terms or at all, and the other factors discussed in the "Risk Factors" section of Legend Biotech's Annual Report on Form 20-F for the year ended December 31, 2021 filed with the SEC on March 31, 2022 as well as in Legend Biotech's other filings with the SEC. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this press release as anticipated, believed, estimated or expected. Any forward-looking statements contained in this press release speak only as of the date hereof, and Legend Biotech specifically disclaims any obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise. Readers should not rely upon the information in this press release as current or accurate after its publication date.

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LEGEND BIOTECH CORPORATION
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

	Notes	Three months ended March 31, 2022 (Unaudited)	2021 (Unaudited)
		(US$ in thousands, except per share data)	
REVENUE	4	40,827	13,682
Other income and gains	4	1,012	722
Research and development expenses		(81,346)	(71,072)
Administrative expenses		(12,657)	(8,742)
Selling and distribution expenses		(21,302)	(13,417)
Other expenses		(1,527)	(2,034)
Fair value gain of warrant liability	14	34,900	—
Finance costs		(994)	(38)
LOSS BEFORE TAX	5	(41,087)	(80,899)
Income tax expense	6	—	—
LOSS FOR THE PERIOD		(41,087)	(80,899)
Attributable to:			
Ordinary equity holders of the parent		(41,087)	(80,899)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Ordinary shares-basic and diluted	7	(US$ 0.13)	(US$ 0.30)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		2,311	4,349
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		2,311	4,349
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		2,311	4,349
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(38,776)	(76,550)
Attributable to:			
Ordinary equity holders of the parent		(38,776)	(76,550)

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

LEGEND BIOTECH CORPORATION
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT MARCH 31, 2022 AND CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	Notes	March 31, 2022 US$'000 (Unaudited)	December 31, 2021 US$'000
NON-CURRENT ASSETS			
Property, plant and equipment	8	156,005	145,724
Advance payments for property, plant and equipment		258	2,168
Right-of-use assets		7,393	7,186
Time deposits	12	4,726	4,705
Intangible assets		4,517	4,684
Other non-current assets		4,912	5,148
Total non-current assets		177,811	169,615
CURRENT ASSETS			
Inventories		2,895	1,749
Trade receivables	9	50,451	50,410
Prepayments, other receivables and other assets		16,651	12,754
Financial assets measured at amortised cost	10	29,974	29,937
Financial assets at fair value through profit or loss	11	99,995	—
Pledged deposits	12	1,448	1,444
Time deposits	12	283,505	163,520
Cash and cash equivalents	12	377,786	688,938
Total current assets		862,705	948,752
Total assets		1,040,516	1,118,367
CURRENT LIABILITIES			
Trade payables	13	9,712	7,043
Other payables and accruals		96,055	123,464
Government grants		320	304
Lease liabilities		883	911
Warrant liability	14	53,000	87,900
Contract liabilities		65,560	60,644
Total current liabilities		225,530	280,266
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	15	126,714	120,462
Contract liabilities		245,850	242,578
Lease liabilities		1,630	1,593
Government grants		1,873	1,866
Other non-current liabilities		356	396
Total non-current liabilities		376,423	366,895
Total liabilities		601,953	647,161
EQUITY			
Share capital	16	31	31
Reserves		438,532	471,175
Total ordinary shareholders' equity		438,563	471,206
Total equity		438,563	471,206
Total liabilities and equity		1,040,516	1,118,367

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

LEGEND BIOTECH CORPORATION
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

	Attributable to equity holders of the parent					
	Share capital US$'000	Share premium* US$'000	Share-based compensation reserves* US$'000	Foreign currency translation reserve* US$'000	Accumulated losses* US$'000	Total equity US$'000
As at January 1, 2022	31	1,261,454	19,702	6,987	(816,968)	471,206
Loss for the period	—	—	—	—	(41,087)	(41,087)
Other comprehensive income:						
Exchange differences on translation of foreign operations	—	—	—	2,311	—	2,311
Total comprehensive loss for the period	**—**	**—**	**—**	**2,311**	**(41,087)**	**(38,776)**
Exercise of share options	—	610	(151)	—	—	459
Reclassification of vested restricted stock units	—	6,871	(6,871)	—	—	—
Equity-settled share-based compensation expense	—	—	5,674	—	—	5,674
As at March 31, 2022 (unaudited)	**31**	**1,268,935***	**18,354***	**9,298***	**(858,055)***	**438,563**

LEGEND BIOTECH CORPORATION
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021 (CONTINUED)

	Attributable to equity holders of the parent					
	Share capital US$'000	Share premium* US$'000	Share-based compensation reserves* US$'000	Foreign currency translation reserve* US$'000	Accumulated losses* US$'000	Total equity US$'000
As at January 1, 2021	27	708,306	6,314	(3,633)	(430,759)	280,255
Loss for the period	—	—	—	—	(80,899)	(80,899)
Other comprehensive income:						
Exchange differences on translation of foreign operations	—	—	—	4,349	—	4,349
Total comprehensive loss for the period	**—**	**—**	**—**	**4,349**	**(80,899)**	**(76,550)**
Exercise of share options	—	544	(121)	—	—	423
Equity-settled share-based compensation expense	—	—	2,323	—	—	2,323
As at March 31, 2021 (unaudited)	**27**	**708,850***	**8,516***	**716***	**(511,658)***	**206,451**

* These reserve accounts comprise the consolidated reserves of US$438.5 million and US$206.4 million in the condensed consolidated statements of financial position as at March 31, 2022 and 2021, respectively.

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

LEGEND BIOTECH CORPORATION
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

	Note	March 31, 2022 US$'000 (Unaudited)	March 31, 2021 US$'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(41,087)	(80,899)
Adjustments for:			
Finance income	4	(458)	(100)
Finance costs		994	38
Reversal of provision for the impairment of trade receivables	9	—	(22)
Depreciation of property, plant and equipment		3,179	2,822
Loss on disposal of property, plant and equipment		20	54
Amortisation of intangible assets		491	494
Depreciation of right-of-use assets		257	364
Fair value gain of warrant liability	14	(34,900)	—
Fair value loss on financial assets measured at fair value change through profit or loss		5	—
Foreign currency exchange loss, net		1,494	1,914
Equity-settled share-based compensation expense		5,674	2,323
Deferred government grant		(77)	(71)
		(64,408)	(73,083)
(Increase)/decrease in trade receivables		(39)	75,000
Increase in prepayments, other receivables and other assets		(3,671)	(377)
Decrease/(increase) in other non-current assets		244	(10)
Increase in inventories		(1,146)	(297)
Government grant received		91	—
Increase in trade payables		2,669	4,411
Decrease in other payables and accruals		(21,879)	(15,662)
Decrease in other non-current liabilities		(40)	—
Increase/(decrease) in contract liabilities		9,213	(16,963)
Decrease in pledged deposits, net		—	128
Cash used in operations		(78,966)	(26,853)
Finance income received		310	104
Interest on lease payments		(31)	(38)
Net cash flows used in operating activities		(78,687)	(26,787)

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

LEGEND BIOTECH CORPORATION
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021 (CONTINUED)

	Note	March 31, 2022 US$'000 (Unaudited)	March 31, 2021 US$'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(12,118)	(15,407)
Purchase of intangible assets		(411)	(1,770)
Purchase of financial assets measured at fair value through profit or loss		(100,000)	—
Proceeds from disposal of property, plant and equipment		—	27
Addition in time deposits		(209,971)	(50,000)
Decrease in time deposits		90,000	50,000
Net cash flows used in investing activities		(232,500)	(17,150)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		459	378
Principal portion of lease payments		(434)	(171)
Net cash flows from financing activities		25	207
NET DECREASE IN CASH AND CASH EQUIVALENTS		(311,162)	(43,730)
Effect of foreign exchange rate changes, net		10	337
Cash and cash equivalents at beginning of period	12	688,938	455,689
CASH AND CASH EQUIVALENTS AT END OF PERIOD	12	377,786	412,296
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		667,465	462,552
Less: Pledged deposits		1,448	256
Time deposits		288,231	50,000
Cash and cash equivalents as stated in the statement of financial position	12	377,786	412,296
Cash and cash equivalents as stated in the statement of cash flows		377,786	412,296

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

LEGEND BIOTECH CORPORATION
NOTES TO THE UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Legend Biotech Corporation (the "Company") was incorporated on May 27, 2015 as an exempted company in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands. The registered office address of the Company is 4th Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grant Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company. The Company's subsidiaries are principally engaged in research and development of biological products.

In the opinion of the Directors, the parent company of the Company is Genscript Biotech Corporation ("GenScript"), which was incorporated in the Cayman Islands on May 21, 2015 and listed on the main board of Hong Kong Stock Exchange since December 30, 2015.

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the three months ended March 31, 2022 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS34") issued by the International Accounting Standards Board ("IASB").

The accounting policies and basis of preparation adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended December 31, 2021. The Group has not early adopted any other standards, interpretation or amendments that has been issued but is not yet effective.

In the opinion of the Company's management, the accompanying unaudited interim condensed consolidated financial statements contain all normal recurring adjustments necessary to present fairly the financial position, operating results and cash flows of the Company for each of the periods presented. The results of operations for the three months ended March 31, 2022 are not necessarily indicative of results to be expected for any other interim periods or for the year ended December 31, 2022. The condensed consolidated statement of financial position as of December 31, 2021 was derived from the audited consolidated financial statements at that date but does not include all of the disclosures required by IFRS for annual financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021.

2.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective.

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
IFRS 17	*Insurance Contracts*[1]
Amendments to IFRS 17	*Insurance Contracts*[1,3]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[1]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[2]
Amendments to IAS 8	*Definition of Accounting Estimates*[1]
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[1]

1 Effective for annual periods beginning on or after January 1, 2023
2 No mandatory effective date yet determined but available for adoption
3 As a consequence of the amendments to IFRS 17 issued in October 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before January 1, 2023

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group has expected that these standards will not have a significant effect on the Group's financial performance and financial position.

3. OPERATING SEGMENT INFORMATION

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision makers, for the purposes of resource allocation and assessment of performance does not contain discrete operation segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information on the operating segment is presented.

Geographic information

a) Revenue from external customers

	Three months ended March 31,	
	2022	2021
	US$'000 (Unaudited)	US$'000 (Unaudited)
United States of America	40,787	13,682
China	40	—
Total	40,827	13,682

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

3. OPERATING SEGMENT INFORMATION (CONTINUED)

b) Non-current assets

	March 31, 2022 US$'000 (Unaudited)	December 31, 2021 US$'000
United States of America	104,621	103,648
China	52,810	50,800
Others	15,654	10,462
Total	173,085	164,910

The non-current asset information above is based on the locations of assets and excludes non-current time deposits.

Information about major customer

Revenue of US$40.8 million and US$13.7 million for the three months ended March 31, 2022 and 2021, respectively, was derived from sales to a single customer.

Revenue of US$0.04 million and nil for the three months ended March 31, 2022 and 2021, respectively, was generated from sales-based royalties using an exclusive licensing of certain patents to a related party and its affiliates, which was further disclosed in note 19.

4. REVENUE, OTHER INCOME AND GAINS

Revenue

An analysis of revenue is as follows:

	Three months ended March 31,	
	2022 US$'000 (Unaudited)	2021 US$'000 (Unaudited)
Revenue from contracts with customer		
License and collaboration revenue		
- Licensing of intellectual property	3,750	—
- Joint Steering Committee service ("JSC service")	37,037	13,682
Licensing and royalties	40	—
Total	**40,827**	**13,682**

Revenue from the licensing of intellectual property is recognized at a point in time and revenue from JSC service is recognized over time.

4. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Revenue (continued)

Licensing and royalties related to an exclusive licensing of certain patents to a related party and its affiliates and related subsequent sales-based royalties, which was further disclosed in note 19.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	Three months ended March 31,	
	2022	2021
	US$'000 (Unaudited)	US$'000 (Unaudited)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
License and collaboration revenue		
- JSC service	15,118	13,682

	Three months ended March 31,	
	2022	2021
	US$'000 (Unaudited)	US$'000 (Unaudited)
Revenue recognised from performance obligation satisfied in previous periods:		
License and collaboration revenue		
- Licensing of intellectual property	3,750	—
- JSC service	20,639	—
Total	24,389	—

Performance obligations

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as of March 31, 2022 and December 31, 2021 are as follows:

	As of March 31, 2022	As of December 31, 2021
	US$'000 (Unaudited)	US$'000
Amounts expected to be recognised as revenue:		
Within 1 year	65,560	60,644
1 - 2 years	65,560	60,644
2 - 3 years	65,560	60,644
3 - 4 years	65,560	60,644
After 4 years	49,170	60,646
Total	311,410	303,222

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue relate to JSC service, of which the performance obligations are to be satisfied over the collaboration period, which is estimated to be 9 years. The amounts disclosed above do not include variable consideration which is constrained.

4. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Other income and gains

	Three months ended March 31,	
	2022	2021
	US$'000 (Unaudited)	US$'000 (Unaudited)
Other income		
Finance income	458	100
Government grants*	502	614
Others	3	8
	963	722
Gains		
Others**	49	—
Other income and gains	**1,012**	**722**

* The amount represents subsidies received from local government authorities to support the Group's business. There were no unfulfilled conditions and other contingencies attached to these government grants.

** The amount mainly represents reimbursement of depositary fees that are related to the establishment and maintenance of the American Depository Receipts (ADR) program.

5. LOSS BEFORE TAX

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

	Notes	Three months ended March 31,	
		2022	2021
		US$'000 (Unaudited)	US$'000 (Unaudited)
Loss on disposal of property, plant and equipment		20	54
Reversal of provision for the impairment of trade receivables (note 9)	9	—	(22)
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages and salaries		30,845	23,783
Pension scheme contributions *		681	522
Equity-settled share-based compensation expense		5,674	2,323

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

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.

British Virgin Islands

Under the current laws of the British Virgin Islands ("BVI"), the Group's BVI subsidiary is not subject to tax on income or capital gains. Additionally, upon payments of dividends by the Group's subsidiary incorporated in the BVI to their shareholders, no withholding tax will be imposed.

6. INCOME TAX (CONTINUED)

Hong Kong

Under the current laws of Hong Kong, the subsidiary which operates in Hong Kong is subject to the two-tiered profits tax rates regime. Starting from January 1, 2018, the first HK$2,000,000 of assessable profits were taxed at 8.25% and the remaining assessable profits were taxed at 16.5%. Under the Hong Kong tax law, the subsidiaries in Hong Kong are exempted from income tax on their foreign derived income and there are no withholding taxes in Hong Kong on remittance of dividends.

United States of America

Under the current laws of the United States of America ("USA"), the subsidiary which operates in the United States of America is subject to federal tax at a rate of 21% and New Jersey state tax at a rate of 9% without including 2.5% New Jersey Surcharge due to the anticipated timing of utilization of the New Jersey Net Operating Loss in New Jersey. The 2.5% New Jersey Surcharge will be expired as of December 31, 2023. Dividends payable by the Group's US entity, to non-US resident enterprises shall be subject to 30% withholding tax, unless the respective non-US resident enterprise's jurisdiction of incorporation has a tax treaty or arrangements with US that provides for a reduced withholding tax rate or an exemption from withholding tax.

Ireland

Under the current laws of Ireland, the subsidiary which operates in Ireland is subject to corporate income tax ("CIT") at a rate of 12.5% on its taxable trading income and 25% on any non-trading income. Dividend withholding tax is imposed on distributions made by Irish companies at a rate of 25% with many exemptions provided.

Mainland China

Pursuant to the Corporate Income Tax Law of The People's Republic of China (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% on the taxable income. The applicable income tax rate was 25%. Dividends, interests, rent or royalties payable by the Group's PRC entities, to non PRC resident enterprises, and proceeds from any such non-resident enterprise investor's disposition of assets (after deducting the net value of such assets) shall be subject to 10% enterprise income tax ("EIT"), namely withholding tax, unless the respective non PRC resident enterprise's jurisdiction of incorporation has a tax treaty or arrangements with China that provides for a reduced withholding tax rate or an exemption from withholding tax.

Belgium

Under the current laws of Belgium, the subsidiary which operates in Belgium is subject to CIT at a rate of 25% on its taxable trading income. Dividend withholding tax is imposed on distributions made by Belgium companies at a rate of 30% with many exemptions provided.

During the three months ended March 31, 2022 and 2021, no income tax expense was recognized.

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

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 308,699,034 and 266,293,913 in issue during the three months ended March 31, 2022 and 2021, respectively.

The calculation of the diluted loss per share amount is based on the loss for the period 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 period, 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 of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic loss per share amounts presented for the three months ended March 31, 2022 and 2021 in respect of a dilution as the impact of the outstanding share options, restricted stock units and warrant liability had an anti-dilutive effect on the basic loss per share amounts presented.

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

	Three months ended March 31,	
	2022 US$'000 (Unaudited)	2021 US$'000 (Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	(41,087)	(80,899)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	308,699,034	266,293,913
Loss per share (basic and diluted) (US$ per share)	(0.13)	(0.30)

8. PROPERTY, PLANT AND EQUIPMENT

During the three months ended March 31, 2022, the Group acquired items of property, plant and equipment with a cost of US$13.7 million (for the three months ended March 31, 2021: US$12.8 million), among which, the charge from a customer under a license and collaboration agreement amounted to US$8.9 million (for the three months ended March 31, 2021: US$2.6 million).

9. TRADE RECEIVABLES

	March 31, 2022 US$'000 (Unaudited)	December 31, 2021 US$'000
Trade receivables	50,451	50,410
Less: Impairment of trade receivables	—	—
	50,451	**50,410**

The Group's trading terms with its customers are mainly on credit. The credit period is 45 to 60 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management. Trade receivables are non-interest-bearing. The Group has concentration of credit risk as US$50.0 million (or 99.1%) and US$50.0 million (or 99.2%), respectively, of trade receivables were due from one single customer under a license and collaboration agreement as of March 31, 2022 and December 31, 2021.

As of March 31, 2022 and December 31, 2021, the remaining trade receivables of US$0.5 million and US$0.4 million were about royalties due from a related party. Refer to note 19 for details.

Movements in the loss allowance for impairment of trade receivables were as follows:

	Total US$'000
At January 1, 2021	22
Impairment losses reversed	(22)
Impairment losses recognised	—
At December 31, 2021	—

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group performed an impairment analysis at the end of each year by considering the probability of default of the debtors or comparable companies with published credit ratings.

As of March 31, 2022 and December 31, 2021, the expected credit loss is insignificant.

10. FINANCIAL ASSETS MEASURED AT AMORTISED COST

	March 31, 2022 US$'000 (Unaudited)	December 31, 2021 US$'000
Financial assets measured at amortised cost	29,974	29,937

Financial assets measured at amortised cost was related to commercial paper issued by a financial institution with principal amount of US$30.0 million, discounted bid yield of 0.5% per annum and one year maturity date on June 1, 2022.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2022 US$'000 (Unaudited)	December 31, 2021 US$'000
Financial assets at fair value through profit or loss	99,995	—

Financial assets at fair value through profit or loss were related to investments in money market funds as of March 31, 2022. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

12. CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND PLEDGED DEPOSITS

	March 31, 2022 US$'000 (Unaudited)	December 31, 2021 US$'000
Cash and bank balances	667,465	858,607
Less: Pledged deposits	(1,448)	(1,444)
Time deposits	(288,231)	(168,225)
Cash and cash equivalents	**377,786**	**688,938**
Cash and cash equivalents denominated in		
USD	368,847	681,025
RMB	7,733	5,875
EUR	1,206	2,038
Cash and cash equivalents	**377,786**	**688,938**

The cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to US$7.7 million and $5.9 million as of March 31, 2022 and December 31, 2021, respectively. RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

The pledged deposit as of March 31, 2022 and December 31, 2021 was pledged for issuing a letter of guarantee to a supplier of the Group and for credit card facilities.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

13. TRADE PAYABLES

	March 31, 2022 US$'000 (Unaudited)	December 31, 2021 US$'000
Trade payables	**9,712**	**7,043**

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

As of March 31, 2022 and December 31, 2021, amounts due to the Group's related parties, included in the Group's trade payables, were US$4.3 million and US$2.4 million, respectively (note 19).

14. WARRANT LIABILITY

On May 13, 2021, the Company entered into a subscription agreement with an institutional investor relating to the offer and sale of 20,809,850 ordinary shares of the Company, par value US$0.0001 per share, in a private placement at a purchase price of US$14.41625 per ordinary share (the "PIPE Offering"). The total proceeds from the PIPE Offering are US$300.0 million. Pursuant to the subscription agreement, the Company also agreed to issue and sell concurrently with the PIPE offering a warrant (the "Warrant") exercisable for up to an aggregate of 10,000,000 ordinary shares (such transaction together with the PIPE Offering, the "Transactions"). The Transactions were completed on May 21, 2021 (the "Closing Date"). The Warrant is exercisable, in whole or in part, at an exercise price of US$20.00 per ordinary share, at any time prior to the two-year anniversary of the Closing Date.

The Warrant is accounted for as a financial liability because the Warrant may be net share settleable at the holder's option. The initial fair value of the warrant liability is assessed at US$81.7 million and is recognised upon closing of the Transactions. As of March 31, 2022 and December 31, 2021, the fair value of the Warrant was assessed at US$53.0 million and US$87.9 million, respectively. A fair value gain of US$34.9 million was recorded in profit or loss for the three months ended March 31, 2022 due to change in fair value. Management considered that there is no significant change of the Company's own credit risk that drives the fair value change of the warrant liability for the three months ended March 31, 2022.

The movement of the warrant liability is set out as below:

	Total US$'000
At January 1, 2022	87,900
Fair value gain of the warrant liability	(34,900)
At March 31, 2022 (unaudited)	**53,000**

	Total US$'000
At January 1, 2021	—
Issuance of the warrant liability	81,700
Fair value loss of the warrant liability	6,200
At December 31, 2021	**87,900**

15. INTEREST-BEARING LOANS AND BORROWINGS

	March 31, 2022			December 31, 2021		
	Effective interest rate %	Maturity	US$'000 (unaudited)	Effective interest rate %	Maturity	US$'000
Non-current						
Loans from a collaborator	4.29	No fixed term of repayment	126,714	3.03	No fixed term of repayment	120,462

Pursuant to the license and collaboration agreement entered into with a collaborator, the Company is entitled to receive funding advances from the collaborator when certain operational conditions are met. As a result, the Company took an initial funding advance with principal amounting to US$17.3 million on June 18, 2021, a second funding advance with principal amounting to US$53.1 million on September 17, 2021, a third funding advance with principal amounting to US$49.3 million on December 17, 2021, and a fourth funding advance with principal amounting to US$5.3 million on March 18, 2022 by reducing the same amount of other payables due to the collaborator, respectively (collectively, the "Funding Advances").

As of March 31, 2022 and December 31, 2021, these Funding Advances are accounted for as interest-bearing borrowings funded by the collaborator, constituted by a principal amounting to US$125.0 million and US$119.7 million and applicable interests accrued amounting to US$1.7 million and US$0.8 million upon such principal, respectively.

The respective interest rate of each borrowing is based on the average annual London Interbank Offered Rate ("LIBOR") for U.S. Dollars as reported in the Wall Street Journal on the due date of the quarterly invoice or the next business date should the due date fall on a weekend or holiday, plus 250 basis points, calculated on the number of days from the date on which the Company applied such borrowings. For each of the four batches of funding advances, interest started to accrue from June 18, 2021, September 17, 2021, December 17, 2021 and March 18, 2022, respectively.

Pursuant to the terms of the license and collaboration agreement, the collaborator may recoup the aggregate amount of Funding Advances together with interest thereon from Company's share of pre-tax profits and any milestone payments due to the Company after the end of the first profitable year of the collaboration program. The Company's management estimated the loan will not be recouped by the collaborator within one year, nor does the Company expect to repay the funding advances within one year, and thus the loan was classified as a long-term liability.

16. SHARE CAPITAL AND SHARE PREMIUM

Shares

	March 31, 2022 US$'000 (Unaudited)	December 31, 2021 US$'000
Authorized:		
1,999,000,000 ordinary shares of US$0.0001 each and 1,000,000 preferred shares of a class or classes to be determined by the board of directors of US$0.0001 each	200	200
Issued and fully paid:		
309,461,684 and 308,456,852 ordinary shares of US$0.0001 each	31	31

16. SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

A summary of movements in the Company's share capital and share premium is as follows:

	Number of shares in issue	Share capital US$'000	Share premium US$'000	Total US$'000
At December 31, 2021 and January 1, 2022	308,456,852	31	1,261,454	1,261,485
Exercise of share options	500,464	—	610	610
Reclassification of vesting of restricted stock units	504,368	—	6,871	6,871
At March 31, 2022 (unaudited)	**309,461,684**	**31**	**1,268,935**	**1,268,966**

	Number of shares in issue	Share capital US$'000	Share premium US$'000	Total US$'000
At January 1, 2021	**266,010,256**	**27**	**708,306**	**708,333**
Issuance of ordinary shares relating to private placement for an institutional investor (note 14)	20,809,850	2	218,298	218,300
Issuance of ordinary shares for follow-on public offering (note)	17,231,150	2	323,943	323,945
Issuance costs for follow-on public offering (note)	—	—	(505)	(505)
Exercise of share options	4,056,380	—	6,089	6,089
Reclassification of vesting of restricted stock units	349,216	—	5,323	5,323
At December 31, 2021	**308,456,852**	**31**	**1,261,454**	**1,261,485**

Note: On December 20, 2021, the Company completed a follow-on public offering by issuing 17,231,150 ordinary shares, in aggregate, at US$20.00 per ordinary share and received net proceeds of US$323.4 million, after deduction of related issuance costs of US$21.2 million.

17. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

For the three months ended March 31, 2022, the Group had non-cash fair value gain of US$34.9 million of warrant liability.

For the three months ended March 31, 2022, the Group had non-cash additions to interest-bearing loans and borrowings of US$5.3 million, which were received through the deduction of other payables to a collaborator.

For the three months ended March 31, 2022, the Group had non-cash additions to right-of-use assets of US$0.5 million and lease liabilities of US$0.5 million in respect of lease arrangements for buildings.

For the three months ended March 31, 2022 and 2021, the Group had non-cash additions to property, plant and equipment included in other payables and accruals of US$13.4 million and US$12.4 million, respectively.

17. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Changes in liabilities arising from financing activities

	Lease liabilities US$'000
At January 1, 2022	2,504
Additions of lease liabilities	451
Changes from financing cash flows	(434)
Interest expense	31
Interest paid classified as operating cash flows	(31)
Foreign exchange movement	(8)
At March 31, 2022 (unaudited)	2,513
At January 1, 2021	3,373
Changes from financing cash flows	(171)
Interest expense	38
Interest paid classified as operating cash flows	(38)
Foreign exchange movement	(69)
At March 31, 2021 (unaudited)	3,133

(c) Total cash outflow for leases

The total cash outflow for leases included in the condensed consolidated statement of cash flows is as follows:

	Three months ended March 31,	
	2022 US$'000 (Unaudited)	2021 US$'000 (Unaudited)
Within operating activities	62	96
Within financing activities	434	171
	496	267

18. COMMITMENTS AND CONTINENCIES

(a) Capital commitments

The Group had the following capital commitments at the end of the year/period:

	March 31, 2022 US$'000 (Unaudited)	December 31, 2021 US$'000
Construction in progress	21,937	25,897

18. COMMITMENTS AND CONTINENCIES (CONTINUED)

(b) Loss contingencies

In September 2021, a former employee elected to enter into arbitration against Legend Biotech USA Inc. ("Legend USA") with the American Arbitration Association, claiming such former employee was discriminated against due to her gender and wrong fully terminated in retaliation for engaging in alleged protected activity. The former employee demanded Legend USA to pay damages of approximately US$3.0 million for alleged lost pay, lost equity, damage to reputation, emotional distress and other related losses.

Management believes that the former employee's claims above are without merit and intends to defend vigorously. At the early stage of the process, management cannot predict the ultimate outcome of the above claims, whether in whole or in part, which may result in a loss, if any. Therefore, in the opinion of management and legal counsel, an estimate of the amount or arrange of reasonably possible losses cannot be made at this time. Accordingly, no provision for any liability has been made in the financial statements.

19. RELATED PARTY TRANSACTIONS

Name of related companies	Relationship with the Company
GenScript	Company controlled by the ultimate holding company
Nanjing GenScript Biotech Co., Ltd. (formerly named as Nanjing Jinsirui Biotechnology Co., Ltd.)	Company controlled by the ultimate holding company
Nanjing Bestzyme Bioengineering Co., Ltd.	Company controlled by the ultimate holding company
Jiangsu GenScript Biotech Co., Ltd.	Company controlled by the ultimate holding company
Genscript USA Incorporated	Company controlled by the ultimate holding company
Genscript USA Holdings Inc	Company controlled by the ultimate holding company
Nanjing Probio Biotech Co., Ltd.	Company controlled by the ultimate holding company
Jiangsu GenScript Probio Biotech Co., Ltd.	Company controlled by the ultimate holding company

(a) In addition to the transactions detailed elsewhere in these interim condensed consolidated financial statements, the Group had the following transactions with related parties during the periods:

(i) Sales-based royalties from related parties:

	Three months ended March 31,	
	2022	2021
	US$'000 (Unaudited)	US$'000 (Unaudited)
Nanjing Probio Biotech Co., Ltd.	40	—

The sale was generated from sales-based royalties related to the exclusive licensing of certain patents to Nanjing Probio Biotech Co., Ltd. and its affiliates.

19. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) In addition to the transactions detailed elsewhere in these interim condensed consolidated financial statements, the Group had the following transactions with related parties during the periods: (continued)

(ii) Purchases from related parties:

	Three months ended March 31,	
	2022	2021
	US$'000 (Unaudited)	US$'000 (Unaudited)
Nanjing GenScript Biotech Co., Ltd.	1,785	1,453
Jiangsu GenScript Probio Biotech Co., Ltd.	501	—
Genscript USA Incorporated	385	81
Jiangsu GenScript Biotech Co., Ltd.	46	10
Nanjing Probio Biotech Co., Ltd.	25	—
	2,742	1,544

The transactions were made according to the price and terms agreed with related parties.

(iii) Shared services:

	Three months ended March 31,	
	2022	2021
	US$'000 (Unaudited)	US$'000 (Unaudited)
Nanjing GenScript Biotech Co., Ltd.	168	513

The shared services including certain accounting, legal, IT and administrative shared services was charged by related parties based on the cost of services provided.

(iv) Lease contract guarantee

In 2018, the Group's Ireland subsidiary, Legend Biotech Ireland Limited ("Legend Ireland"), entered into a property lease agreement with a third party in Dublin with lease period from 2018 to August 2028. GenScript provided a guarantee on Legend Ireland's payment obligations under the lease agreement for nil consideration.

19. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties:

The Group had the following significant balances with its related parties:

(i) Due from related parties

	March 31, 2022 US$'000 (Unaudited)	December 31, 2021 US$'000
Trade receivables		
Nanjing Probio Biotech Co., Ltd.	451	409

	March 31, 2022 US$'000 (Unaudited)	December 31, 2021 US$'000
Other receivables		
Nanjing GenScript Biotech Co., Ltd.	344	243
Genscript USA Incorporated	16	19
Jiangsu Genscript Biotech Co., Ltd.	4	—
Nanjing Bestzyme Bioengineering Co., Ltd.	1	—
	365	262

	March 31, 2022 US$'000 (Unaudited)	December 31, 2021 US$'000
Prepayment		
Jiangsu GenScript Probio Biotech Co., Ltd.	770	925
Nanjing Probio Biotech Co., Ltd.	276	274
	1,046	1,199

19. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties: (continued)

(ii) Due to related parties

	March 31, 2022 US$'000 (Unaudited)	December 31, 2021 US$'000
Trade payables		
Nanjing GenScript Biotech Co., Ltd.	3,792	2,301
Jiangsu GenScript Probio Biotech Co., Ltd.	246	—
Genscript USA Incorporated	193	46
Nanjing Probio Biotech Co., Ltd.	49	22
Jiangsu GenScript Biotech Co., Ltd.	49	1
	4,329	2,370

	March 31, 2022 US$'000 (Unaudited)	December 31, 2021 US$'000
Other payables		
Nanjing GenScript Biotech Co., Ltd.	3,927	3,293
Genscript USA Holdings Inc	148	—
Genscript USA Incorporated	20	50
Jiangsu GenScript Biotech Co., Ltd.	7	—
Nanjing Probio Biotech Co., Ltd.	1	—
	4,103	3,343

	March 31, 2022 US$'000 (Unaudited)	December 31, 2021 US$'000
Lease liabilities		
Nanjing GenScript Biotech Co., Ltd.	290	286

Except for lease liabilities with incremental borrowing rates between 2.00% and 5.14% and repayable over 5 years, all other related party balances are unsecured, repayable on demand and interest free.

19. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Compensation of key management personnel of the Group:

	Three months ended March 31,	
	2022	2021
	US$'000 (Unaudited)	US$'000 (Unaudited)
Short-term employee benefits	887	709
Equity-settled share-based compensation expense	824	264
	1,711	973

20. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the reporting periods are as follows:

As of March 31, 2022

Financial assets

	Financial assets at amortised cost	Financial assets at fair value through profit or loss
	US$'000 (Unaudited)	US$'000 (Unaudited)
Trade receivables	50,451	—
Financial assets included in prepayments, other receivables and other assets	1,810	—
Financial assets measured at amortised cost	29,974	—
Financial assets at fair value through profit or loss	—	99,995
Time deposits	288,231	—
Pledged deposits	1,448	—
Cash and cash equivalents	377,786	—
	749,700	99,995

Financial liabilities

	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss
	US$'000 (Unaudited)	US$'000 (Unaudited)
Trade payables	9,712	—
Warrant liability	—	53,000
Financial liabilities included in other payables and accruals	16,667	—
Interest-bearing loans and borrowings	126,714	—
Lease liabilities	2,513	—
	155,606	53,000

20. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

As of December 31, 2021

Financial assets

	Financial assets at amortised cost US$'000
Trade receivables	50,410
Financial assets included in prepayments, other receivables and other assets	1,066
Financial assets measured at amortised cost	29,937
Time deposits	168,225
Pledged deposits	1,444
Cash and cash equivalents	688,938
	940,020

Financial liabilities

	Financial liabilities at amortised cost US$'000	Financial liabilities at fair value through profit or loss US$'000
Trade payables	7,043	—
Warrant liability	—	87,900
Financial liabilities included in other payables and accruals	16,867	—
Interest-bearing loans and borrowings	120,462	—
Lease liabilities	2,504	—
	146,876	87,900

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, time deposits, financial assets included in prepayments, other receivables and other assets, trade receivables, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the finance manager. At each reporting date, the finance department analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation was reviewed and approved by the finance manager. The valuation process and results are discussed with the directors quarterly for quarterly financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As of March 31, 2022 (unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) US$'000	Significant observable inputs (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
Financial assets at fair value through profit or loss	—	99,995	—	99,995

The valuation technique used to value the Group's investments in money market funds in level 2 is the present value of future cash flows based on the expected return which could be observed in the active market.

Liabilities measured at fair value:

As of March 31, 2022 (unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) US$'000	Significant observable inputs (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
Warrant liability	—	53,000	—	53,000

As of December 31, 2021

	Fair value measurement using			
	Quoted prices in active markets (Level 1) US$'000	Significant observable inputs (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
Warrant liability	—	87,900	—	87,900

The following table lists the inputs to the binomial model used for the fair value valuation of warrant liability:

	March 31, 2022 (Unaudited)	December 31, 2021
Underlying stock price of the Company's ordinary share	$ 18.17	$ 23.31
Volatility	76.5%	70.5%
Risk free rate	2.14%	0.58%
Dividend	—	—

During the three months ended March 31, 2022 and the year ended December 31, 2021, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, pledged deposits, time deposits, financial assets measured at amortised cost, financial assets included in prepayments, other receivables and other assets, financial assets measured at fair value through profit or loss, interest-bearing loans and borrowings, warrant liability and financial liabilities included in other payables and accruals. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarized below.

Interest rate risk

Group's exposure to the risk of changes in interest rates primarily relates to the Group's Funding Advances with a floating interest rate as disclosed in note 15.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss before tax (through the impact on floating rate borrowings) and the Group's equity.

For the three months ended March 31, 2022 (unaudited)

	Increase/ (decrease) in basis points	Increase/ (decrease) in loss before tax US$'000	Increase/ (decrease) in equity US$'000
United States Dollar	100	1,250	(1,250)
United States Dollar	(100)	(1,250)	1,250

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. Approximately 9% and 35% for the three months ended March 31, 2022 and the year ended December 31, 2021 of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sale.

As of March 31, 2022 and December 31, 2021, the Group had no outstanding foreign currency forward exchange contract. At present, the Group does not intend to seek to hedge its exposure to foreign exchange fluctuations. However, management constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

The following table demonstrates the sensitivity at the end of each of the reporting period to a reasonably possible change in the EUR and RMB exchange rate against US$, with all other variables held constant, of the Group's loss before tax (due to changes in the fair values of monetary assets and liabilities).

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

	Increase/ (decrease) in the rate of foreign currency	Decrease/ (increase) in loss before tax
	%	US$'000
Three months ended March 31, 2022 (unaudited)		
If US$ strengthens against RMB	5	31
If US$ weakens against RMB	(5)	(31)
If US$ strengthens against EUR	5	(3,490)
If US$ weakens against EUR	(5)	3,490
Three months ended March 31, 2021 (unaudited)		
If US$ strengthens against RMB	5	478
If US$ weakens against RMB	(5)	(478)
If US$ strengthens against EUR	5	(785)
If US$ weakens against EUR	(5)	785

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, pledged deposits, financial assets measured at amortised cost, financial assets at fair value through profit or loss and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 9 to the unaudited interim condensed consolidated financial statements.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by debtor. The Group had certain concentrations of credit risk with respect to trade receivables, which are disclosed in note 9 to the unaudited interim condensed consolidated financial statements.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g., trade receivables and other financial assets) and projected cash flows from operations.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the end of each reporting period, based on contractual undiscounted payments, is as follows:

As of March 31, 2022

	Less than 1 years US$'000 (Unaudited)	Over 1 years US$'000 (Unaudited)	Total US$'000 (Unaudited)
Trade payables	9,712	—	9,712
Other payables and accruals	16,667	—	16,667
Warrant liability	53,000	—	53,000
Interest-bearing loans and borrowings (note)	—	126,714	126,714
Lease liabilities	883	1,827	2,710
	80,262	128,541	208,803

As of December 31, 2021

	Less than 1 years US$'000	Over 1 years US$'000	Total US$'000
Trade payables	7,043	—	7,043
Other payables and accruals	16,867	—	16,867
Warrant liability	87,900	—	87,900
Interest-bearing loans and borrowings (note)	—	120,462	120,462
Lease liabilities	911	1,708	2,619
	112,721	122,170	234,891

Note: Pursuant to the terms of the license and collaboration agreement, the collaborator may recoup the aggregate amount of Funding Advances together with interest thereon from Company's share of pre-tax profits and any milestone payments due to the Company after the end of the first profitable year of the collaboration program. The Company's management estimated the loan will not be recouped by the collaborator within one year, nor does the Company expect to repay the funding advances within one year.

Interest rate benchmark reform

As at March 31, 2022 and December 31, 2021, the Group had certain interest-bearing loans and borrowings denominated in US$. The interest rates of these instruments are based on the LIBOR, which will cease to be published after 30 June 2023. Replacement of the benchmark rates of these instruments from LIBOR to an risk-free rate ("RFR") has yet to commence and did not have any impact on the financial position and financial performance during the three months ended March 31, 2022 and 2021. It is expected that there will be renegotiations of terms in the future. During the transition, the Group is exposed to the following risks:

Parties to the contract may not reach agreement in a timely manner as any changes to the contractual terms require the agreement of all parties to the contract;

Additional time may be needed for the parties to the contract to reach agreement as they may renegotiate terms which are not part of the interest rate benchmark reform;

The existing fallback clause included in the instruments may not be adequate to facilitate a transition to a suitable RFR.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The Group will continue to monitor the development of the reform and take proactive measures for a smooth transition.

The information about financial instruments based on an interbank offered rate that has yet to transition to an alternative benchmark rate is as follows:

	March 31, 2022 US$'000 (Unaudited)	December 31, 2021 US$'000
Interest-bearing loans and borrowings US$ LIBOR	126,714	120,462

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the reporting periods.

The Group monitors capital using a gearing ratio, which is total liabilities divided by total assets. The gearing ratios as at the end of each of the reporting period were as follows:

	March 31, 2022 **US$'000** **(Unaudited)**	**December 31, 2021** **US$'000**
Total liabilities	601,953	647,161
Total assets	1,040,516	1,118,367
Gearing ratio	58%	58%

23. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorized for issue by the board of directors on July 25, 2022.

In this Management's Discussion and Analysis of Financial Condition and Results of Operations, unless otherwise indicated or the context otherwise requires, "we," "us," "our," the "Company" and "Legend Biotech" refer to Legend Biotech Corporation and its consolidated subsidiaries. References to "GenScript" refer to Genscript Biotech Corporation, our majority stockholder. Defined terms used, but not defined, in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" have the meaning ascribed to them in the Form 20-F.

Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our interim condensed consolidated financial statements and the accompanying notes.

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements other than statements of present and historical facts and conditions are forward-looking statements. Forward-looking statements can often be identified by words or phrases, such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "is/are likely to," "potential," "continue" or other similar expressions. Such forward-looking statements reflect our current expectations and views of future events, but are not assurances of future performance. Instead, they are based on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, our financial needs, our operational results and other future conditions. These forward-looking statements involve various risks and uncertainties. Many important factors may adversely affect such forward-looking statements and cause actual results to differ from those in any forward-looking statement, including, without limitation, statements relating to our strategies and objectives; statements relating to CARVYKTI™, including our expectations for CARVYKTI™, such as our manufacturing and commercialization expectations for CARVYKTI™ and the potential effect of treatment with CARVYKTI™; statements about submissions for cilta-cel to, and the progress of such submissions with, the U.S. Food and Drug Administration (FDA), the European Medicines Agency (EMA), the Chinese Center for Drug Evaluation of National Medical Products Administration (CDE) and other regulatory authorities; the anticipated timing of, and ability to progress, clinical trials, including patient enrollment and the resumption of the Phase 1 clinical trial of LB1901; the ability to maintain and progress the conditional marketing authorization for cilta-cel granted by the EMA; the submission of Investigational New Drug (IND) applications to, and maintenance of such applications with, regulatory authorities; the ability to generate, analyze and present data from clinical trials; the potential benefits of Legend Biotech's product candidates; the severity and duration of the evolving COVID-19 pandemic and the resulting impact on macro-economic conditions; failures to secure required regulatory approvals; delays or negative determinations by regulatory authorities; changes or increases in oversight and regulation; increased competition; manufacturing delays or problems; inability to achieve enrollment targets; disagreements with our collaboration partners; legal challenges, including product liability claims or intellectual property disputes; commercialization factors, including regulatory approval and pricing determinations; disruptions to access to raw materials; delays or disruptions at manufacturing facilities; proliferation and continuous evolution of new technologies; dislocations in the capital markets; and other important factors described under "Risk Factors" in our Annual Report on Form 20-F filed with the Securities and Exchange Commission on March 31, 2022 (the "Annual Report") and under "Risk Factors" in any other reports that we file with the Securities and Exchange Commission. As a result of these factors, we cannot assure you that the forward-looking statements in this interim report will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, even if our results of operations, financial condition and liquidity are consistent with the forward-looking statements contained in this Annual Report on Form 20-F, those results or developments may not be indicative of results or developments in subsequent periods.

Overview

We are primarily a global, clinical-stage biotechnology company dedicated to treating, and one day curing, life-threatening diseases. We are developing advanced cell therapies across a diverse array of technology platforms, including autologous and allogeneic chimeric antigen receptor T-cell and natural killer cell-based immunotherapy. From our three research and development, or R&D, sites around the world, we apply these innovative technologies to pursue the discovery of safe, efficacious and cutting-edge therapeutics for patients worldwide.

We are currently engaged in a strategic collaboration with Janssen Biotech, Inc., or Janssen, to develop and commercialize our lead product candidate, ciltacabtagene autoleucel, or cilta-cel, an investigational BCMA-targeted CAR-T cell therapy for patients living with multiple myeloma, or MM. On February 28, 2022 cilta-cel was approved by the FDA under the trademark CARVYKTI™ for the treatment of adults with relapsed or refractory MM who have received four or more prior lines of therapy, including a proteasome inhibitor, an immunomodulatory agent and an anti-CD38 monoclonal antibody or, together, the prior therapies. In addition, in May 2022, the European Commission granted the Company conditional marketing authorization for CARVYKTI™ for the treatment of adults with relapsed or refractory MM who have received the prior therapies and have demonstrated disease progression on the last therapy. We have established a sales, marketing and operational infrastructure to support the launch of CARVYKTI™ in the United States and are working with Janssen to set up the infrastructure to make CARVYKTI™ available to patients across Europe. Following the FDA's approval of CARVYKTI™ and the European Commission's grant of conditional marketing authorization for CARVYKTI™, we are continuing to develop cilta-cel for potential further improvements in the treatment of MM.

In December 2017, we entered into a collaboration and license agreement with Janssen for the worldwide development and commercialization of cilta-cel. Pursuant to the Janssen Agreement, we granted Janssen a worldwide, co-exclusive (with us) license to develop and commercialize cilta-cel. We and Janssen will collaborate to develop and commercialize cilta-cel for the treatment of MM worldwide pursuant to a global development plan and global commercialization plan.

Janssen will be responsible for conducting all clinical trials worldwide with participation by our team in the United States and Greater China for cilta-cel. We will be responsible for conducting regulatory activities, obtaining pricing approval and booking sales for Greater China, while Janssen will be responsible for conducting regulatory activities, obtaining pricing approval and booking sales for the rest of the world. We and Janssen will share development, production and commercialization costs and pre-tax profits or losses equally in all countries of the world except for Greater China, for which the cost-sharing and profit/loss split will be 70% for us and 30% for Janssen.

In consideration for the licenses and other rights granted to Janssen, Janssen paid us an upfront fee of $350.0 million and we were eligible to receive up to an additional $1.35 billion in milestone payments from Janssen. Of the $1.35 billion, we do not believe we are eligible to receive $280 million due to mutually agreed upon modifications to our clinical development plan that resulted in the decision to not conduct certain trials. We have previously received the following milestone payments:

- $25 million, $30 million, and $30 million in January 2019, September 2019 and January 2020, respectively, upon the dosing of a specified numbers of patients in our CARTITUDE-1 clinical trial,
- a milestone payment of $25 million in September 2019 for the receipt of a response data readout from a specified number of patients in our CARTITUDE-1 clinical trial showing an ORR of at least 50%,
- a milestone payment of $75 million in January 2021 in connection with the initiation of a rolling submission of a Biologics License Application to the U.S. FDA, for cilta-cel,
- a milestone payment of $15 million in July 2021 in connection with the submission of a Marketing Authorization to the EMA;

- milestone payments of $50 million during February 2022 in connection with the submission of an NDA to the PMDA in Japan and the enrollment of a specified numbers of patients in our CARTITUDE-5 clinical trial;
- milestone payment of $50 million during April 2022 in connection with FDA's approval of CARVYKTI™.

Additionally, we are eligible to receive further milestone payments up to $125 million for the achievement of specified manufacturing milestones and an additional $645 million consisting of $435 million for the achievement of specified future development and regulatory milestones and $210 million for the achievement of specified net trade sales milestones.

Furthermore, until such time as our collaboration experiences its first profitable year, we are entitled to receive advances from Janssen if the collaboration's estimated working capital for any year falls below $50 million. In such event, Janssen provides advances to us in an amount equal to the excess of $50 million over the collaboration's working capital for the year. The total amount of such advances in any calendar year may not exceed $125 million and the total amount of such advances outstanding at any time may not exceed $250 million. Outstanding advances accrue interest at the London Interbank Offered Rate (LIBOR) published by the Wall Street Journal plus 2.5%. Janssen has the right to recoup such advances and interest from our share of the collaboration's pre-tax profits and, subject to some limitations, from milestone payments due to us under the collaboration and license agreement. We are not otherwise obligated to repay the advances or interest, except in connection with our change in control or a termination of the collaboration and license agreement by Janssen due to our material breach of the agreement. We may at any time in our discretion voluntarily pre-pay any portion of the then outstanding advances or associated interest. As of March 31, 2022, the aggregate outstanding principal amount of such advances and interest were $125.0 million and $1.7 million, respectively.

Recent Business Developments

- On February 28, 2022, FDA approved CARVYKTI™ for the treatment of adults with relapsed or refractory multiple myeloma who have received four or more prior lines of therapy, including a proteasome inhibitor, an immunomodulatory agent, and an anti-CD38 monoclonal antibody, marking the company's first product approved by a health authority.
- On May 26, 2022, the EC granted conditional marketing authorization of CARVYKTI™ for the treatment of adults with relapsed and refractory multiple myeloma who have received at least three prior therapies, including a proteasome inhibitor (PI), an immunomodulatory agent (IMiD) and an anti-CD38 antibody, and have demonstrated disease progression on the last therapy.
- On April 21, 2022, Legend announced the achievement of a $50 million milestone under its collaboration agreement with Janssen Biotech, Inc. (Janssen) for CARVYKTI™.
- On May 9, 2022, Legend Biotech announced that it had engaged Ernst & Young LLP, located in the United States, as the company's independent, registered public accounting firm for the audits of Legend Biotech's financial statements and internal control over financial reporting for the fiscal year ending December 31, 2022.
- On June 4, 2022, Legend Biotech presented new and updated results from the CARTITUDE Clinical Development Program evaluating cilta-cel in the treatment of multiple myeloma at the 2022 annual meeting of the American Society of Clinical Oncology (ASCO).
- On February 25, 2022, CARTITUDE-6 (not yet recruiting; sponsored by the European Myeloma Network), a second Phase 3 trial in frontline multiple myeloma, was posted on clinicaltrials.gov. This Phase 3, randomized, open-label study compares daratumumab, bortezomib, lenalidomide and dexamethasone (DVRd) followed by cilta-cel vs. DVRd followed by autologous stem cell transplant (ASCT) in newly diagnosed, transplant-eligible patients with multiple myeloma.
- On June 3, 2022, Legend Biotech announced that the FDA cleared its investigational new drug (IND) application to evaluate LB1908 in a Phase 1 clinical trial. LB1908 is an investigational, autologous chimeric antigen receptor T-cell (CAR-T) therapy targeting Claudin 18.2 for the treatment of adults with relapsed or refractory gastric, esophageal or pancreatic cancers.
- On March 23, 2022, Legend Biotech was awarded Newcomer of the Year at the tenth annual Foreign Investment Trophy ceremony hosted by Flanders Investment & Trade (FIT) for its joint investment in a state-of-the-art manufacturing facility in Flanders with Janssen Pharmaceutica N.V.

Impact of COVID-19 on Our Business

The COVID-19 situation is very fluid across the world where each country or the sites within a country could be impacted differently. For the three months ended March 31, 2022, COVID-19 has had limited impact on our operations.

Following the guidance recently issued by FDA and EMA on conducting clinical trials in this uncertain period, we are working closely with investigators, putting patient's safety first, while trying our best to move the studies forward.

In China, IIT studies slowed down due to clinical sites priority shifting to COVID-19 related work and local policy of quarantine after Chinese New Year in 2020. IIT studies also slowed due to government-imposed shutdowns in Shanghai and other cities in China during the first half of 2022. The situation has been improving gradually and majority of IIT studies work resumed since March 2020. Product manufacture and patient treatment have continued unabated, however we are experiencing lower enrollment rates in CARTIFAN-1 trial.

Product manufacturing in both the US and China have continued. Currently we have not experienced any material impact to our material supply chain, however we may experience adverse impacts to our supply chain in the future as a result of COVID-19, geopolitical disruption or inflation. Increased quantities of certain raw materials and consumables have been stocked as an appropriate safety measure. We have established robust sourcing strategies for all necessary materials and does not expect any significant impact.

There are still uncertainties of COVID-19's future impact on our business, results of operations and financial condition, and the extent of the impact will depend on numerous evolving factors including, but not limited to: the magnitude and duration of COVID-19, the development and progress of distribution of COVID-19 vaccines and other medical treatments, the speed of the anticipated recovery, and governmental and business reactions to the pandemic. If the situation materially deteriorates, our business, results of operations and financial condition could be materially and adversely affected. We will continue to monitor and assess the impact of the ongoing development of the pandemic on our financial position and operating results and respond accordingly.

Comparison of three months ended March 31, 2022 and 2021

The following table summarizes our results of operations for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,		Increase (Decrease)
	2022	2021	
	(in thousands)		
Consolidated Statement of Operations Data:			
Revenue	$ 40,827	$ 13,682	$ 27,145
Other income and gains	1,012	722	290
Operating expenses:			
Research and development expenses	(81,346)	(71,072)	(10,274)
Administrative expenses	(12,657)	(8,742)	(3,915)
Selling and distribution expenses	(21,302)	(13,417)	(7,885)
Other expenses	(1,527)	(2,034)	507
Fair value gain of warrant liability	34,900	—	34,900
Finance costs	(994)	(38)	(956)
Loss before tax	(41,087)	(80,899)	39,812
Income tax expense	—	—	—
Loss for the period	$(41,087)	$(80,899)	$ 39,812

Revenue

Revenue for the three months ended March 31, 2022 was US$40.8 million compared to US$13.7 million for the three months ended March 31, 2021. US$27.1 million out of the increase of US$27.1 million was due to additional milestone achieved pursuant to our agreement with Janssen in the first quarter of 2022. The remaining $0.04 million increase in revenue was sales-based royalties using an exclusive licensing of certain patents to a related party.

Milestone payments are constrained and only included as customer consideration for revenue recognition when it is highly probable that the associated milestone will be achieved, typically when the triggering event occurs.

We did not generate any revenue from product sales as of March 31, 2022.

Operating Expenses

Research and Development Expenses

Research and development expenses for the three months ended March 31, 2022 were US$81.3 million compared to US$71.1 million for the three months ended March 31, 2021. This increase of US$10.2 million was primarily due to a higher number of clinical trials with more patients enrolled and a higher number of research and development activities in cilta-cel and for other pipelines in the first quarter of 2022.

Administrative Expenses

Administrative expenses for the three months ended March 31, 2022 were US$12.7 million compared to US$8.7 million for the three months ended March 31, 2021. The increase of US$4.0 million was primarily due to our expansion of supporting administrative functions to facilitate continuous research and development activities as well as activities to establish elements of a commercialization infrastructure.

Selling and Distribution Expenses

Selling and distribution expenses for the three months ended March 31, 2022 were US$21.3 million compared to US$13.4 million for the three months ended March 31, 2021. This increase of US$7.9 million was primarily due to increased costs associated with commercial preparation activities for cilta-cel.

Other Income and Gains

Other income and gains for the three months ended March 31, 2022 were US$1.0 million compared to US$0.7 million for the three months ended March 31, 2021. The increase of US$0.3 million was primarily due to more interest income earned in first quarter of 2022.

Other Expenses

Other expenses for the three months ended March 31, 2022 were US$1.5 million compared to US$2.0 million for the three months ended March 31, 2021. The decrease of US$0.5 million was primarily due to less foreign currency exchange loss in first quarter of 2022.

Fair Value Gain of Warrant Liability

Fair value gain of warrant liability for the three months ended March 31, 2022 was caused by changes of fair value of a warrant, which was issued to an institutional investor through a private placement in May 2021 with an initial fair value of $81.7 million at the issuance date. The warrant was assessed as a financial liability with a fair value of $87.9 million as of December 31, 2021 and a fair value of $53.0 million as of March 31, 2022.

Finance Costs

Finance costs for the three months ended March 31, 2022 were US$1.0 million compared to US$0.04 million for the three months ended March 31, 2021. The increase was primarily due to interest for advance funding, which is interest-bearing borrowings funded by Janssen under the parties' collaboration agreement.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have incurred significant operating losses. We expect to incur significant expenses and operating losses for the foreseeable future as we advance the preclinical and clinical development of our research programs and product candidates. We expect that our research and development, general and administrative expenses and selling and distribution expenses will increase in connection with conducting additional clinical trials and preclinical studies for our current and future research programs and product candidates, contracting with CMOs to support clinical trials and preclinical studies, expanding our intellectual property portfolio, and providing general and administrative support for our operations. As a result, we will need additional capital to fund our operations, which we may obtain from additional equity or debt financings, collaborations, licensing arrangements or other sources.

With the exception of our first product, CARVYKTI™, which was approved by the FDA on February 28, 2022 for the treatment of adults with relapsed or refractory multiple myeloma who have received four or more prior lines of therapy, including a proteasome inhibitor, an immunomodulatory agent, and an anti-CD38 monoclonal antibody, we do not currently have any approved products and we did not generate any revenue from product sales as of March 31, 2022. From inception through March 31, 2022, we have funded our operations primarily with:

- $3.9 million in capital contributions from GenScript;
- $160.5 million in gross proceeds from the sale of our Series A Preference Shares;
- $600 million in upfront and milestone payments from Janssen under our collaboration and license agreement;
- $450.1 million in net proceeds from our IPO and an additional concurrent $12 million private placement with GenScript;
- $300 million in net proceeds from our private placement to an investor and related warrant issuance in May 2021;
- $323.4 million in net proceeds from our public offering of ADSs that closed in December 2021; and
- $125.0 million in advances from Janssen under our collaboration and license agreement.

As of March 31, 2022, we had $377.8 million of cash and cash equivalents, $288.2 million of time deposits, $30 million of financial assets measured at amortized cost, $100.0 million of financial assets at fair value through profit or loss, and accumulated losses of $858.1 million.

Certain of our subsidiaries, including those registered as wholly foreign-owned enterprises in China, are required to set aside at least 10.0% of their after-tax profits to their general reserves until such reserves reach 50.0% of their registered capital. Under PRC regulations, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. A PRC company is not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year. Although we do not currently require any such dividends from our PRC subsidiaries to fund our operations, should we require additional sources of liquidity in the future, such restrictions may have a material adverse effect on our liquidity and capital resources. For more information, see “Item 4.B-Business Overview—Government Regulation—PRC Regulation—Other PRC National- and Provincial-Level Laws and Regulations—Regulations Relating to Dividend Distributions” in our Annual Report.

Cash Flows

The following table shows a summary of our cash flow:

	Three months ended March 31,	
	2022	2021
	(in thousands)	
Net cash used in operating activities	$ (78,687)	$(26,787)
Net cash used in investing activities	(232,500)	(17,150)
Net cash from financing activities	25	207
Net decrease in cash and cash equivalents	$(311,162)	$(43,730)

Operating Activities

Net cash used in operating activities for the three months ended March 31, 2022 was US$78.7 million, primarily as a result of net loss before tax of US$64.4 million after adjusting for non-cash items, and changes in operating assets and liabilities. Non-cash items mainly include US$34.9 million of fair value gain of warrant liability, US$5.7 million of equity-settled share-based compensation expense, and US$3.2 million of depreciation expense of property, plant and equipment. Changes in operating assets and liabilities mainly include a decrease of US$21.9 million in other payables and accruals mainly due to payment of collaboration expenses and decrease in accrual of collaboration expense; and offset by an increase of US$9.2 million in contract liabilities.

Net cash used in operating activities for the three months ended March 31, 2021 was US$26.8 million, primarily as a result of net loss before tax of US$73.1 million after adjusting for non-cash items, and changes in operating assets and liabilities. Non-cash items are mainly from US$2.3 million of equity-settled share-based compensation expense and $US2.8 million of depreciation expense of property, plant and equipment. Changes in operating assets and liabilities mainly include a decrease of US$75.0 million in trade receivables related to receipt of milestone payments, offset by a decrease of US$17.0 million in contract liabilities and a decrease of US$15.7 million in other payables and accruals mainly due to payment of collaboration expense and decrease in accrual of collaboration expense.

Investing Activities

Net cash used in investing activities for the three months ended March 31, 2022 was US$232.5 million, consisting primarily of purchases of property, plant and equipment of US$12.1 million, purchase of financial assets at fair value through profit or loss of US$100.0 million, and a net increase in time deposit of US$120.0 million.

Net cash used in investing activities for the three months ended March 31, 2021 was US$17.2 million, consisting primarily of US$15.4 million in purchases of property, plant and equipment and US$1.8 million in purchase of intangible assets.

Financing Activities

Net cash from financing activities for the three months ended March 31, 2022 was US$0.03 million, consisting primarily of proceeds from exercise of share options of US$0.46 million, partially offset by principal portion of lease payments of US$0.43 million.

Net cash from financing activities for the three months ended March 31, 2021 was US$0.21 million, consisting primarily of proceeds from exercise of share options of US$0.38 million, partially offset by principal portion of lease payments of US$0.17 million.

Capital Expenditure

Our capital expenditures for the three months ended March 31, 2022 and 2021 amounted to US$14.1 million and US$12.8 million, respectively. These expenditures primarily consisted of property, plant, equipment and intangible assets.

Funding Requirements

The following table sets forth our contractual obligations and commitments as of March 31, 2022:

	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years	Total
			(in thousands)		
Lease obligations	$ 1,036	$1,371	$452	$ 268	$ 3,127
Capital commitments	$16,457	$5,480	—	—	$21,937
Total	$17,493	$6,851	$452	$ 268	$25,064

This includes capital commitments, as well as payments due under operating leases for our facilities in New Jersey, Ireland and China.

The commitment amounts in the table above are associated with contracts that are enforceable and legally binding and that specify all significant terms, including fixed or minimum services to be used, fixed, minimum or variable price provisions, and the approximate timing of the actions under the contracts. The table does not include obligations under agreements that we can cancel without a significant penalty.

We also enter into cancelable contracts in the normal course of business with CROs for clinical trials, preclinical studies, manufacturing and other services and products for operating purposes.

We expect our expenses to increase in connection with our ongoing activities, particularly as we continue the research and development of, continue or initiate clinical trials of, and seek marketing approval for, our product candidates. In addition, following FDA's approval of CARVYKTI™, we expect to incur significant commercialization expenses related to program sales, marketing, manufacturing and distribution to the extent that such sales, marketing, manufacturing and distribution are not the responsibility of potential collaborators. Furthermore, we expect to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts.

Although consequences of the COVID-19 pandemic and resulting economic uncertainty could adversely affect our liquidity and capital resources in the future, and cash requirements may fluctuate based on the timing and extent of many factors such as those discussed below, we currently expect our existing cash and cash equivalents will enable us to fund our operating expenses and capital expenditure requirements for at least the next 12 months. Our future capital requirements will depend on many factors, including:

- the scope, progress, results and costs of product discovery, preclinical studies and clinical trials;
- the scope, prioritization and number of our research and development programs;
- the costs, timing and outcome of regulatory review of our product candidates;
- our ability to establish and maintain collaborations on favorable terms, if at all;
- the achievement of milestones or occurrence of other developments that trigger payments under the collaboration agreement with Janssen and any other collaboration agreements we enter into;
- the extent to which we are obligated to reimburse, or entitled to reimbursement of, clinical trial costs under collaboration agreements, if any;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- the extent to which we acquire or in-license other product candidates and technologies;
- the costs of securing manufacturing arrangements for commercial production; and
- the costs of establishing or contracting for sales and marketing capabilities if we obtain regulatory approvals to market our product candidates.

In addition to cilta-cel, we have a broad portfolio of earlier-stage product candidates. Identifying potential product candidates and conducting preclinical studies and clinical trials is a time- consuming, expensive and uncertain process that takes many years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve product sales. In addition, our product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of product candidates that we do not expect to be commercially available for many years, if at all. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, holders of our ADSs will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our shareholders. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

If we raise funds through additional collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market that we would otherwise prefer to develop and market ourselves.

See “Overview” above for further information on the advances we receive from the Janssen Agreement.

Quantitative and Qualitative Disclosures About Market Risk

Our cash is held in readily available checking accounts and time deposits. These securities are generally not dependent on interest rate fluctuations that may cause the principal amount of these assets to fluctuate. As a result, a change in market interest rates would not have any significant impact on our cash balance.

Pursuant to our collaboration and license agreement with Janssen, the advances we receive from Janssen accrue interest at the rate of LIBOR plus 2.5%. Accordingly, changes in LIBOR could result in fluctuations in our cash flows. For example, based on the US$125 million aggregate principal amount of advances outstanding from Janssen as of March 31, 2022, a 0.5% (fifty basis point) per annum increase in LIBOR would result in an additional US$0.6 million per year in interest payable by Legend Biotech.

We do not believe that inflation had a material effect on our business, financial condition or results of operations during the years ended December 31, 2021 and 2020. Inflation generally affects us by increasing our cost of labor and clinical trial costs and our operations may be adversely affected by inflation in the future.

We also do not believe that we are exposed to any material foreign currency exchange rate risk.

Off-balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements.

RISK FACTORS

The following risk factors should be read in conjunction with, and amend and supplement, those included in the Annual Report on Form 20-F filed by Legend Biotech Corporation ("we", "our", "us" or the "Company") on March 31, 2022 (the "Form 20-F or the "Annual Report"). Investing in the Company's American Depositary Shares representing its ordinary shares ("ADSs") and its ordinary shares involves a high degree of risk. You should carefully consider the risks described below, and all other information contained in or incorporated by reference in the Form 20-F, before making an investment decision regarding the Company's securities. Defined terms used, but not defined, in these "Risk Factors" have the meaning ascribed to them in the Form 20-F.

Risks Related to Our Business and Organizational Structure

We have incurred significant losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future. In the future, these factors may raise substantial doubt about our ability to continue as a going concern.

We have historically incurred substantial net losses, including net losses of $386.2 million and $303.5 million for the years ended December 31, 2021 and 2020, respectively. At December 31, 2021, we had an accumulated deficit of $817.0 million. We expect our net losses to continue as a result of ongoing and planned development of cilta-cel and other product candidates, ongoing investments in product development and commercial operations, including increased manufacturing, and sales and marketing and other costs we may incur with being a public company. These net losses have had, and will continue to have, a negative impact on our working capital, total assets and stockholders' equity. Because of the numerous risks and uncertainties associated with our development and commercialization efforts, we are unable to predict when we will become profitable, and we may never become profitable. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our inability to achieve and then maintain profitability would harm our business, financial condition, results of operations and cash flows.

Further, the net losses we incur may fluctuate significantly from quarter-to-quarter and year-to-year, such that a period-to-period comparison of our results of operations may not be a good indication of our future performance quarter-to-quarter and year-to-year, due to factors including the timing of product clearance, approval, commercial ramp, clinical trials, any litigation that we may file or that may be filed against us, the execution of collaboration, licensing or other agreements and the timing of any payments we make or receive under them. These factors may raise substantial doubt about our ability to continue as a going concern.

We may be adversely affected by an investigation, or the Investigation, that was conducted by the Customs Anti-Smuggling Department of Zhenjiang Municipality, Jiangsu Province, the People's Republic of China, or the Authority, involving our majority shareholder and our former chief executive officer and Chairman. While we understand that the Zhenjiang Municipal People's Procuratorate, or the Procuratorate, has concluded its examination with respect to the Investigation and no charges have been filed against us, our officers, directors or employees, there can be no assurance that the Authority or other governmental authority will not pursue criminal, civil or administrative remedies against us or our directors, officers or employees in the future, including sanctions, monetary penalties and regulatory actions, which could adversely affect us.

Our majority shareholder, GenScript, and Dr. Fangliang Zhang, our former chairman and chief executive officer, and the former chairman and chief executive officer of GenScript, were the subject of the Investigation . We believe the Investigation related to suspected violations of import and export regulations under the laws of the PRC, focused on GenScript's import and export activity preceding our initial public offering in June 2020, at which time we were a subsidiary of GenScript and Dr. Zhang was chairman and chief executive officer of GenScript.

In May 2022, GenScript, via filings with the Hong Kong Stock Exchange, on which it is listed, announced that the Procuratorate, has concluded its examination with respect to the Investigation, and no individual or entity would be criminally charged in connection therewith.

While no charges were filed against us or any of our officers or directors, and we understand no criminal charges are expected as a result of the Investigation, as the Investigation has been remanded back to the Authority it is possible that the Authority may impose administrative punishments against GenScript. We believe that the Investigation had an adverse impact on the price of our ADSs and ordinary shares, and could have such a further adverse impact, if PRC authorities seek to impose restrictions on GenScript's or our activities. Additionally, any further investigation, or any charges or administrative punishments brought as a result of the Investigation against us, our officers, employees or directors, could damage our reputation or cause our existing collaboration partner, Janssen, and other third parties to terminate existing agreements and potential partners to seek other partners, any of which would negatively impact our business, financial condition, results of operations and the price of our ADSs and ordinary shares.

GenScript will continue to own a significant percentage of our ordinary shares and will be able to exert significant control over matters subject to shareholder approval.

GenScript is currently our majority shareholder, and after this offering is completed, we will continue to be controlled by GenScript. Upon the closing of this offering, GenScript will beneficially own approximately % of the voting power of our outstanding share capital, or approximately % if the underwriters exercise their option to purchase additional ADSs in full. In addition, two out of seven of the members of our board of directors are employees of GenScript. Therefore, GenScript has, and even after this offering will have, the ability to substantially influence us and exert significant control through this ownership position. GenScript and its shareholders may be able to control elections of directors, the structure and composition of the committees established by our board of directors, issuance of equity, including to our employees under equity incentive plans, amendments of our organizational documents, or approval of any merger, amalgamation, sale of assets or other major corporate transaction.

For example, GenScript has recently informed us that it will nominate additional members to our board of directors, including our former chief executive officer and Chairman, Dr. Zhang, as well as potentially additional directors. GenScript has also indicated an intention that such additional GenScript-appointed board members should sit on certain of the committees established by our board of directors, including our nominating and corporate governance committee. While our board of directors has deliberated the requests from GenScript, has recognized the benefits of reappointing Dr. Zhang to the board and has not raised objections to the appointment of Dr. Zhang or an additional director nominated by GenScript, it has not taken any formal action with respect to such matters. GenScript has made clear that it will exercise its power as the controlling shareholder of the Company, with respect to representation on our board of directors as well as other changes to our board and its committees and there can be no assurances that we will be able to resolve these requests in a manner that is satisfactory to both us and GenScript. GenScript's interests may not always coincide with our corporate interests or the interests of other shareholders, and it may exercise its voting and other rights in a manner with which you may not agree or that may not be in the best interests of our other shareholders.

Further, there may be changes to the management or ownership of GenScript that could impact GenScript's interests in a way that may not coincide with our corporate interests or the interests of other shareholders. So long as GenScript continues to own a significant amount of our equity, it will continue to be able to strongly influence and effectively control our decisions.

Recently enacted and future legislation in the United States and other countries may affect the prices we may obtain for our product candidates and increase the difficulty and cost for us to commercialize our product candidates.

In the United States and many other countries, rising healthcare costs have been a concern for governments, patients and the health insurance sector, which resulted in a number of changes to laws and regulations, and may result in further legislative and regulatory action regarding the healthcare and health insurance systems that could affect ours, or our collaborators, ability to profitably sell any products or product candidates for which we or our collaborators may obtain marketing approval, including CARVYKTI™. For a detailed discussion of healthcare reform initiatives of importance to the pharmaceutical industry, see "Item 4.B. Information On The Company— Business Overview—Government Regulation—United States Regulation—Healthcare Reform" of our Annual Report, which is incorporated by reference into this prospectus supplement and the accompanying prospectus.

For example, the Patient Protection and Affordable Care Act, as amended by the Health Care Education and Reconciliation Act (collectively, the ACA) was enacted in the United States in March 2010 with the stated goals of containing healthcare costs, improving quality and expanding access to healthcare, and includes measures to change healthcare delivery, increase the number of individuals with insurance, ensure access to certain basic healthcare services, and contain the rising cost of care. There have been legal and political challenges to certain aspects of the ACA. For example, on June 17, 2021, the U.S. Supreme Court dismissed a challenge on procedural grounds that argued the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by Congress. Thus, the ACA will remain in effect in its current form. It is possible that the ACA will be subject to judicial or Congressional challenges in the future. It is unclear how such challenges and the healthcare reform measures of the Biden administration will impact the ACA. In addition, other federal health reform measures have been proposed and adopted in the United States that may impact reimbursement by Medicare or other government healthcare programs. For example, as a result of the Budget Control Act of 2011, providers are subject to Medicare payment reductions of 2% per fiscal year through 2030, with the exception of a temporary suspension from May 1, 2020 through March 31, 2022, unless additional Congressional action is taken. Under current legislation the actual reduction in Medicare payments will vary from 1% in 2022 to up to 3% in the final fiscal year of this sequester. Further, the American Taxpayer Relief Act of 2012 reduced Medicare payments to several providers and increased the statute of limitations period for the government to recover overpayments from providers from three to five years. The Medicare Access and CHIP Reauthorization Act of 2015 ended the use of the statutory formula, also referred to as the Sustainable Growth Rate, for clinician payment, which would have significantly cut payment for participating Medicare clinicians, and established a quality payment incentive program, also referred to as the Quality Payment Program. This program provides clinicians with two ways to participate, including through the Advanced Alternative Payment Models, or APMs, and the Merit-based Incentive Payment System, or MIPS. Under both APMs and MIPS, performance data collected each performance year will affect Medicare payments in later years, including potentially reducing payments. Any reduction in reimbursement from Medicare or other government healthcare programs may result in a similar reduction in payments from private payors, or private payors may independently reduce reimbursement under their health plans.

Further, there has been heightened governmental scrutiny in the United States of pharmaceutical pricing practices in light of the rising cost of prescription drugs and biologics. Such scrutiny has resulted in several recent presidential executive orders, Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for products. For example, at the federal level, in July 2021, the Biden administration released an executive order, "Promoting Competition in the American Economy," with multiple provisions aimed at prescription drugs. In response to President Biden's executive order, on September 9, 2021, the U.S. Department of Health and Human Services (HHS) released a Comprehensive Plan for Addressing High Drug Prices that outlines principles for drug pricing reform and sets out a variety of potential legislative policies that Congress could pursue as well as potential administrative actions HHS can take to advance these principles. No legislation or administrative actions have been finalized to implement these principles. In addition, Congress is considering drug pricing as part of other reform initiatives. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

We cannot predict the likelihood, nature, or extent of health reform initiatives that may arise from future legislation or administrative action. We expect that healthcare reform measures that may be adopted in the future may result in more rigorous coverage criteria and lower reimbursement, and in additional downward pressure on the price of pharmaceutical products. Failure by us or our collaborators to obtain or maintain adequate coverage and reimbursement for any approved products, including CARVYKTI™, could materially and adversely affect the revenue or sales of such products.

Risks Related to Our Dependence on Third Parties

We depend upon our existing collaboration partner, Janssen, and other third parties, and we may depend upon future collaboration partners to commit to the research, development, manufacturing and marketing of our product candidates.

We have a significant collaboration with Janssen for the development and commercialization of cilta-cel. We may enter into additional collaborations for our other product candidates or technologies in development. We cannot control the timing or quantity of resources that our existing or future collaborators will dedicate to research, preclinical and clinical development, manufacturing or marketing of our products. Our collaborators may not perform their obligations according to our expectations or standards of quality. Our collaborators could terminate our existing agreements for a number of reasons, including a material breach of agreement or an unforeseen material safety event. If the Janssen Agreement were to be terminated, we could encounter significant delays or other impairments in the commercialization of CARVYKTI™ and further developing cilta-cel, lose the opportunity to earn any future revenue we expected to generate under the agreement, incur unforeseen costs, and suffer damage to the reputation of our products, product candidates and as a company generally.

We have only limited experience in filing and supporting the applications necessary to gain marketing approvals and may rely on third-party contract research organizations, or CROs, to assist us in this process. In addition, to optimize the launch and market penetration of certain of our future product candidates, we may enter into distribution and marketing agreements with pharmaceutical industry leaders. For these future potentially partnered product candidates, we would not market our products alone once they have obtained marketing authorization. The risks inherent in entry into these contracts are as follows:

- the negotiation and execution of these agreements is a long process that may not result in an agreement being signed or that can delay the development or commercialization of the product candidate concerned;
- these agreements are subject to cancellation or nonrenewal by our collaborators, or may not be fully complied with by our collaborators;
- in the case of a license granted by us, we lose control of the development of the product candidate licensed;
- in such cases we would have only limited control over the means and resources allocated by our partner for the commercialization of our product; and
- collaborators may not properly obtain, maintain, enforce, or defend our intellectual property or proprietary rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our proprietary information or expose us to potential litigation.

Furthermore, even though Janssen is required to diligently develop and commercialize cilta-cel, it is possible that Janssen will seek to prioritize other products in its portfolio over cilta-cel, including products that may treat conditions that are the same as or are similar to the conditions for which cilta-cel has either received marketing approval or for which we are conducting research for potential future marketing approvals.

In addition, we rely on data or other information generated or reported to us by our collaborators relating to, among other things, product development, marketing or regulatory approvals and commercialization efforts. Although we believe the information from our collaborators is reliable, we are unable to independently audit or verify the accuracy or completeness of all such data or information, and any inaccuracies may adversely affect our business.

Should any of these risks materialize, or should we fail to find suitable collaborators, this could have a material adverse effect on our business, prospects, financial condition and results of operations.

Risks Related to Doing Business in China

The pharmaceutical industry in China is highly regulated and such laws and regulations are subject to change which may affect approval and commercialization of our drugs.

A material portion of our research and development operations and our manufacturing facilities for China are located in China, which we believe confers clinical, commercial and regulatory advantages. The pharmaceutical industry in China is subject to comprehensive government regulation and supervision, encompassing the approval,

registration, manufacturing, packaging, licensing and marketing of new drugs. See "Item 4.B. Information On The Company—Business Overview—Government Regulation— PRC Regulation" of our Annual Report for a discussion of the regulatory requirements that are applicable to our current business activities in China. For example, approval from the relevant science and technology departments is required in international collaboration projects using China's human genetic resources except for in certain circumstances stipulated in the HGR Regulation. Due to certain restrictions of practical operations which are beyond our control, we cannot assure you that we have obtained all required approvals under China's human genetic resources laws and regulations in a timely manner, or at all. We are paying attention to regulatory trends and are in the process of applying for and obtaining such approvals from the relevant regulatory authority. The failure to obtain such approval could cause relevant international collaboration projects to be suspended by governing authorities, may result in fines and other penalties, and also may constitute a breach under our agreements with certain CROs. According to PRC laws and regulations, entities are required to obtain an export certificate from governmental authorities if they plan to transport, mail or carry China's human genetic resources out of China in projects of international collaboration in scientific research by using China's human genetic resources. The export certificate for China's human genetic resources is a requirement of customs formalities. The failure to obtain such export certificate in relevant export activities could cause governmental authorities to suspend such activities, confiscate the human genetic resources illegally collected and preserved and illegal gains, impose fines and restrictions on business activities on such entities and their responsible persons, and even may result in criminal liability if relevant export activities constitute a crime. There is no assurance that we can always obtain relevant approvals for the export of China's human genetic resources out of China.

Furthermore, under relevant PRC laws and regulations, a license for use of laboratory animals is required for performing experimentation on animals. Any failure to fully comply with such requirement may result in the invalidation of our experimental data. In addition, with respect to our collaboration partner, any failure to comply with existing or future laws and regulations regulated by NHC and other administration authorities related to the management of cell therapy investigator-initiated clinical trials in China could lead to government penalties, suspension of related activities, or breach liability. Compliance or the failure to comply with such laws and regulations could increase the costs of, limit and cause significant delay in these investigator-initiated clinical trials and research and development activities, which could materially and adversely affect our business, operation and prospects as well. However, we do not have control over our collaborators and cannot compel them to comply with NHC and other administration authorities' requirements. Therefore, we cannot assure you that any required registration or filing procedures of our collaborators under laws will be completed in a timely manner, or at all.

In recent years, the regulatory framework in China regarding the pharmaceutical industry has undergone significant changes, and we expect that it will continue to undergo significant changes. Any such changes or amendments may result in increased compliance costs on our business or cause delays in or prevent the successful development or commercialization of our drug candidates in China and reduce the current benefits we believe are available to us from developing and manufacturing drugs in China. PRC authorities have become increasingly vigilant in enforcing laws in the pharmaceutical industry and any failure by us or our partners to maintain compliance with applicable laws and regulations or obtain and maintain required licenses and permits may result in the suspension or termination of our business activities in China, and even administrative penalties. We believe our strategy and approach are aligned with the PRC government's regulatory policies, but we cannot ensure that our strategy and approach will continue to be aligned.

Our business may be significantly affected by the newly enacted Foreign Investment Law and the "Negative List."

On March 15, 2019, the NPC promulgated the Foreign Investment Law, which took effect on January 1, 2020 and replaced three existing laws regulating foreign investment in China. The Foreign Investment Law grants foreign invested entities the same treatment as PRC domestic entities, except for those foreign invested entities that operate in industries deemed to be either "restricted" or "prohibited" in the "negative list" published by the State Council. We are a Cayman Islands company and our PRC subsidiaries, Legend Nanjing and Legend Hainan, are currently considered to be foreign invested entities. Legend Hainan was established in October 2021. As of the date of this prospectus supplement, Legend Hainan is not engaged in substantive business operations in the PRC.

The latest version of the "negative list", namely, the Special Management Measures (Negative List) for the Access of Foreign Investment (2021) or the Negative List, which was promulgated by the MOFCOM and the NDRC, became effective on January 1, 2022. The Negative List provides that foreign investment is prohibited in the development and application of human stem cell or gene diagnostic and therapeutic technologies.

As of the date of this prospectus supplement, there has been no official interpretation of the scope of "human stem cell or gene diagnostic and therapeutic technologies" specified in the Negative List and the application of this regulation remains unclear. The Encouraged Industry Catalogue for Foreign Investment (2020) (the "2020 Encouraged Industry Catalogue"), which was promulgated by the MOFCOM and the NDRC, became effective on January 27, 2021, provides that foreign investment is encouraged in the development and production of cell therapy drugs except in areas where foreign investment is prohibited. Further, on December 3, 2021, the CDE published the Technical Guidelines for Non-clinical Research and Evaluation of Gene Therapy Products (Trial) (the "Technical Guidelines for Gene Therapy Products"), and Technical Guidelines for Non-clinical Research of Gene Modified Cell Therapy Products (Trial) (the "Technical Guidelines for Gene Modified Cell Therapy Products"), which became effective as of the date of promulgation. The Technical Guidelines for Gene Therapy Products provides that it is applicable to gene therapy products other than genetically modified cells therapy products, and genetically modified cells therapy products, such as CAR-T cell therapy products, shall refer to the Technical Guidelines for Gene Modified Cell Therapy Products, which was formulated according to the Technical Guidelines for the Research and Evaluation of Cell Therapy Products (Trial).

Legend Nanjing is engaged in the research and development of CAR-T cell therapies. We believe the CAR-T cell therapies, as they are currently being researched and developed by Legend Nanjing, do not involve the use of human stem cells or genetic diagnosis and treatment, and as such should not fall into the category of "human stem cell or gene diagnostic and therapeutic technologies" under the Negative List. Moreover, relevant governmental authorities also confirmed that the research and development of CAR-T cell therapies currently engaged in by Legend Nanjing complies with the requirements of foreign investment industrial policies. We have been advised by our PRC legal counsel, JunHe LLP, that Legend Nanjing has complied with PRC laws and regulations in all material respects for, and obtained all material governmental approvals and permits from PRC regulatory agencies for, the research and development of CAR-T cell therapies. However, we have been advised by our PRC legal counsel that there are uncertainties regarding the interpretation and application of the PRC laws and regulations, and there can be no assurance that the PRC government will ultimately take a view that is not contrary to our view and the opinion of our PRC legal counsel above. If our CAR-T cell therapies or other technologies that are being researched and developed by any of our PRC subsidiaries are deemed by relevant PRC regulatory agencies as falling into the category of "human stem cell or gene diagnostic and therapeutic technologies" under the Negative List, such PRC subsidiary would be prohibited from engaging in the research or development of such CAR-T cell therapies or other technologies. In that event, we may have to stop investing in our PRC subsidiaries or consider restructuring our PRC subsidiaries as PRC domestic entities and our variable interest entity. Our PRC subsidiaries may also have to forfeit their income derived from the research and development of such technologies. Any of these occurrences may harm our business, prospects, financial condition and results of operations significantly.

We are or may become subject to a variety of privacy and data security laws, policies and contractual obligations, and our failure or failure of our third-party vendors, collaborators, contractors or consultants to comply with existing or future laws and regulations related to privacy or data security could lead to government enforcement actions, which could include civil or criminal fines or penalties, private litigation, other liabilities, and/or adverse publicity. Compliance or the failure to comply with such laws could increase the costs, could limit their use or adoption, and could otherwise negatively affect our operating results and business.

We maintain and process, and our third-party vendors, collaborators, contractors and consultants maintain and process on our behalf, sensitive information, including confidential business and personal information, including but not limited to health information in connection with our development and commercialization activities and our employees, and are subject to laws and regulations governing the privacy and security of such information. Failure by us, our third- party vendors, collaborators, contractors and consultants to comply with any of these laws and regulations could result in enforcement actions against us, including fines, imprisonment of company officials and public censure, claims for damages by affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects.

Regulatory authorities in China have implemented and are considering a number of legislative and regulatory proposals concerning data protection. On April 2, 2018, the General Office of the PRC State Council promulgated the Measures for the Management of Scientific Data (the "Scientific Data Measures"), which provide a broad definition of scientific data and relevant rules for the management of scientific data. According to the Scientific Data Measures, any scientific data involving state secret, state security, social public interests, commercial secret or personal privacy may not be open and shared; where openness is indeed needed, the purpose, user's qualification, conditions of confidentiality and other factors shall be reviewed, and the informing scope shall be strictly controlled. Further, any researcher conducting research funded, at least in part, by the PRC government is required to submit relevant scientific data for management by the entity to which such researcher is affiliated before such data may be published in any foreign academic journal.

The Cyber Security Law of the PRC, which became effective in June 2017, created China's national-level data protection for "network operators," which may include all organizations in China that provide services over the internet or another information network. Numerous regulations, guidelines and other measures are expected to be adopted under the umbrella of the Cyber Security Law. Furthermore, the Opinions on Strictly Cracking Down on Illegal Securities Activities, which was issued by the General Office of the State Council and another authority on July 6, 2021, requires the speed-up of the revision of the provisions on strengthening the confidentiality and archives management related to overseas issuance and listing of securities, and improvement to the laws and regulations related to data security, cross-border data flow, and management of confidential information. The Data Security Law, which was promulgated by the Standing Committee of PRC National People's Congress (the "SCNPC") on June 10, 2021 and became effective on September 1, 2021, outlines the main system framework of data security protection. The Personal Information Protection Law promulgated by the SCNPC on August 20, 2021 and became effective on November 1, 2021, which outlines the main system framework of personal information protection and processing.

The Measures for Cyber Security Review (2021) were published by the Cyberspace Administration of China (the "CAC") and 12 other relevant PRC government authorities on December 28, 2021 and became effective on February 15, 2022. These measures provide that, among other things, (i) if a "network platform operator" that possesses personal information of more than one million users intends to go public in a foreign country, it must apply for a cyber security review with the cyber security review office; and (ii) the relevant PRC governmental authorities may initiate cyber security review if they determine certain network products, services, or data processing activities affect or may affect national security.

On July 7, 2022, the CAC published the Measures on Security Assessment of Cross-border Transfer of Data, which will become effective on September 1, 2022 and provides that a data processor is required to apply for security assessment for cross-border data transfer in any of the following circumstances: (i) where a data processor provides critical data abroad; (ii) where a CIIO or a data processor which processes personal information of more than 1,000,000 individuals provides personal information abroad; (iii) where a data processor has provided personal information in the aggregate of 100,000 individuals or sensitive personal information of 10,000 individuals abroad since January 1 of the previous year; or (iv) other circumstances prescribed by the CAC for which declaration for security assessment for cross-board transfer of data is required.

The draft Regulations for the Administration of Cyber Data Security (the "Draft Data Security Regulations"), published by the CAC on November 14, 2021 for public comments until December 13, 2021 reiterate that a data processor who processes personal information of more than 1 million individuals shall go through the cyber security review if it intends to be listed in a foreign country, and if a data processor conducts any data processing activities that affect or may affect national security, an application for cyber security review shall also be made by such processor. And the Draft Data Security Regulations require data processors processing important data or being listed outside China shall carry out data security assessment annually by itself or through a third-party data security service provider and submit assessment report to local agency of the CAC. The Draft Data Security Regulations provide a broad definition of data processing activities, including collection, storage, usage, processing, transfer, provision, publication, deletion and other activities, and the Draft Data Security Regulations also provide a broad definition of data processors as individuals and entities which autonomously determine the purpose and method during data processing activities. However, the Draft Data Security Regulations provide no further elaboration on what constitutes a situation that "affects or may affect national security" and are subject to further changes before being formally adopted and coming into effect.

As of the date of this prospectus supplement, there are no detailed rules or implementations of the Measures for Cyber Security Review (2021) and the Measures on Security Assessment of Cross-border Transfer of Data, and the Draft Data Security Regulations are still in draft forms and have not come into effect, and the PRC governmental authorities may have wide discretion in the interpretation and enforcement of these laws and regulations. It also remains uncertain whether the future regulatory changes would impose additional restrictions on companies like us. We cannot predict the impact of the Draft Data Security Regulations, if any, at this stage, and we will closely monitor and assess any development in the rulemaking process. If the enacted version of the Draft Data Security Regulations requires any clearance of cyber security review and other specific actions to be completed by companies like us, we face uncertainties as to whether such clearance can be timely obtained, or at all. If we are not able to comply with the cyber security and data privacy requirements in a timely manner, or at all, we may be subject to government enforcement actions and investigations, fines, penalties, or suspension of our non-compliant operations, among other sanctions, which could materially and adversely affect our business and results of operations. We have been making constant efforts to comply with the relevant data protection laws and regulations in the PRC and will endeavor to comply with any update in the applicable laws, regulations or guidelines as issued by any relevant regulatory authorities in the PRC. However, we cannot assure you that we are able to comply with any applicable privacy and data security laws, regulations and guidelines in a timely manner, or at all.

In addition, certain industry-specific laws and regulations affect the collection, use and transfer of personal data in China. For example, the PRC State Council promulgated Regulations on the Administration of Human Genetic Resources (effective in July 2019), which require approval/filing from the Science and Technology Administration Department of the PRC State Council where human genetic resources are involved in any international collaborative project and additional approval, filing and backup for any export or cross-border transfer of the human genetic resources samples or associated data or for providing/offering access of the information on human genetic resources to foreign entities and the institutions established or actually controlled thereby. We cannot assure you that we have complied or will be able to comply with all applicable human genetic resources related regulations. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our practices, potentially resulting in confiscation of human genetic resources samples and associated data and administrative fines. As there are still uncertainties regarding the further enacting of new laws and regulations as well as the revision, interpretation and implementation of those existing laws and regulations, we cannot assure you that we will be able to comply with such regulations in all respects, and we may be ordered to make rectification and terminate any actions that are deemed illegal by the regulatory authorities and become subject to fines and/or other sanctions. As a result, we may be required to suspend our related businesses or face other penalties which may have material adverse effect on our business, operations and financial condition.

We expect that there will continue to be new proposed laws and regulations concerning data privacy and security, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. New laws, amendments to or re-interpretations of existing laws, regulations, standards and other obligations may require us to incur additional costs and restrict our business operations. Because the interpretation and application of health-related and data protection laws, regulations, standards and other obligations are still uncertain, and often contradictory and in flux, it is possible that the scope and requirements of these laws may be interpreted and applied in a manner that is inconsistent with our practices and our efforts to comply with the evolving data protection rules may be unsuccessful. If so, this could result in government- imposed fines or orders requiring that we change our practices, which could adversely affect our business. In addition, these privacy regulations may differ from country to country, and may vary based on whether testing is performed in the U.S. or in the local country and our operations or business practices may not comply with these regulations in each country.

Compliance with these and any other applicable privacy and data security laws and regulations is a rigorous and time-intensive process, and we may be required to put in place additional mechanisms ensuring compliance with the new data protection rules. If we or our third-party vendors, collaborators, contractors and consultants fail to comply with any such laws or regulations, we may face regulatory investigations, significant fines and penalties, reputational damage or be required to change our business practices, all of which could adversely affect our business, financial condition and results of operations.

The approval or other requirements of the China Securities Regulatory Commission or other governmental authority may be required.

On August 8, 2006, six PRC regulatory agencies, including the China Securities Regulatory Commission (the "CSRC"), promulgated the Provisions on the Merger or Acquisition of Domestic Enterprises by Foreign Investors, or the M&A rules, which became effective on September 8, 2006 and was amended on June 22, 2009. The M&A rules, among other things, requires offshore SPVs formed for the purpose of an overseas listing and controlled by PRC companies or individuals, to obtain the CSRC approval prior to listing their securities on an overseas stock exchange. The application of the M&A rules remains unclear. Our PRC legal counsel has advised us that, based on their understanding of the current PRC laws and regulations, the CSRC approval was not required under the M&A rules in the context of this offering because the ownership structure of our PRC subsidiaries was established by direct investment instead of through acquisition of equity interests or assets of any PRC domestic company by foreign entities as defined under the M&A rules.

However, we have been advised by our PRC legal counsel that there are uncertainties regarding the interpretation and application of the PRC laws and regulations, and there can be no assurance that the PRC governments will ultimately take a view that is not contrary to the above opinion of our PRC legal counsel. Furthermore, the Opinions on Strictly Cracking Down on Illegal Securities Activities emphasized the need to strengthen the supervision on overseas listings by China-based companies and provided that the special provisions of the State Council on overseas issuance and listing of shares by those companies limited by shares will be revised. There are still uncertainties regarding the interpretation and implementation of these Opinions, and further explanations or detailed rules and regulations with respect to these Opinions may be issued in the future which could impose additional requirements on us.

In addition, on December 24, 2021, the CSRC issued the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (collectively, the "Draft Overseas Listing Regulations"), which had a comment period that expired on January 23, 2022. The Draft Overseas Listing Regulations require, among others, that PRC domestic companies that seek to offer and list securities in overseas markets, either through direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted and report to CSRC after such offering and listing is completed. As of the date of this prospectus supplement, the Draft Overseas Listing Regulations are both still in draft forms and there are uncertainties regarding the final forms of the Draft Overseas Listing Regulations as well as the interpretation and implementation thereof after promulgation. If the Draft Overseas Listing Regulations become effective in their current forms before this offering is completed, we may be required to go through the filing and report procedures with the CSRC with respect to this offering.

In addition, we cannot guarantee that new rules or regulations promulgated in the future will not impose any additional requirements on us. If it is determined that we are subject to any CSRC approval, filing or other governmental authorization or requirements for this offering, we cannot assure you that we could obtain such approval or meet such requirements in a timely manner or at all. Such failure may subject us to fines, penalties or other sanctions which may have a material adverse effect on our business and financial conditions as well as our ability to complete this offering.

Our leased property interest may be defective and our right to lease the properties may be challenged, which could cause significant disruption to our business. We may be subject to fines due to the lack of registration of our leases.

Under PRC laws, all lease agreements are required to be registered with the local housing authorities. We have not registered certain of our lease agreements with the relevant government authorities. Failure to complete these required registrations may expose our landlords, lessors and us to rectification, or even to potential monetary fines if we fail to rectify as required.

Increases in labor costs and enforcement of stricter labor laws and regulations in the PRC may adversely affect our business and our profitability.

China's overall economy and the average wage level in China have increased in recent years and are expected to continue to grow. The average wage level for our employees has also increased in recent years. We expect that our labor costs, including wages and employee benefits, will continue to increase.

In addition, we have been subject to stricter regulatory requirements in terms of entering into labor contracts with our employees and paying various statutory employee benefits, including pensions, housing funds, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. We cannot assure you that we have complied or will be able to comply with all labor-related laws and regulations including those relating to obligations to make social insurance payments and contribute to the housing provident funds. We have not fully paid the housing provident funds for certain of our employees as required by applicable PRC regulations. We may be required to make up the contributions for our employees, and our financial conditions and results of operations may be adversely affected.

If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could harm our business.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous materials, including chemicals and biological materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations. In addition, in connection with our operations in China, we have not completed all required safety-related procedures in a timely manner, which could subject us to fines and other administrative penalties.

Although we maintain insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological or hazardous materials.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

ALL, Acute lymphoblastic leukemia; BCMA, B-cell maturation antigen; DLBCL, diffuse large B-cell lymphoma; DLL3, delta-like ligand 3; GPC3, Glypican-3; HCC, hepatocellular carcinoma; HIV, human immunodeficiency virus; IIT, investigator-initiated trial; NHL, non-Hodgkin lymphomas; MM, multiple myeloma; NSCLC, non small cell lung cancer; SCLC, small cell lung cancer
*In collaboration with Janssen, Pharmaceutical Companies of Johnson & Johnson. †Phase 1 IIT in China. ‡Multiple allogeneic platforms are being developed.