UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 19

For the quarterly period ended March 31, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 19

For the transition period from _____ to _____

Commission File Number: 001-38205

ZAI LAB LIMITED
(Exact Name of Registrant as Specified in its Charter)

Cayman Islands (State or Other Jurisdiction of Incorporation or Organization)	98-1144595 (I.R.S. Employer Identification No.)
4560 Jinke Road Bldg. 1, 4th Floor, Pudong Shanghai China	201210
314 Main Street 4th Floor, Suite 100 Cambridge, MA, USA (Address of Principal Executive Offices)	02142 (Zip Code)

+86 216163 2588
+1 857 706 2604
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American Depositary Shares, each representing 10 Ordinary Shares, par value $0.000006 per share	ZLAB	The Nasdaq Global Market
Ordinary Shares, par value $0.000006 per share*	9688	The Stock Exchange of Hong Kong Limited

* Included in connection with the registration of the American Depositary Shares with the Securities and Exchange Commission. The ordinary shares are not registered or listed for trading in the United States but are listed for trading on The Stock Exchange of Hong Kong Limited.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in

Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	
Non-accelerated filer	☐	Smaller reporting company	
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 2, 2025, 1,084,743,860 ordinary shares of the registrant, par value $0.000006 per share, were outstanding, of which 486,853,250 ordinary shares were held in the form of American Depositary Shares.

Zai Lab Limited
Quarterly Report on Form 10-Q
For the First Quarter of 2025

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SPECIAL NOTES REGARDING THE COMPANY

Forward-Looking Statements

This report contains certain forward-looking statements, including statements relating to our strategy and plans; potential of and expectations for our business, commercial products, and pipeline programs; the market for our commercial and pipeline products; capital allocation and investment strategy; clinical development programs and related clinical trials; clinical trial data, data readouts, and presentations; risks and uncertainties associated with drug development and commercialization; regulatory discussions, submissions, filings, and approvals and the timing thereof; the potential benefits, safety, and efficacy of our products and product candidates and those of our collaboration partners; the anticipated benefits and potential of investments, collaborations, and business development activities; our profitability and timeline to profitability; and our future financial and operating results. All statements, other than statements of historical fact, included in this report are forward-looking statements, and can be identified by words such as “aim,” “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “may,” “plan,” “possible,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “will,” “would,” or the negative of these terms or similar expressions. Such statements constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not guarantees or assurances of future performance. Forward-looking statements are based on our expectations and assumptions as of the date of this report and are subject to inherent uncertainties, risks, and changes in circumstances that may differ materially from those contemplated by the forward-looking statements. We may not actually achieve the plans, carry out the intentions, or meet the expectations or projections disclosed in our forward-looking statements, and you should not place undue reliance on these forward-looking statements. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including but not limited to the following:

- Our ability to successfully commercialize and generate revenue from our approved products;
- Our ability to obtain funding for our operations and business initiatives;
- The results of our clinical and pre-clinical development of our product candidates;
- The content and timing of decisions made by the relevant regulatory authorities regarding regulatory approvals of our product candidates;
- Changes in U.S. and China trade policies and relations, as well as relations with other countries, and/or changes in laws, regulations, and/or sanctions;
- Actions the Chinese government may take to intervene in or influence our operations;
- Economic, political, and social conditions in mainland China as well as governmental policies;
- Uncertainties in the Chinese legal system, including with respect to the anti-corruption enforcement efforts in mainland China and the Counter-Espionage Law, the Data Security Law, the Cyber Security Law, the Cybersecurity Review Measures, the Personal Information Protection Law, the Regulation on the Administration of Human Genetic Resources, the Biosecurity Law, the Security Assessment Measures, and other future laws and regulations or amendments to such laws and regulations;
- Approval, filing, or procedural requirements imposed by the China Securities Regulatory Commission or other Chinese regulatory authorities in connection with issuing securities to foreign investors under Chinese law;
- Any violation or liability under the U.S. Foreign Corrupt Practices Act or Chinese anti-corruption, anti-bribery, and anti-fraud laws;
- Restrictions on currency exchange;
- Limitations on the ability of our Chinese subsidiaries to make payments to us;
- Chinese requirements on the ability of residents in mainland China to establish offshore special purpose companies;
- Chinese regulations regarding acquisitions of companies based in mainland China by foreign investors;
- Any issues that our Chinese manufacturing facilities may have with operating in conformity with established GMPs and international best practices, and with passing FDA, NMPA, and EMA inspections;
- Expiration of, or changes to, financial incentives or discretionary policies granted by local governments in mainland China;

- Restrictions or limitations on the ability of overseas regulators to conduct investigations or collect evidence within mainland China;
- Significant business disruptions caused by events or developments outside of our control, such as pandemics, international war or conflict, natural disasters or extreme weather events, and other geopolitical events;
- Unfavorable tax consequences to us and our non-Chinese shareholders or ADS holders if we were to be classified as a Chinese resident enterprise for Chinese income tax purposes;
- Failure to comply with applicable Chinese, U.S., and Hong Kong regulations that could lead to government enforcement actions, fines, other legal or administrative sanctions, and/or harm to our business or reputation;
- Delays or obstacles for closing transactions, such as review by the CFIUS in our investments;
- Any inability to renew our current leases on desirable terms or otherwise locate desirable alternatives for our leased properties;
- Any inability of third parties on whom we rely, such as our licensors, CMOs, and others that supply certain of our products and product candidates; CROs that conduct or support some of our pre-clinical and clinical trials; and distributors that sell our commercial products, to successfully carry out their contractual duties or meet expected deadlines; and
- Any inability to obtain or maintain sufficient patent protection for our products and product candidates.

These factors should not be construed as exhaustive and should be read with the other cautionary statements and information in our Annual Report on Form 10-K for the year ended December 31, 2024 (the "2024 Annual Report"), our Quarterly Reports on Form 10-Q, and our other filings with the U.S. Securities and Exchange Commission. Forward-looking statements are based on our management's beliefs and assumptions and information currently available to our management. These statements, like all statements in this report, speak only as of their date. We anticipate that subsequent events and developments will cause our expectations and assumptions to change, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required by law. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this report.

Usage of Terms

Throughout this report, we use certain acronyms and terms that are defined in the Glossary of our 2024 Annual Report. References to "Zai Lab," the "Company," "we," "us," and "our" refer to Zai Lab Limited, a holding company, and its subsidiaries, on a consolidated basis; and references to "Zai Lab Limited" refer to Zai Lab Limited, a holding company. Zai Lab Limited is the entity in which investors hold their interest.

Our operating subsidiaries consist of Zai Lab (Hong Kong) Limited, domiciled in Hong Kong; Zai Auto Immune (Hong Kong) Limited, domiciled in Hong Kong; Zai Anti Infectives (Hong Kong) Limited, domiciled in Hong Kong; Zai Lab (Shanghai) Co., Ltd., domiciled in mainland China; Zai Lab International Trading (Shanghai) Co., Ltd., domiciled in mainland China; Zai Lab (Suzhou) Co., Ltd., domiciled in mainland China; Zai Biopharmaceutical (Suzhou) Co., Ltd., domiciled in mainland China; Zai Lab Trading (Suzhou) Co., Ltd., domiciled in mainland China; Zai Lab (Taiwan) Limited, domiciled in Taiwan; Zai Lab (AUST) Pty. Ltd., domiciled in Australia; and Zai Lab (US) LLC, domiciled in the United States.

We own various trademarks, including various forms of the Zai Lab brand (in English and Chinese), as well as several domain names that incorporate such trademarks. Trademarks and trade names of other companies appearing in this report are the property of their respective holders. Solely for convenience, some of the trademarks and trade names in this report are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend our use or display of other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of, any other company.

PART I – FINANCIAL INFORMATION

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and the accompanying notes included in this report and the audited consolidated financial information and the accompanying notes included in our 2024 Annual Report.

Item 1. Financial Statements.

Zai Lab Limited

Unaudited Condensed Consolidated Balance Sheets

(in thousands of U.S. dollars ("$"), except for number of shares and per share data)

	Notes	March 31, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents	3	757,263	449,667
Restricted cash, current		100,000	100,000
Short-term investments		—	330,000
Accounts receivable (net of allowance for credit losses of $22 and $25 as of March 31, 2025 and December 31, 2024, respectively)		76,555	85,178
Notes receivable		11,118	4,233
Inventories, net	4	53,054	39,875
Prepayments and other current assets		43,878	41,527
Total current assets		1,041,868	1,050,480
Restricted cash, non-current		1,113	1,114
Property and equipment, net	5	49,654	47,961
Operating lease right-of-use assets		19,081	21,496
Land use rights, net		2,882	2,907
Intangible assets, net	6	56,198	56,027
Other non-current assets		2,534	5,768
Total assets		**1,173,330**	**1,185,753**
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable		103,017	100,906
Current operating lease liabilities		6,574	8,048
Short-term debt	10	173,405	131,711
Other current liabilities	11	36,811	58,720
Total current liabilities		319,807	299,385
Deferred income		30,126	31,433
Non-current operating lease liabilities		12,319	13,712
Other non-current liabilities		325	325
Total liabilities		**362,577**	**344,855**
Commitments and contingencies (Note 17)			
Shareholders' equity			
Ordinary shares (par value of $0.000006 per share; 5,000,000,000 shares authorized; 1,089,076,400 and 1,082,614,740 shares issued as of March 31, 2025 and December 31, 2024, respectively; 1,084,164,200 and 1,077,702,540 shares outstanding as of March 31, 2025 and December 31, 2024, respectively)		7	7
Additional paid-in capital		3,283,800	3,264,295
Accumulated deficit		(2,501,521)	(2,453,083)
Accumulated other comprehensive income		49,303	50,515
Treasury Stock (at cost, 4,912,200 shares as of both March 31, 2025 and December 31, 2024)		(20,836)	(20,836)
Total shareholders' equity		**810,753**	**840,898**
Total liabilities and shareholders' equity		**1,173,330**	**1,185,753**

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

Zai Lab Limited

Unaudited Condensed Consolidated Statements of Operations

(in thousands of $, except for number of shares and per share data)

		Three Months Ended March 31,	
	Notes	**2025**	**2024**
Revenues			
Product revenue, net	7	105,650	87,149
Collaboration revenue	7	837	—
Total revenues		106,487	87,149
Expenses			
Cost of product revenue		(38,452)	(33,619)
Cost of collaboration revenue		(195)	—
Research and development		(60,729)	(54,645)
Selling, general, and administrative		(63,422)	(69,194)
Loss from operations		(56,311)	(70,309)
Interest income		8,606	9,658
Interest expenses		(1,187)	(113)
Foreign currency gains (losses)		651	(2,068)
Other (expense) income, net	15	(197)	9,361
Loss before income tax		(48,438)	(53,471)
Income tax expense	8	—	—
Net loss		(48,438)	(53,471)
Loss per share - basic and diluted	9	(0.04)	(0.05)
Weighted-average shares used in calculating net loss per ordinary share - basic and diluted		1,080,825,300	973,145,760

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

Zai Lab Limited

Unaudited Condensed Consolidated Statements of Comprehensive Loss

(in thousands of $)

	Three Months Ended March 31,	
	2025	**2024**
Net loss	(48,438)	(53,471)
Other comprehensive income, net of tax of nil:		
Foreign currency translation adjustments	(1,212)	1,542
Comprehensive loss	(49,650)	(51,929)

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

Zai Lab Limited

Unaudited Condensed Consolidated Statements of Shareholders' Equity

(in thousands of $, except for number of shares)

	Ordinary Shares					Treasury Stock		
	Number of Shares	Amount	Additional paid in capital	Accumulated deficit	Accumulated other comprehensive income	Shares	Amount	Total
Balance at December 31, 2024	1,082,614,740	7	3,264,295	(2,453,083)	50,515	(4,912,200)	(20,836)	840,898
Issuance of ordinary shares upon vesting of restricted shares	137,540	0	0	—	—	—	—	—
Exercise of share options	6,324,120	0	3,733	—	—	—	—	3,733
Issuance cost of the follow-on public offering	—	—	(28)	—	—	—	—	(28)
Share-based compensation	—	—	15,800	—	—	—	—	15,800
Net loss	—	—	—	(48,438)	—	—	—	(48,438)
Foreign currency translation	—	—	—	—	(1,212)	—	—	(1,212)
Balance at March 31, 2025	1,089,076,400	7	3,283,800	(2,501,521)	49,303	(4,912,200)	(20,836)	810,753

	Ordinary Shares					Treasury Stock		
	Number of Shares	Amount	Additional paid in capital	Accumulated deficit	Accumulated other comprehensive income	Shares	Amount	Total
Balance at December 31, 2023	977,151,270	6	2,975,302	(2,195,980)	37,626	(4,912,200)	(20,836)	796,118
Issuance of ordinary shares upon vesting of restricted shares	1,046,440	0	0	—	—	—	—	—
Share-based compensation	—	—	17,980	—	—	—	—	17,980
Net loss	—	—	—	(53,471)	—	—	—	(53,471)
Foreign currency translation	—	—	—	—	1,542	—	—	1,542
Balance at March 31, 2024	978,197,710	6	2,993,282	(2,249,451)	39,168	(4,912,200)	(20,836)	762,169

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements. "0" in above table means less than 1,000 dollars.

Zai Lab Limited

Unaudited Condensed Consolidated Statements of Cash Flows

(in thousands of $)

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities		
Net loss	(48,438)	(53,471)
Adjustments to reconcile net loss to net cash used in operating activities:		
Allowance for credit losses	(3)	1
Inventory write-down	27	37
Depreciation and amortization expenses	3,458	3,012
Amortization of deferred income	(1,331)	(840)
Share-based compensation	15,800	17,980
Loss (gain) from fair value changes of equity investment with readily determinable fair value	1,912	(4,889)
Losses on disposal of property and equipment	—	407
Noncash lease expenses	2,466	2,069
Debt issuance costs	—	700
Foreign currency remeasurement impact	(651)	2,068
Changes in operating assets and liabilities:		
Accounts receivable	8,737	(1,328)
Notes receivable	(6,885)	(9,239)
Inventories	(13,198)	6,818
Prepayments and other current assets	(1,601)	(1,253)
Other non-current assets	1,401	(271)
Accounts payable	2,720	(13,370)
Other current liabilities	(23,275)	(34,204)
Operating lease liabilities	(2,827)	(2,783)
Deferred income	(11)	(1,550)
Net cash used in operating activities	(61,699)	(90,106)
Cash flows from investing activities		
Proceeds from maturity of short-term investment	330,000	16,300
Purchases of property and equipment	(1,534)	(974)
Acquisition of intangible assets	(2,333)	(12,034)
Net cash provided by investing activities	326,133	3,292
Cash flows from financing activities		
Proceeds from short-term debt	101,890	48,248
Repayment of short-term bank borrowings	(60,904)	—
Payments of debt issuance costs	—	(700)
Proceeds from exercises of stock options	3,009	—
Payments of public offering costs	(854)	—
Net cash provided by financing activities	43,141	47,548
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	20	(104)
Net increase (decrease) in cash, cash equivalents and restricted cash	307,595	(39,370)
Cash, cash equivalents and restricted cash - beginning of period	550,781	791,264
Cash, cash equivalents and restricted cash - end of period	858,376	751,894
Supplemental disclosure on non-cash investing and financing activities		
Payables for purchase of property and equipment	2,645	2,481
Payables for acquisition of intangible assets	2,075	78
Payables for public offering costs	168	—
Right-of-use asset acquired under operating leases	—	2,395
Receivable from sales of equity investments	1,203	—
Receivables for stock option exercise under equity incentive plans	794	—
Supplemental disclosure of cash flow information		
Cash paid for interest	1,101	45

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

1. Organization and Principal Activities

Zai Lab Limited was incorporated on March 28, 2013 in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands (as amended). Zai Lab Limited and its subsidiaries (collectively referred to as the "Company") are focused on discovering, developing, and commercializing products that address medical conditions with significant unmet needs in the areas of oncology, immunology, neuroscience, and infectious disease.

The Company's principal operations and geographic markets are in Greater China. The Company has a substantial presence in Greater China and the United States.

2. Basis of Presentation and Consolidation and Significant Accounting Policies

(a) Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), and applicable rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"), regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. As such, the information included in this report should be read in conjunction with the consolidated financial statements and accompanying notes included in the Annual Report on Form 10-K for the year ended December 31, 2024 (the "2024 Annual Report"). The December 31, 2024 condensed consolidated balance sheet data included in this report were derived from the audited financial statements in the 2024 Annual Report.

The accompanying unaudited condensed consolidated financial statements reflect all normal recurring adjustments that are necessary to present fairly the results for the interim periods presented. Interim results are not necessarily indicative of the results for the year ending December 31, 2025.

(b) Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of Zai Lab Limited and its subsidiaries, which are wholly owned. All intercompany transactions and balances are eliminated upon consolidation.

(c) Use of Estimates

The preparation of the unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Areas where management uses subjective judgment include, but are not limited to, accrual of rebates, recognition of research and development expenses based on the Company's estimates of the actual services performed by the CROs and CMOs, fair value of share-based compensation expenses, recoverability of deferred tax assets, and useful life of intangible assets for commercial products. These estimates, judgments, and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. Actual results could differ from these estimates.

(d) Fair Value Measurements

Financial instruments of the Company primarily include cash and cash equivalents, current restricted cash, short-term investments, accounts receivable, notes receivable, prepayments and other current assets, non-current restricted cash, accounts payable, short-term debt, and other current liabilities. As of March 31, 2025 and December 31, 2024, the carrying values of cash and cash equivalents, current restricted cash, short-term investments, accounts receivable, prepayments and

other current assets, accounts payable, short-term debt, and other current liabilities approximated their fair value due to the short-term maturity of these instruments, and the carrying value of notes receivable and non-current restricted cash approximated their fair value based on the assessment of the ability to recover these amounts.

(e) Recent Accounting Pronouncements

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-09, *Improvements to Income Tax Disclosures (Topic 740)*. This ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. This ASU is effective on a prospective basis for annual periods beginning after December 15, 2024. Early adoption is permitted. This ASU will result in additional disclosure in the consolidated financial statements, once adopted. The Company is currently evaluating the impact of this ASU and expects to adopt it for the year ending December 31, 2025.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This ASU requires disclosure in the notes to financial statements of specified information about certain costs and expenses. This ASU will be effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this ASU and expects to adopt it for the year ending December 31, 2027.

For additional information on the Company's significant accounting policies, refer to the notes to the consolidated financial statements in the 2024 Annual Report.

3. Cash and Cash Equivalents

The following table presents the Company's cash and cash equivalents ($ in thousands):

	March 31, 2025	December 31, 2024
Cash	756,089	448,508
Cash equivalents (i)	1,174	1,159
	757,263	449,667
Denominated in:		
US$	734,857	429,887
Renminbi ("RMB") (ii)	21,245	18,979
Hong Kong dollar ("HK$")	306	114
Australian dollar ("A$")	521	522
Taiwan dollar ("TW$")	334	165
	757,263	449,667

(i) Cash equivalents represent short-term and highly liquid investments in a money market fund.

(ii) Certain cash and bank balances denominated in RMB were deposited with banks in mainland China. The conversion of these RMB-denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the Chinese government.

4. Inventories, Net

The following table presents the Company's inventories, net ($ in thousands):

	March 31, 2025	December 31, 2024
Finished goods	33,432	24,063
Raw materials	15,317	13,268
Work in progress	4,305	2,544
Inventories, net	53,054	39,875

The Company writes down inventory for any excess or obsolete inventory or when the Company believes that the net realizable value of inventory is less than the carrying value. The Company recorded write-downs in inventory, which were included in cost of product revenue, of insignificant amounts in the first quarter of 2025 and 2024.

5. Property and Equipment, Net

The following table presents the components of the Company's property and equipment, net ($ in thousands):

	March 31, 2025	December 31, 2024
Office equipment	1,231	1,230
Electronic equipment	9,498	9,211
Vehicle	196	196
Laboratory equipment	20,537	20,516
Manufacturing equipment	17,525	17,493
Leasehold improvements	11,324	11,306
Building	24,084	—
Construction in progress	4,274	25,129
	88,669	85,081
Less: accumulated depreciation	(39,015)	(37,120)
Property and equipment, net	49,654	47,961

Depreciation expense was $2.0 million and $2.2 million in the first quarter of 2025 and 2024, respectively.

6. Intangible Assets, Net

The following table presents the components of the Company's intangible assets, net ($ in thousands):

	March 31, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Finite-lived intangible assets						
Commercial products	58,744	(3,953)	54,791	57,104	(2,637)	54,467
Software	4,366	(2,959)	1,407	4,360	(2,800)	1,560
Total	**63,110**	**(6,912)**	**56,198**	**61,464**	**(5,437)**	**56,027**

Intangible assets for commercial products include capitalized post-approval milestone fees and acquired commercial manufacturing know-how and related development costs. The Company is amortizing intangible assets for commercial products as cost of product revenue over the estimated remaining useful life of the related products. Intangible assets for externally purchased software are amortized over three to five years on a straight-line basis.

Amortization expense was $1.5 million and $0.7 million in the first quarter of 2025 and 2024, respectively.

7. Revenues

Product Revenue, Net

The Company's product revenue is derived from the sales of its commercial products in Greater China. The table below presents the Company's gross and net product revenue ($ in thousands):

	Three Months Ended March 31,	
	2025	**2024**
Product revenue - gross	112,333	93,112
Less: Rebates and sales returns	(6,683)	(5,963)
Product revenue - net	105,650	87,149

Sales rebates are offered to distributors in mainland China, and the amounts are recorded as a reduction of product revenue. Estimated rebates are determined based on contracted rates, sales volumes, and level of distributor inventories.

The following table presents the Company's net revenue by commercial program ($ in thousands):

	Three Months Ended March 31,	
	2025	**2024**
ZEJULA	49,529	45,501
VYVGART / VYVGART Hytrulo	18,105	13,162
NUZYRA	15,118	9,913
OPTUNE	11,363	12,480
QINLOCK	8,509	6,093
XACDURO	1,117	—
AUGTYRO	1,626	—
Other (i)	283	—
Product revenue - net	105,650	87,149

(i) Other includes product candidates sold in patient programs prior to commercialization.

Collaboration Revenue

Collaboration revenue was $0.8 million in the first quarter of 2025 and related to promotional activities in mainland China. We had no such collaboration revenue in the first quarter of 2024.

8. Income Tax

No provision for income taxes has been required to be accrued because the Company is in a cumulative loss position for the periods presented.

The Company recorded a full valuation allowance against deferred tax assets of all its consolidated entities because all entities were in a cumulative loss position as of March 31, 2025 and December 31, 2024. No unrecognized tax benefits and related interest and penalties were recorded in the periods presented.

9. Loss Per Share

The following table presents the computation of the basic and diluted net loss per share ($ in thousands, except share and per share data):

	Three Months Ended March 31,	
	2025	2024
Numerator:		
Net loss	(48,438)	(53,471)
Denominator:		
Weighted average number of ordinary shares - basic and diluted	1,080,825,300	973,145,760
Net loss per share - basic and diluted	(0.04)	(0.05)

As a result of the Company's net loss in the first quarter of 2025 and 2024, share options and non-vested restricted shares outstanding in the respective periods were excluded from the calculation of diluted loss per share as their inclusion would have been anti-dilutive.

	March 31,	
	2025	2024
Share options	98,164,510	104,244,590
Non-vested restricted shares	32,537,760	29,893,540

10. Borrowings

The Company has debt arrangements with the Bank of China, SPD Bank, CMB, BOCOM, and Ningbo Bank to support its working capital needs in mainland China. The following table presents the Company's short-term debt as of March 31, 2025 ($ in thousands):

	Weighted average interest rate per annum	March 31, 2025
Bank of China Working Capital Loans	2.60 %	48,132
SPD Bank Working Capital Loans	2.80 %	41,793
China Merchant Bank Working Capital Loans	2.91 %	34,799
Bank of Communications Working Capital Loans	2.75 %	41,793
Ningbo Bank Electronic Commercial Draft Discounting Agreement	1.90 %	6,888
Total short-term debt	2.72 %	173,405

Bank of China Working Capital Loan Facility

On February 5, 2024, the Company entered into an uncommitted facility letter with the Bank of China (Hong Kong) Limited ("BOC HK") pursuant to which BOC HK will provide standby letters of credit for loans of up to $100.0 million for a term of one year. In connection with this agreement, the Company paid a one-time, non-refundable fee of $0.7 million in the first quarter of 2024. In accordance with this agreement, the Company also maintained restricted deposits of $100.0 million, which are presented as restricted cash-current on the unaudited condensed consolidated balance sheet, to secure the standby letters of credit. On June 20, 2024 and January 22, 2025, upon the Company's application, BOC HK provided standby letters of credit in favor of the Bank of China Pudong Development Zone Branch ("BOC Pudong Branch") for $23.0 million and $27.0 million, respectively, which are or may become payable by the Company's wholly-owned subsidiary, Zai Lab (Shanghai) Co., Ltd. ("Zai Lab Shanghai"). BOC HK and BOC Pudong Branch are collectively

referred to as Bank of China. As of March 31, 2025, the aggregate principal amount outstanding was RMB345.5 million (approximately $48.1 million). Each working capital loan has a one-year term and is subject to a floating interest rate, which is subject to adjustment every six months.

SPD Bank Working Capital Loan Facility

On February 6, 2024, the Company entered into a maximum-amount guarantee contract with the Shanghai Pudong Development Bank Co., Ltd. Zhangjiang Hi-Tech Park Sub-Branch ("SPD Bank") pursuant to which the Company will guarantee working capital loans of up to RMB300.0 million (approximately $42.0 million) from SPD Bank to Zai Lab Shanghai over a three-year period. As of March 31, 2025, the aggregate principal amount outstanding was RMB300.0 million (approximately $41.8 million). Each working capital loan has a one-year term and is subject to a fixed interest rate.

China Merchants Bank Working Capital Loan Facility

On July 5, 2024, the Company issued a maximum-amount irrevocable letter of guarantee to China Merchants Bank Co., Ltd., Shanghai Branch ("CMB") pursuant to which the Company will guarantee working capital loans of up to RMB250.0 million (approximately $34.4 million) from CMB to Zai Lab Shanghai, and Zai Lab Shanghai entered into a Credit Agreement with CMB with respect to the RMB250.0 million facility. The credit facility will be available for one year. As of March 31, 2025, the aggregate principal amount outstanding was RMB249.8 million (approximately $34.8 million) under this debt facility. Each working capital loan has a one-year term and is subject to a floating interest rate, which is subject to adjustment every three months.

Bank of Communications Working Capital Loan Facility

On January 2, 2025, the Company entered into a guarantee contract with Bank of Communications Co., Ltd. Shanghai Zhangjiang Sub-Branch ("BOCOM") pursuant to which the Company will guarantee working capital loans from BOCOM to Zai Lab Shanghai, and Zai Lab Shanghai entered into a working capital loan contract with BOCOM with respect to a revolving credit facility of up to RMB300.0 million (approximately $41.1 million). As of March 31, 2025, the aggregate principal amount outstanding was RMB300.0 million (approximately $41.8 million) under this debt facility. The working capital loan has a one-year term and is subject to a floating interest rate, which is subject to adjustment every three months.

Ningbo Bank Working Capital Loan Facility

On February 6, 2024, the Company's wholly-owned subsidiary, Zai Lab (Suzhou) Co., Ltd. ("Zai Lab Suzhou"), entered into a maximum credit contract with Bank of Ningbo Co., Ltd. Suzhou Sub-branch ("Ningbo Bank") as well as an Electronic Commercial Draft Discounting Master Agreement and Online Working Capital Loan Master Agreement (collectively, the "Ningbo Bank Agreements"). The Ningbo Bank Agreements permit Zai Lab Suzhou to utilize, including through discounting or working capital loan agreements and subject to the terms and conditions in related master agreements, up to RMB230.3 million (approximately $32.4 million), of which Zai Lab Suzhou is authorized to utilize up to RMB160.0 million (approximately $22.5 million). In March 2025, pursuant to the Ningbo Bank Agreements, Zai Lab Suzhou entered into an electronic commercial draft discounting agreement with Ningbo Bank, and discounted RMB49.4 million (approximately $6.9 million) of its intercompany receivables. The cash proceeds from the discounting arrangement were classified as short-term debt. The discounted bill has a 6-month term.

11. Other Current Liabilities

The following table presents the Company's other current liabilities ($ in thousands):

	March 31, 2025	December 31, 2024
Accrued payroll	12,168	30,198
Accrued professional service fee	3,475	5,728
Payables for purchase of property and equipment	2,645	449
Accrued rebate to distributors	11,773	10,839
Tax payables	3,770	5,154
Other (i)	2,980	6,352
Total	36,811	58,720

(i) Other primarily includes accrued travel, business-related expenses, and advance payments from partners.

12. Related Party Transactions

In January 2025, the Company entered into a license agreement with Zenas BioPharma (HK) Limited ("Zenas"), pursuant to which the Company obtained a license under certain patents and know-how of Zenas to develop and commercialize products containing a differentiated humanized monoclonal antibody targeting IGF-1R as an active ingredient in Greater China. One of the members of the Company's Board of Directors, Mr. Moulder, is also the Chairman of the Board of Directors and Chief Executive Officer of Zenas. The Company recorded a $10.0 million upfront fee into research and development expenses in the first quarter of 2025. As of March 31, 2025, the Company may be required to pay an additional aggregate amount of up to $117.0 million in development and sales-based milestones as well as certain royalties at tiered percentage rates ranging from high-single digits to mid-teens on annual net sales of the licensed products in the licensed territories.

13. Share-Based Compensation

During the first quarter of 2025, the Company granted share options to purchase up to 5,062,710 ordinary shares and restricted shares representing 1,825,540 ordinary shares under its equity incentive plans. The share options granted have a contractual term of ten years. Share options granted since April 2023 generally vest ratably over a four-year period, and share options granted prior to April 2023 generally vest ratably over a five-year period, with 25% or 20% of the awards vesting on each anniversary of the grant date, respectively, subject to continued employment/service with the Company on the vesting date. The restricted shares granted generally vest ratably over a specified period on the anniversary of the grant date, subject to continued employment/service with the Company on the vesting date. For a description of the Company's equity incentive plans and more details on the terms of the share-based awards, see *Note 15* of the 2024 Annual Report.

The following table presents the share-based compensation expense that has been reported in the Company's unaudited condensed consolidated statements of operations and comprehensive loss as follows ($ in thousands):

	Three Months Ended March 31,	
	2025	2024
Selling, general and administrative	10,226	11,036
Research and development	5,574	6,944
Total	15,800	17,980

As of March 31, 2025, there was unrecognized share-based compensation expense related to unvested share options and unvested restricted shares of $71.9 million and $69.0 million, respectively, which the Company expects to recognize over a weighted-average period of 2.60 years and 2.28 years, respectively.

14. License and Collaboration Agreements

The Company has entered into various license and collaboration agreements with third parties to develop and commercialize product candidates.

Significant License and Collaboration Arrangements

For a description of the material terms of the Company's significant license and collaboration agreements, see *Note 16* of the 2024 Annual Report. During the first quarter of 2025, the Company did not enter into any new significant license or collaboration agreements or incur any milestone fees under our existing significant license and collaboration agreements.

Other License and Collaboration Arrangements That Are Not Individually Significant

The Company recorded upfront fees of $20.0 million into research and development expenses in the first quarter of 2025 for license and collaboration agreements that are not individually significant.

15. Other (Expense) Income, Net

The following table presents the Company's other income, net ($ in thousands):

	Three Months Ended March 31,	
	2025	2024
Government grants	16	2,791
(Loss) Gain on equity investments with readily determinable fair value	(1,912)	4,889
Other miscellaneous gain	1,699	1,681
Total	(197)	9,361

16. Restricted Net Assets

The Company's ability to pay dividends may depend on the Company receiving distributions of funds from its Chinese subsidiaries. Relevant Chinese laws and regulations permit payments of dividends by the Company's Chinese subsidiaries only out of its retained earnings, if any, as determined in accordance with Chinese accounting standards and regulations. The results of operations reflected in the unaudited condensed consolidated financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Company's Chinese subsidiaries.

In accordance with the Company Law of the People's Republic of China, a domestic enterprise is required to provide statutory reserves of at least 10% of its annual after-tax profit until such reserve has reached 50% of its respective registered capital based on the enterprise's Chinese statutory accounts. A domestic enterprise may provide discretionary surplus reserve, at the discretion of the Board of Directors, from the profits determined in accordance with the enterprise's Chinese statutory accounts. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends. The Company's Chinese subsidiaries were established as domestic enterprises and therefore are subject to the above-mentioned restrictions on distributable profits.

No appropriation to statutory reserves was made in the first quarter of 2025 and 2024 because the Chinese subsidiaries had substantial losses during such periods.

As a result of these Chinese laws and regulations, subject to the limits discussed above that require annual appropriations of 10% of after-tax profit to be set aside, prior to payment of dividends, as a general reserve fund, the Company's Chinese subsidiaries are restricted in their ability to transfer out a portion of their net assets.

Foreign exchange and other regulation in mainland China may further restrict the Company's subsidiaries in mainland China from transferring out funds in the form of dividends, loans, and advances. As of March 31, 2025 and December 31, 2024, amounts restricted included the paid-in capital of the Company's subsidiaries in mainland China and were $506.0 million.

17. Commitments and Contingencies

(a) Purchase Commitments

As of March 31, 2025, the Company's commitments related to commercial manufacturing development and facilities construction and improvement activities that are contracted but not yet reflected in the unaudited condensed consolidated financial statements were $3.8 million and were expected to be incurred within one year.

(b) Legal Proceedings

The Company is not currently a party to any material legal proceedings.

(c) Indemnifications

In the normal course of business, the Company enters into agreements that indemnify others for certain liabilities that may arise in connection with a transaction or certain events and activities. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations.

18. Segment Information

The Company operates as a single operating segment that is engaged in discovering, developing, and commercializing products that address medical conditions with significant unmet needs in the areas of oncology, immunology, neuroscience, and infectious disease. A global research and development organization and a supply chain organization discover, develop, manufacture, and supply our products. A global commercial organization markets, distributes, and sells the products. The business is also supported by global corporate staff functions. The Company's CODM is the Chief Executive Officer, who assesses performance and allocates resources based on the significant expenses and net income on a consolidated basis. The significant expenses that are regularly provided to the CODM include those amounts that are also reported on the consolidated statement of operations as well as below additional disaggregated measures. The CODM also reviews cash position (which are cash and cash equivalents, current restricted cash, and short-term investments) that are also reported on the consolidated balance sheets when making operating decisions. In accordance with ASC 280, the Company has only one reportable segment.

The following tables present disaggregated expenses that are regularly provided to the CODM:

	Three Months Ended March 31,	
	2025	2024
Personnel compensation and related costs	24,079	28,008
Licensing fees	19,997	—
CROs/CMOs/Investigators expenses	9,830	19,904
Other costs	6,823	6,733
Total research and development expenses	60,729	54,645

	Three Months Ended March 31,	
	2025	2024
Clinical programs	28,092	18,788
Pre-Clinical programs	3,314	2,049
Unallocated research and development expenses	29,323	33,808
Total research and development expenses	60,729	54,645

	Three Months Ended March 31,	
	2025	2024
Personnel compensation and related costs	40,643	45,894
Other costs	22,779	23,300
Total selling, general, and administrative expenses	63,422	69,194

	Three Months Ended March 31,	
	2025	2024
Selling and marketing expenses	41,939	43,594
General and administrative expenses	21,483	25,600
Total selling, general, and administrative expenses	63,422	69,194

Item 2. 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 2024 Annual Report and our unaudited condensed consolidated financial statements and the accompanying notes for the first quarter of 2025 included in *Item 1. Financial Statements*.

Overview

We are a patient-focused, innovative, commercial-stage, global biopharmaceutical company with a substantial presence in both Greater China and the United States. We are focused on discovering, developing, and commercializing products that address medical conditions with significant unmet needs in the areas of oncology, immunology, neuroscience, and infectious disease. We intend to leverage our competencies and resources to positively impact human health in Greater China and worldwide. We currently have seven commercial programs – ZEJULA,VYVGART / VYVGART Hytrulo, NUZYRA, OPTUNE, QINLOCK, XACDURO, and AUGTYRO – with products that have received marketing approval and that we have commercially launched in one or more territories in Greater China. We also have multiple programs in late-stage product development and a number of ongoing pivotal trials across our portfolio.

Since our inception, we have incurred net losses and negative cash flows from our operations. Substantially all of our losses have resulted from funding our research and development programs and selling, general and administrative costs associated with our operations. Developing high quality product candidates requires significant investment in our research and development activities over a prolonged period of time, and a core part of our strategy is to continue making sustained investments in this area. Our ability to generate profits and positive cash flow from operations depends upon our ability to successfully market our commercial products and to successfully expand the indications for these products and develop and commercialize our other product candidates. As discussed further below, we expect to continue to incur substantial costs related to our research and development and commercialization activities.

As we pursue our corporate strategic goals, we anticipate that our financial results will fluctuate from quarter to quarter and year to year depending in part on the balance between the success of our commercial products and the level of our research and development expenses. We cannot predict whether or when our product candidates will receive regulatory approval. Further, if we receive such regulatory approval, we cannot predict whether or when we may be able to successfully commercialize such products or whether or when such products may become profitable.

Recent Developments

Commercial Products

Net product revenue was $105.7 million for the first quarter of 2025, an increase of 21% compared to the prior year period, primarily driven by increased sales for NUZYRA, VYVGART, and ZEJULA. Increased sales for these products were supported by increased patient access supported by their listings in the NRDL.

Product Candidates

We continued to advance our product candidates through our research and development activities, including the following developments with respect to our clinical trials and regulatory approvals:

Oncology

- **ZL-1310 (DLL3 ADC):** In April 2025, we initiated a global Phase I/II study in patients with selected solid neuroendocrine tumors, allowing us to evaluate its therapeutic potential beyond ES-SCLC.
- **Tisotumab Vedotin (TIVDAK, Tissue Factor ADC):** In March 2025, China's NMPA accepted the BLA for TIVDAK for the treatment of patients with recurrent or metastatic cervical cancer with disease progression on or after systemic therapy. The BLA submission is supported by the results from the global, randomized, Phase III innovaTV 301 clinical trial and the results from the China subpopulation of this study. As reported in January 2025, the China subpopulation results were consistent with those in the global population. TIVDAK demonstrated a 45% reduction in the risk of death compared to chemotherapy.

- **Repotrectinib:** In April 2025, China's NMPA accepted the supplemental NDA for repotrectinib for the treatment of adult patients with NTRK+ solid tumors. The application is intended for patients whose disease is locally advanced or metastatic, or where surgical resection is likely to result in severe morbidity, and who have either progressed following prior therapies or have no satisfactory alternative treatment options.
- **ZL-6201 (LRRC15 ADC)**: In April 2025, we presented new data at the AACR Annual Meeting 2025 reflecting that ZL-6201 efficiently internalizes within and kills tumor cells, while also exhibiting a strong bystander killing effect in the tumor microenvironment. Based on these findings, we plan to initiate IND-enabling studies of ZL-6201 as a potential treatment for patients with sarcoma and other LRRC15-positive solid tumors, such as breast cancer and other malignancies, in 2025.
- **ZL-1222 (PD-1 / IL-12)**: In April 2025, we presented data at the AACR Annual Meeting 2025, marking the first public disclosure of this global asset. Findings from the pre-clinical studies demonstrate its potent antitumor activity in both anti-PD-1 sensitive and -resistant tumor models, with improved systemic safety. These results indicate its potential to benefit patients who are unresponsive or resistant to the current immune-oncology therapies.

Immunology, Neuroscience, and Infectious Disease

- **Efgartigimod (FcRn):** In April 2025, our partner argenx announced that the FDA had approved VYVGART Hytrulo prefilled syringe (PFS) for self-injection in gMG and CIDP. PFS is the third approved administration option for efgartigimod, providing additional flexibility and convenience for patients. Zai Lab plans to submit for Chemical Manufacturing and Control (CMC) variation for PFS for these indications in China in 2025.
- **KarXT:** In January 2025, the NMPA accepted the NDA for KarXT for the treatment of schizophrenia. The NDA submission was supported by data from the Phase I PK study, Phase III China study, the global Phase III EMERGENT-2 and EMERGENT-3 clinical trials, and long-term follow-up results. This follows FDA approval of KarXT, under the brand name COBENFY, for the treatment of schizophrenia in adults in September 2024. COBENFY does not have atypical antipsychotic class warnings and precautions and does not have a boxed warning.
- **ZL-1102 (IL-17 Humabody®):** We have decided to discontinue the global Phase II clinical trial of ZL-1102 following a comprehensive review of interim analysis from the first 40 enrolled participants, and the subsequent recommendation of the independent Data and Safety Monitoring Board.
- **Povetacicept (APRIL/BAFF):** Our partner Vertex has completed enrollment of the interim analysis cohort in the global Phase III RAINIER study of povetacicept in IgA nephropathy. Zai Lab participated in the study in Greater China.

Factors Affecting Our Results of Operations

Our Commercial Products

We generate product revenue through the sale of our commercial products in Greater China, net of any related sales returns and rebates to distributors. Our cost of product revenue mainly consists of the costs of manufacturing ZEJULA and NUZYRA; costs of purchasing VYVGART / VYVGART Hytrulo, OPTUNE, QINLOCK, XACDURO, and AUGTYRO from our collaboration partners; any royalty fees incurred as a result of sales of our commercial products under our license and collaboration agreements; and amortization of capitalized post-approval milestone fees incurred under our license and collaboration agreements. We expect our product revenue to increase in coming years as we continue to focus on increasing patient access to our existing commercial products, such as through NRDL listing or increased supplemental insurance coverage in the private-pay market, and as we launch additional commercial products, if and when we obtain required regulatory approvals. We expect our cost of product revenue to increase as the volume of products sold increases.

Research and Development Expenses

We believe our ability to successfully develop product candidates will be the primary factor affecting our long-term competitiveness, as well as our future growth and development. Developing high quality product candidates requires a significant investment of resources over a prolonged period of time. We are committed to advancing and expanding our pipeline of potential best-in-class and first-in-class products, such as through clinical and pre-clinical trials and business development activities. As a result, we expect to continue making significant investments in research and development, including internal discovery activities.

Elements of research and development expenditures primarily include:

- payroll and other related costs of personnel engaged in research and development activities;
- fees for exclusive development rights of products granted to the Company;
- costs related to pre-clinical testing of the Company's technologies and clinical trials, such as payments to contract research organizations ("CROs") and contract manufacturing organizations ("CMOs"), investigators, and clinical trial sites that conduct our clinical studies; and
- costs to produce the product candidates, including raw materials and supplies, product testing, depreciation, and facility-related expenses.

Selling, General, and Administrative Expenses

Our selling, general, and administrative expenses consist primarily of personnel compensation and related costs, including share-based compensation for commercial and administrative personnel. Other selling, general, and administrative expenses include product distribution and promotion costs, and professional service fees for legal, intellectual property, consulting, auditing, and tax services as well as other direct and allocated expenses for rent and maintenance of facilities, insurance, and other supplies used in selling, general, and administrative activities. We expect these costs to continue to be significant to support sales of our commercial products and preparation to launch and subsequent sales of additional product candidates if and when approved.

Our Ability to Commercialize Our Product Candidates

We have multiple product candidates in late-stage clinical development and various others in clinical and pre-clinical development in Greater China and globally. Our ability to generate revenue from our product candidates is dependent on our receipt of regulatory approvals for and successful commercialization of such product candidates, which may not occur. Certain of our product candidates may require additional pre-clinical and/or clinical development, regulatory approvals in multiple jurisdictions, manufacturing supply, and significant marketing efforts before we generate any revenue from product sales.

License and Collaboration Arrangements

Our results of operations have been, and will continue to be, affected by our license and collaboration agreements. In accordance with these agreements, we may be required to make upfront payments and milestone payments upon the achievement of certain development, regulatory, and sales-based milestones for the relevant products as well as certain royalties at tiered percentage rates based on annual net sales of the licensed products in the licensed territories. As of March 31, 2025, we may in the future be required to pay development and regulatory milestone payments of up to an additional aggregate amount of $247.5 million for our current clinical programs and $684.9 million for other programs. Such development and regulatory milestone payments are contingent on the progress of our product candidates prior to commercialization, and we see these payments as favorable because they indicate that product candidates are advancing. As of March 31, 2025, we also in the future may be required to pay sales-based milestone payments of up to an additional aggregate amount of $2,555.0 million as well as certain royalties at tiered percentage rates on annual net sales. Such sales-based milestone and royalty payments are contingent on the performance of our commercial products, and we see these payments as favorable because they signify that a product is achieving higher sales levels.

Results of Operations

In this section, we discuss our results of operations for the first quarter of 2025 compared to the first quarter of 2024.

The following table presents our results of operations ($ in thousands):

	Three Months Ended March 31,		Change	
	2025	2024	$	%
Revenues				
Product revenue, net	105,650	87,149	18,501	21 %
Collaboration revenue	837	—	837	NM
Total revenues	106,487	87,149	19,338	22 %
Expenses				
Cost of product revenue	(38,452)	(33,619)	(4,833)	14 %
Cost of collaboration revenue	(195)	—	(195)	NM
Research and development	(60,729)	(54,645)	(6,084)	11 %
Selling, general, and administrative	(63,422)	(69,194)	5,772	(8)%
Loss from operations	(56,311)	(70,309)	13,998	(20)%
Interest income	8,606	9,658	(1,052)	(11)%
Interest expenses	(1,187)	(113)	(1,074)	NM
Foreign currency gains (losses)	651	(2,068)	2,719	(131)%
Other (expense) income, net	(197)	9,361	(9,558)	(102)%
Loss before income tax	(48,438)	(53,471)	5,033	(9)%
Income tax expense	—	—	—	— %
Net loss	(48,438)	(53,471)	5,033	(9)%

NM - Not Meaningful

Revenues

Product Revenue, Net

The following table presents net revenue by commercial program ($ in thousands):

	Three Months Ended March 31,		Change	
	2025	2024	$	%
ZEJULA	49,529	45,501	4,028	9 %
VYVGART / VYVGART Hytrulo	18,105	13,162	4,943	38 %
NUZYRA	15,118	9,913	5,205	53 %
OPTUNE	11,363	12,480	(1,117)	(9)%
QINLOCK	8,509	6,093	2,416	40 %
XACDURO	1,117	—	1,117	NM
AUGTYRO	1,626	—	1,626	NM
Other (i)	283	—	283	NM
Total product revenue, net	105,650	87,149	18,501	21 %

(i) Other includes product candidates sold in patient programs prior to commercialization.

Our product revenue is primarily derived from the sales of our commercial products primarily in mainland China, net of sales returns and rebates to distributors with respect to the sales of these products.

Our net product revenue increased by $18.5 million in the first quarter of 2025, primarily driven by higher sales of VYVGART, driven by increasing market coverage and penetration since its NRDL listing in January 2024 for the treatment of gMG; ZEJULA, which continued to deliver strong sales as the leading PARP inhibitor in hospital sales for ovarian cancer in mainland China; and NUZYRA, supported by increasing market coverage and penetration.

Cost of Product Revenue

Cost of product revenue increased by $4.8 million in the first quarter of 2025 primarily due to increasing sales volumes.

Collaboration Revenue and Cost of Collaboration Revenue

In the first quarter of 2025, collaboration revenue related to promotional activities in mainland China was $0.8 million and cost of collaboration revenue was $0.2 million. We had no such collaboration revenue in the first quarter of 2024.

Research and Development Expenses

The following table presents the components of our research and development expenses ($ in thousands):

	Three Months Ended March 31,		Change	
	2025	**2024**	**$**	**%**
Personnel compensation and related costs	24,079	28,008	(3,929)	(14)%
Licensing fees	19,997	—	19,997	NM
CROs/CMOs/Investigators expenses	9,830	19,904	(10,074)	(51)%
Other costs	6,823	6,733	90	1 %
Total	60,729	54,645	6,084	11 %

NM - Not Meaningful

Research and development expenses increased by $6.1 million in the first quarter of 2025, primarily due to:

- an increase of $20.0 million upfront fees for our license and collaboration agreements; partially offset by
- a decrease of $10.0 million in CROs/CMOs/Investigators expenses and other costs related to ongoing clinical trials; and
- a decrease of $3.9 million in personnel compensation and related costs primarily driven by the Company's resource prioritization and efficiency efforts.

The following table presents our research and development expenses by program ($ in thousands):

	Three Months Ended March 31,		Change	
	2025	**2024**	**$**	**%**
Clinical programs	28,092	18,788	9,304	50 %
Pre-Clinical programs	3,314	2,049	1,265	62 %
Unallocated research and development expenses	29,323	33,808	(4,485)	(13)%
Total	60,729	54,645	6,084	11 %

Research and development expenses attributable to clinical programs increased by $9.3 million in the first quarter of 2025 primarily driven by an increase of $20.0 million in licensing fees, offset by a decrease of $10.7 million in CROs/CMOs/Investigators expenses related to the progress of existing studies. Research and development expenses attributable

to pre-clinical programs increased by $1.3 million in the first quarter of 2025 primarily driven by an increase of CROs/CMOs/Investigators expenses related to newly initiated studies and progress of existing studies.

Although we manage our external research and development expenses by program, we do not allocate our internal research and development expenses by program because our employees and internal resources may be engaged in projects for multiple programs at any given time.

Selling, General, and Administrative Expenses

The following table presents our selling, general and administrative expenses by category ($ in thousands):

	Three Months Ended March 31,		Change	
	2025	**2024**	**$**	**%**
Personnel compensation and related costs	40,643	45,894	(5,251)	(11)%
Other costs	22,779	23,300	(521)	(2)%
Total	63,422	69,194	(5,772)	(8)%

Selling, general, and administrative expenses decreased by $5.8 million in the first quarter of 2025, primarily due to a decrease of $5.3 million in personnel compensation and related costs related to the Company's resource prioritization and efficiency efforts.

Interest Income

Interest income decreased by $1.1 million in the first quarter of 2025 primarily due to decreased interest rates.

Interest Expenses

Interest expense increased by $1.1 million in the first quarter of 2025 primarily due to increased short-term debts.

Foreign Currency Gains (Losses)

Foreign currency gain was $0.7 million in the first quarter of 2025, primarily driven by remeasurement gain due to appreciation of the RMB against the U.S. dollar, compared to foreign currency losses of $2.1 million in the first quarter of 2024, driven by remeasurement losses due to depreciation of the RMB against the U.S. dollar.

Other (Expense) Income, Net

Other expense, net was $0.2 million in the first quarter of 2025, compared to other income, net of $9.4 million in the first quarter of 2024, primarily due to the shift from a gain of $4.9 million in the first quarter of 2024 to a loss of $1.9 million in the first quarter of 2025 for our equity investment in MacroGenics, Inc. as a result of changes in its stock price, and a decrease of $2.8 million in government grants.

Income Tax Expense

Income tax expense was nil in both the first quarter of 2025 and 2024.

Net Loss

Net loss was $48.4 million in the first quarter of 2025, or a loss per ordinary share attributable to common stockholders of $0.04 (or loss per ADS of $0.45), compared to a net loss of $53.5 million in the first quarter of 2024, or a loss per ordinary share of $0.05 (or loss per ADS of $0.55).

Critical Accounting Policies and Significant Judgments and Estimates

We prepare our financial statements in conformity with U.S. GAAP, which requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and related disclosures. Some of those judgments can be subjective and complex. Actual results could differ from our estimates.

Our most critical accounting policies and estimates, including those that require the most difficult, subjective, or complex judgments and are the most inherently uncertain, are described below.

Revenue Recognition

We sell our products to distributors (our customers), who ultimately sell the products to healthcare providers, primarily in mainland China. We recognize revenue when the performance obligations are satisfied upon the product's delivery to distributors.

We offer rebates to our distributors to compensate the distributors consistent with pharmaceutical industry practices. We are required to establish a provision for rebates in the same period the related product sales are recognized. The estimated amount of rebates, if any, is recorded as a reduction of revenue.

Significant judgments are required in making these estimates. In determining the appropriate accrual amount, we consider our contracted rates, sales volumes, levels of distributor inventories, and historical experiences and trends. If actual results vary from our estimates or our expectations change, we will adjust these estimates accordingly, which would affect net product revenue and earnings in the period such variances become expected or known.

Research and Development Expenses

We have a significant amount of research and development expenses, including with respect to pre-clinical and clinical trials for our product candidates. Such costs are expensed as incurred when they have no alternative future uses.

We contract with third parties to perform various pre-clinical and clinical trial activities on our behalf in the ongoing development of our product candidates. Expenses related to pre-clinical and clinical trial activities are accrued based on the Company's estimates of the actual services performed by the third parties, such as CROs and CMOs.

Significant judgments are required in estimating the actual services performed by the third parties for the respective period and the related expense accruals. In determining the appropriate accrual, we consider a variety of factors, including contractual requirements with respect to services to be provided, related rates, and our assessment of services performed during the period and progress with respect to any contractual milestones when we have not yet been invoiced or otherwise notified by third parties of actual costs. If the actual status and timing of services performed vary from our estimates, our reported expenses and earnings for the corresponding period may be affected.

Share-Based Compensation

We grant share-based awards, including share options and restricted shares, to eligible employees, non-employees, and directors. Such share-based awards are measured at grant date fair value.

Significant assumptions are required in determining the fair value of share options, which we estimate using the Black-Scholes option valuation model. These assumptions include: (i) the volatility of our ADS price, (ii) the periods of time over which grantees are expected to hold their options prior to exercise (expected term), (iii) the expected dividend yield on our ADSs, and (iv) risk-free interest rates. Since we do not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior, the expected term is derived from the average midpoint between the weighted average vesting and the contractual term, also known as the simplified method. The expected dividend yield is zero as we have never paid dividends and do not currently anticipate paying any in the foreseeable future, and risk-free interest rates are based on quoted U.S. Treasury rates for securities with maturities approximating the expected term. If actual results vary from our estimates or our expectations change, our reported expenses and earnings for the corresponding period may be affected.

Income Taxes

We recognize deferred tax assets and liabilities for temporary differences between the financial statement and income tax bases of assets and liabilities, which are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is provided when it is more likely than not that some or all

of a deferred tax asset will not be realized. Significant judgements are required when evaluating tax positions in accordance with ASC 740, *Income Taxes*.

We recognize in our financial statements the benefit of a tax position if the tax position is “more likely than not” to prevail based on the facts and technical merits of the position. Tax positions that meet the “more likely than not” recognition threshold are measured at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. We estimate our liability for unrecognized tax benefits which are periodically assessed and may be affected by changing interpretations of laws, rulings by tax authorities, changes and/or developments with respect to tax audits, and the expiration of the applicable statute of limitations. The ultimate outcome for a particular tax position may not be determined with certainty prior to the conclusion of a tax audit and, in some cases, appeal or litigation process.

We consider positive and negative evidence when determining whether some or all of our deferred tax assets will not be realized. This assessment considers various factors, including the nature, frequency, and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carry-forward periods, our historical results of operations, and our tax planning strategies. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Our estimates may be affected by changing interpretations of laws, rulings by tax authorities, changes and/or developments with respect to tax audits, and expiration of the statute of limitations. If actual benefits vary from our estimates or our expectations change, we will adjust the recognition and measurement estimates accordingly, which would affect reported expenses and earnings in the corresponding period.

Liquidity and Capital Resources

To date, we have financed our activities primarily through private placements, our September 2017 initial public offering and various follow-on offerings on Nasdaq, and our September 2020 secondary listing and initial public offering on the Hong Kong Stock Exchange. In addition, we have raised approximately $164.6 million in private equity financing and approximately $2,677.8 million in net proceeds after deducting underwriting commissions and the offering expenses payable by us in our initial public offering and subsequent follow-on offerings on Nasdaq and our initial public offering on the Hong Kong Stock Exchange. Our operations have consumed substantial amounts of cash since inception. The net cash used in our operating activities was $61.7 million and $90.1 million in the first quarter of 2025 and 2024, respectively. For information on our research and development activities and related expenditures, see the *Research and Development Expenses, Selling, General, and Administrative Expenses, License and Collaboration Arrangements,* and *Results of Operations* sections above. In addition, as of March 31, 2025, we had commitments for capital expenditures of $3.8 million mainly for the purpose of commercial manufacturing development, and facilities construction and improvement activities.

As of March 31, 2025, we had cash and cash equivalents, current restricted cash, and short-term investments of $857.3 million, which we expect will enable us to meet our cash requirements including the funding of operating expenses, capital expenditures, and debt obligations for at least the next 12 months.

Although we believe that we have sufficient capital to fund our operations for at least the next twelve months, we may, from time to time, identify opportunities to access capital through debt arrangements on favorable commercial terms. As of March 31, 2025, we had such debt arrangements with Chinese financial institutions that allow certain of our subsidiaries to borrow up to approximately $240.2 million (or RMB1,721.7 million) to support our working capital needs in mainland China. As of March 31, 2025, we had short-term debt outstanding of $173.4 million (or RMB1,244.7 million) pursuant to these debt arrangements. These debt arrangements will provide us with additional capital capacity that gives us enhanced flexibility to execute on our corporate strategic goals. For more information, see *Note 10*.

We may consider, or we may ultimately need, additional funding sources to bring to fruition our strategic objectives, and there can be no assurances that such funding will be made available to us on acceptable terms or at all.

The following table presents information regarding our cash flows ($ in thousands):

	Three Months Ended March 31,		Change
	2025	2024	$
Net cash used in operating activities	(61,699)	(90,106)	28,407
Net cash provided by investing activities	326,133	3,292	322,841
Net cash provided by financing activities	43,141	47,548	(4,407)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	20	(104)	124
Net increase (decrease) in cash, cash equivalents and restricted cash	307,595	(39,370)	346,965

Net Cash Used in Operating Activities

Net cash used in operating activities decreased by $28.4 million in the first quarter of 2025, primarily due to an increase of $22.2 million in net changes in operating assets and liabilities, a decrease of $5.0 million in net loss, and an increase of $1.1 million in adjustments to reconcile net loss to net cash used in operating activities.

Net Cash Provided by Investing Activities

Net cash provided by investing activities increased by $322.8 million in the first quarter of 2025, primarily due to an increase of $313.7 million in proceeds from the maturity of short-term investments and a decrease of $9.7 million from acquisition of intangible assets, partially offset by an increase of $0.6 million in purchases of property and equipment.

Net Cash Provided by Financing Activities

Net cash provided by financing activities decreased by $4.4 million in the first quarter of 2025, primarily due to $60.9 million in repayment of short-term bank borrowings and $0.9 million in payments of public offering costs, partially offset by $54.3 million increased in short-term debt proceeds and an increase of $3.0 million in proceeds from exercises of stock options.

Recently Issued Accounting Standards

For more information regarding recently issued accounting standards, see *Part II – Item 8. Financial Statements and Supplementary Data – Recent Accounting Pronouncements* in our 2024 Annual Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk including foreign exchange risk, credit risk, and interest rate risk.

Foreign Exchange Risk

Renminbi, or RMB, is not a freely convertible currency. The State Administration of Foreign Exchange, under the authority of the People's Bank of China ("PBOC"), controls the conversion of RMB into foreign currencies. The value of RMB is subject to changes in central government policies and to international economic and political developments affecting supply and demand in the China Foreign Exchange Trading System market. The cash and cash equivalents of the Company included aggregated amounts of $21.2 million and $19.0 million, which were denominated in RMB, representing 3% and 4% of the cash and cash equivalents as of March 31, 2025 and December 31, 2024, respectively.

While our financial statements are presented in U.S. dollars, our business mainly operates in mainland China with a significant portion of our transactions settled in RMB, and as such, we do not believe that we currently have significant direct foreign exchange risk and have not used derivative financial instruments to hedge our exposure to such risk. Although, in general, our exposure to foreign exchange risk should be limited, the value of your investment in our ADSs and ordinary shares will be affected by the exchange rate between the U.S. dollar and the RMB and between the HK dollar and the RMB, respectively, because the value of our business is effectively denominated in RMB, while ADSs and ordinary shares are traded in U.S. dollars and HK dollars, respectively.

The value of the RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in Greater China's political and economic conditions. The conversion of RMB into foreign currencies, including U.S. dollars, has been based on rates set by the PBOC.

The value of our ADSs and our ordinary shares will be affected by the foreign exchange rates between U.S. dollars, HK dollars, and the RMB. For example, to the extent that we need to convert U.S. dollars or HK dollars into RMB for our operations or if any of our arrangements with other parties are denominated in U.S. dollars or HK dollars and need to be converted into RMB, appreciation of the RMB against the U.S. dollar or the HK dollar would have an adverse effect on the RMB amount we receive from the conversion. Conversely, if we decide to convert RMB into U.S. dollars or HK dollars for the purpose of making payments for dividends on ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar or the HK dollar against the RMB would have a negative effect on the conversion amounts available to us.

Since 1983, the Hong Kong Monetary Authority ("HKMA") has pegged the HK dollar to the U.S. dollar at the rate of approximately HK$7.80 to US$1.00. However, there is no assurance that the HK dollar will continue to be pegged to the U.S. dollar or that the HK dollar conversion rate will remain at HK$7.80 to US$1.00. If the HK dollar conversion rate against the U.S. dollar changes and the value of the HK dollar depreciates against the U.S. dollar, our assets denominated in HK dollars will be adversely affected. Additionally, if the HKMA were to repeg the HK dollar to, for example, the RMB rather than the U.S. dollar, or otherwise restrict the conversion of HK dollars into other currencies, then our assets denominated in HK dollars will be adversely affected.

Credit Risk

Financial instruments that are potentially subject to significant concentration of credit risk consist of cash and cash equivalents, restricted cash, short-term investments, accounts receivable, and notes receivable.

The carrying amounts of cash and cash equivalents and short-term investments represent the maximum amount of losses due to credit risk. As of March 31, 2025 and December 31, 2024, we had cash and cash equivalents of $757.3 million and $449.7 million, respectively, restricted cash of $101.1 million and $101.1 million, respectively, and short-term investments of nil and $330.0 million, respectively. As of March 31, 2025 and December 31, 2024, all of our cash and cash equivalents, restricted cash, and short-term investments were held by major financial institutions located in mainland China and international financial institutions outside of mainland China which we believe are of high credit quality and for which we monitor continued credit worthiness.

Accounts receivable are typically unsecured and are derived from product revenue. We manage credit risk related to our accounts receivable through ongoing monitoring of outstanding balances and limiting the amount of credit extended based upon payment history and credit worthiness. Historically, we have collected receivables from customers within the credit terms with no significant credit losses incurred. As of March 31, 2025, our two largest customers accounted for approximately 20% of our total accounts receivable collectively.

Certain accounts receivable balances are settled in the form of notes receivable. As of March 31, 2025, such notes receivable included bank acceptance promissory notes that are non-interest bearing and due within six months. These notes receivable were used to collect the receivables based on an administrative convenience, given these notes are readily convertible to known amounts of cash. In accordance with the sales agreements, whether to use cash or bank acceptance promissory notes to settle the receivables is at our discretion, and this selection does not impact the agreed contractual purchase prices.

Interest Rate Risk

We are exposed to risks related to changes in interest rates on our cash and cash equivalents, restricted cash, and short-term investments. As of March 31, 2025 and December 31, 2024, we had cash and cash equivalents of $757.3 million and $449.7 million, respectively, restricted cash of $101.1 million and $101.1 million, respectively, and short-term investments of nil and $330.0, respectively. Our investment portfolio, which relates to cash equivalents and short-term investments, primarily consists of time deposits. The primary objectives of our investment activities are to preserve principal, provide liquidity, and maximize income without significantly increasing risk. Given the short-term nature of our

deposits and investments, we believe that a sudden change in market interest rates would not be expected to have a material impact on our financial condition and/or results of operation. For example, a hypothetical 10% relative change in interest rates during any of the periods presented would not have a material impact on future interest income.

We are also exposed to risks related to changes in interest rates on our short-term debt, which is currently subject to a mix of fixed and floating interest rates. As of March 31, 2025 and December 31, 2024, we had short-term debt of $173.4 million and $131.7 million, respectively. A 100-basis point increase in interest rates would not materially increase our interest expense. Our interest rate exposure from short-term debt is also offset by our exposure in cash and cash equivalents, restricted cash, and short-term investments, as discussed above. For more information on our short-term debt, see *Note 10*.

Item 4. Controls and Procedures

Management's Evaluation of Our Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this report. Our disclosure controls and procedures are designed to ensure that the information required to be disclosed in the reports that we file or furnish under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objective. Based upon that evaluation, our management has concluded that, as of March 31, 2025, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as such item is defined in Rules 13a-15(f)) during the fiscal quarter ended March 31, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We may be, from time to time, subject to claims and suits arising in the ordinary course of business. We are not currently a party to any material legal or administrative proceedings.

Item 1A. Risk Factors.

We are subject to risks and uncertainties that could, directly or indirectly, adversely affect our business, results of operations, financial condition, liquidity, cash flows, strategies, and/or prospects. There have been no material changes in our risk factors from those disclosed in the “Risk Factors” section of our 2024 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

Other than as described below, during the first quarter of 2025, none of the Company’s directors or executive officers (as defined in Rule 16a-1(f) under the Exchange Act) has adopted, modified, or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (each as defined in Item 408 of Regulation S-K).

On March 3, 2025, Yajing Chen, the Company’s Chief Financial Officer, adopted a new written Rule 10b5-1 trading arrangement for the sale of up to 15,494 ADSs. This Rule 10b5-1 trading arrangement is scheduled to terminate no later than March 4, 2026.

On March 4, 2025, William Lis, one of the Company’s directors, amended his written Rule 10b5-1 trading arrangement adopted on November 20, 2024. Mr. Lis increased the number of shares to be sold pursuant to the plan by 2,125 ADSs. This Rule 10b5-1 trading arrangement is scheduled to terminate no later than June 1, 2026.

Item 6. Exhibits.

Exhibit Index

Exhibit Number	Exhibit Title
10.1#	Form of Performance-Based Restricted Share Unit Award Agreement
10.2+	Unofficial English Translation of Guarantee Contract, dated as of January 2, 2025, by and between Zai Lab Limited and Bank of Communications Co., Ltd. Shanghai Zhangjiang Sub-Branch (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K (File No. 001-38205) filed on January 3, 2025)
10.3+	Unofficial English Translation of Working Capital Loan Contract, dated as of January 2, 2025, by and between Zai Lab (Shanghai) Co., Ltd. and Bank of Communications Co., Ltd. Shanghai Zhangjiang Sub-Branch (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K (File No. 001-38205) filed on January 3, 2025)
31.1	Certification of Chief Executive Officer Required by Exchange Act Rule 13a-14(a)
31.2	Certification of Chief Financial Officer Required by Exchange Act Rule 13a-14(a)
32.1	Certification of Chief Executive Officer Required by 18 U.S.C. Section 1350
32.2	Certification of Chief Financial Officer Required by 18 U.S.C. Section 1350
101.INS	Inline XBRL Instance Document-the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definitions Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

Management contract or compensatory plan, contract, or arrangement.

+ Portions of this exhibit have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

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.

ZAI LAB LIMITED

Dated: May 8, 2025

By: /s/ Yajing Chen
Name: Yajing Chen
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 10.1

Name:	[_____]
Number of Performance-Based Restricted Share Units subject to Award (at Target):	[_____]
Date of Grant:	[_____]

Zai Lab Limited

2024 Equity Incentive Plan

Performance-Based Restricted Share Unit Award Agreement

This agreement (this "Agreement") evidences an award (the "Award") of Performance-Based Restricted Share Units ("PSUs") granted by Zai Lab Limited (the "Company") to the individual named above (the "Grantee"), pursuant to and subject to the terms of the Zai Lab Limited 2024 Equity Incentive Plan (as amended from time to time, the "Plan").

1. Grant of PSU Award. The Company grants to the Grantee on the date set forth above (the "Date of Grant") the number of PSUs set forth above giving the Grantee the conditional right to receive, without payment and pursuant to and subject to the terms set forth in this Agreement and in the Plan, one ADS (each, a "Share") with respect to each PSU forming part of the Award, subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the Date of Grant. Each ADS represents the right to receive ten (10) Ordinary Shares (subject to any Share dividend, Share split or combination of Shares (including a reverse Share split)).

2. Meaning of Certain Terms. Except as otherwise defined herein, all capitalized terms have the same meaning as in the Plan. In addition, the following term has the following meaning:

"Beneficiary": In the event of the Grantee's death, the beneficiary named in the written designation (in a form acceptable to the Administrator) most recently filed with the Company by the Grantee prior to the Grantee's death and not subsequently revoked, or, if there is no such designated beneficiary, the executor or administrator of the Grantee's estate. An effective beneficiary designation shall be treated as having been revoked only upon receipt by the Company, prior to the Grantee's death, of an instrument of revocation in a form acceptable to the Company.

3. Vesting; Cessation of Employment.

(a) Vesting. Unless earlier terminated, forfeited, relinquished, lapsed or expired, the PSUs shall vest in accordance with Exhibit A hereto, subject to the Grantee remaining in continuous Employment from the Date of Grant through each such vesting date.

(b) Cessation of Employment. If the Grantee's Employment ceases, except as expressly provided for in an employment agreement or other individual agreement between the Company or any of its Subsidiaries which is in effect as of the Date of Grant, the unvested portion of the Award shall be immediately forfeited. Any portion of the Award which is vested prior to the date on which the Grantee's

Employment ceases shall be settled in accordance with Section 4 below; provided, however, that in the event of the Grantee's termination of Employment for Cause, if any of the PSUs subject to this Award have vested, but not yet been settled in exchange for Shares in accordance with Section 4 below, then such vested PSUs shall immediately be forfeited and cancelled for no consideration effective as of such termination of Employment.

4. Delivery of Shares. Subject to Section 5 below, the Company shall, as soon as practicable upon the vesting of any portion of the Award (but in no event later than thirty (30) days following the date on which such PSUs vest), effect delivery of the Shares with respect to such vested PSUs to the Grantee (or, in the event of the Grantee's death following the vesting of such portion of the Award, to the Grantee's Beneficiary). No Shares will be issued pursuant to the Award unless and until all legal requirements applicable to the issuance or transfer of such Shares have been complied with to the satisfaction of the Administrator.

5. Forfeiture; Recovery of Compensation.

(a) The Administrator may cancel, rescind, withhold or otherwise limit or restrict the Award at any time if the Grantee is not in compliance with all applicable provisions of this Agreement and the Plan. By accepting, or being deemed to have accepted, the Award, the Grantee expressly acknowledges and agrees that his or her rights, and those of any Beneficiary or permitted transferee of the Award, under the Award, including the right to any Shares acquired under the Award or proceeds from the disposition thereof, are subject to Section 6(a)(v) of the Plan (including any successor provision), and specifically acknowledges and agrees that the Grantee is subject to any clawback policy of the Company in effect as of the Date of Grant, including the Company's Dodd-Frank Policy on Recoupment of Incentive Compensation, or that is adopted after the Date of Grant in order to comply with applicable law. Nothing in the preceding sentence may be construed as limiting the general application of Section 8 of this Agreement.

(b) The Grantee hereby (i) appoints the Company as the attorney-in-fact of the undersigned to take such actions as may be necessary or appropriate to effectuate a transfer of the record ownership of any Shares that are forfeited hereunder, (ii) agrees to deliver to the Company, as a precondition to the issuance of any certificate or certificates with respect to Shares hereunder, one or more stock powers, endorsed in blank, with respect to such Shares, and (iii) agrees to sign such other powers and take such other actions as the Company may reasonably request to accomplish the transfer or forfeiture of any Shares that are forfeited hereunder.

6. Dividends; Other Rights. The Award may not be interpreted to bestow upon the Grantee any equity interest or ownership in the Company or any Subsidiary prior to the date on which the Company delivers Shares to the Grantee. The Grantee is not entitled to vote any Shares by reason of the granting of the Award or to receive or be credited with any dividends declared and payable on any Share prior to the date on which any such Share is delivered to the Grantee hereunder. The Grantee will have the rights of a shareholder only as to those Shares, if any, that are actually delivered under the Award.

7. Nontransferability and Investment Representation.

(a) The Award may not be transferred except as expressly permitted under Section 6(a)(iii) of the Plan.

(b) The Grantee hereby covenants that (i) any sale of any Share acquired upon the vesting of the PSUs shall be made either pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), and any other applicable foreign or state securities laws, or pursuant to an exemption from registration under the Securities Act and such foreign or state securities laws and (b) the Grantee shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance of the Shares and, in connection therewith, shall execute any documents which the Company shall in its sole discretion deem necessary or advisable.

8. Withholding. The Grantee expressly acknowledges that the vesting or settlement of the PSUs acquired hereunder may give rise to "wages" subject to withholding. The Grantee expressly acknowledges and agrees that the Grantee's rights hereunder, including the right to receive Shares following the vesting of any portion of the Award, are subject to the Grantee promptly paying to the Company in cash or by check (or by such other means as may be acceptable to the Administrator in its discretion and permissible under applicable law) all taxes required to be withheld. No Shares will be delivered pursuant to the Award unless and until the Grantee (or the Grantee's Beneficiary or permitted transferee of the Award) has remitted to the Company an amount in cash or by check sufficient to satisfy any federal, state, or local withholding tax requirements, or has made other arrangements satisfactory to the Company with respect to such taxes. The Grantee authorizes the Company and its Subsidiaries to take the following actions with respect to withholding tax requirements: (i) withhold such amount from any amounts otherwise owed to the Grantee; (ii) cause the Grantee to tender a cash payment; (iii) permit or require the Grantee to enter into a "same day sale" commitment, if applicable, with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "FINRA Dealer") whereby the Grantee irrevocably elects to sell a portion of the Shares to be delivered in connection with the vesting of the PSUs to satisfy the withholding taxes and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the withholding taxes directly to the Company and/or its affiliates; or (iv) withhold Shares from the Shares issued or otherwise issuable to the Grantee in connection with the Award with a fair market value (measured as of the date Shares are issued pursuant to Section 4) equal to the amount of such withholding taxes; provided, however, that the number of such Shares so withheld shall be at least the minimum amount necessary to satisfy the Company's required tax withholding but in no event more than the maximum permitted withholding under applicable law; provided, further, that to the extent necessary to qualify for an exemption from application of Section 16(b) of the Securities Exchange Act of 1934, if applicable, such Share withholding procedure will be subject to the express prior approval of the Compensation Committee. Notwithstanding the foregoing, nothing in the preceding sentence may be construed as relieving the Grantee of any liability for satisfying his or her obligation under the preceding provisions of this Section.

9. Effect on Employment. Neither the grant of the Award, nor the issuance of Shares upon vesting of the Award, shall give the Grantee any right to be retained in the employ or service of the Company or any of its Subsidiaries, affect the right of the Company or any of its Subsidiaries to terminate the Grantee's Employment at any time, subject to the terms and conditions of an effective employment or other individual agreement, if any, between the Grantee and the Company or any of its Subsidiaries, or affect any right of the Grantee to terminate his or her Employment at any time, subject to the terms and conditions of an effective employment or other individual agreement, if any, between the Grantee and the Company or any of its Subsidiaries.

10. Provisions of the Plan. This Agreement is subject in its entirety to the provisions of the Plan, which are incorporated herein by reference. A copy of the Plan as in effect on the Date of Grant has been furnished or made available to the Grantee. By accepting, or being deemed to have accepted, all or any portion of the Award, the Grantee agrees to be bound by the

terms of the Plan and this Agreement. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the Plan will control.

11. Amendment and Waiver. The Company may amend the provisions of this Agreement at any time; provided that an amendment that would adversely affect the Grantee's rights under this Agreement shall be subject to the written consent of the Grantee. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

12. Compliance With Section 409A of the Code. The PSUs are intended to be exempt from or comply with Section 409A of the Code, and shall be interpreted and construed accordingly, and each payment hereunder shall be considered a separate payment. To the extent this Agreement or any other agreement provides for the Award to become vested and be settled upon the Grantee's termination of Employment, the applicable Shares shall be transferred to the Grantee or his or her Beneficiary upon the Grantee's "separation from service," within the meaning of Section 409A of the Code; provided that if the Grantee is a "specified employee," within the meaning of Section 409A of the Code, then to the extent the PSUs constitutes nonqualified deferred compensation, within the meaning of Section 409A of the Code, and the Grantee is subject to Section 409A of the Code, such Shares shall be transferred to the Grantee or his or her Beneficiary upon the earlier to occur of (i) the six-month anniversary of such separation from service and (ii) the date of the Grantee's death.

13. Acknowledgements. The Grantee acknowledges and agrees that (i) this Agreement may be executed in two or more counterparts, each of which will be an original and all of which together will constitute one and the same instrument, (ii) this Agreement may be executed and exchanged using facsimile, portable document format (PDF) or electronic signature, which, in each case, will constitute an original signature for all purposes hereunder, and (iii) such signature by the Company will be binding against the Company and will create a legally binding agreement when this Agreement is countersigned by the Grantee.

[Signature page follows.]

The Company, by its duly authorized officer, and the Grantee have executed this Agreement as of the date first set forth above.

ZAI LAB LIMITED

By: _____
Name: _____
Title: _____

Agreed and Accepted:

By: _____
[Name of Grantee]
Dated: _____

Exhibit A

1. In General. Except as provided in Section 4 of this Exhibit A, the PSUs shall become vested, if at all, based on the satisfaction of the performance conditions set forth under Section 2, subject to continued Employment on the Vesting Date (as defined below). In no event shall more than [INSERT VESTING LEVEL] of the target PSUs become vested hereunder.

2. Performance Conditions. Except as expressly provided in this Exhibit A, the Grantee will be entitled to vest in all or a portion of the total number of PSUs subject to the Award based on the number of performance metrics (as defined below) achieved during the Performance Period (as defined below), as determined by the Administrator in its sole discretion, in accordance with the schedules set forth below. Within 70 days following the conclusion of the Performance Period, the Administrator shall determine the portion of the PSUs that are eligible to vest based on performance (the "Banked PSUs"), with such Banked PSUs vesting on the Vesting Date, subject to the Grantee's continued Employment through such date (except as expressly provided for in this Award).

   [INSERT PERFORMANCE CONDITIONS]

3. Service Conditions. The Grantee must remain in continuous Employment from the Date of Grant through the [●]-year anniversary of the Date of Grant (the "Vesting Date") in order to be eligible to vest in the Banked PSUs. Except as expressly provided for in an employment agreement or other individual agreement between the Company or any of its Subsidiaries which is in effect as of the Date of Grant, automatically and immediately upon the termination of the Grantee's Employment for any reason prior to the Vesting Date, all outstanding and unvested PSUs, including any Banked PSUs, shall terminate and be forfeited for no consideration.

4. Covered Transaction. Notwithstanding anything in this Exhibit A or in the Agreement to the contrary, in the event of a Qualifying Termination (as defined below) occurring prior to the Vesting Date and within twelve (12) months following a Covered Transaction, any PSUs subject to the Award, to the extent outstanding and unvested immediately prior to such Qualifying Termination, shall become vested as of such Qualifying Termination (i) at target if the Covered Transaction occurs prior to the expiration of the Performance Period or (ii) based on actual performance during the Performance Period, as determined by the Administrator as constituted prior to the Covered Transaction, in the event such Covered Transaction occurs on or after the Performance Period.

5. Defined Terms. For purposes of this Exhibit A, the following terms have the following meanings:

   a. "Performance Period" means the period beginning [●], 202[X] and ending on [●], 202[X].

b. “Qualifying Termination” means (i) in the case of a Grantee in mainland China, a termination of the Grantee’s Employment as determined in accordance with the employment agreement or local laws and regulations; or (ii) in the case of a Grantee outside of mainland China, a termination of the Grantee’s Employment by the Company or any of its Subsidiaries other than for Cause or by the Grantee for “Good Reason” (as such term is defined in the Grantee’s employment agreement with the Company or any of its Subsidiaries in effect as of the Date of Grant but only if the Grantee is a party to an employment or other individual agreement that contains a definition of “Good Reason”); if the Grantee is not a party to an employment or other individual agreement containing definitions of “Cause” and/or “Good Reason,” then “Cause” shall be as defined in the Plan, and “Good Reason” shall mean any material breach of Grantee’s Employment or other individual agreement by the Company or any of its Subsidiaries which is not cured within ten (10) business days after Grantee’s written notice to the Company describing the basis of such material breach.

Exhibit 31.1

Certification by the Principal Executive Officer
Pursuant to Exchange Act Rule 13a-14(a),
As Adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Samantha (Ying) Du, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 of Zai Lab Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

/s/ Samantha (Ying) Du

Samantha (Ying) Du
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification by the Principal Financial Officer
Pursuant to Exchange Act Rule 13a-14(a),
As Adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Yajing Chen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 of Zai Lab Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

/s/ Yajing Chen

Yajing Chen
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

Certification by the Principal Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 of Zai Lab Limited (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Samantha (Ying) Du, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2025

/s/ Samantha (Ying) Du

Samantha (Ying) Du
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification by the Principal Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 of Zai Lab Limited (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Yajing Chen, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2025

/s/ Yajing Chen

Yajing Chen
Chief Financial Officer
(Principal Financial and Accounting Officer)