

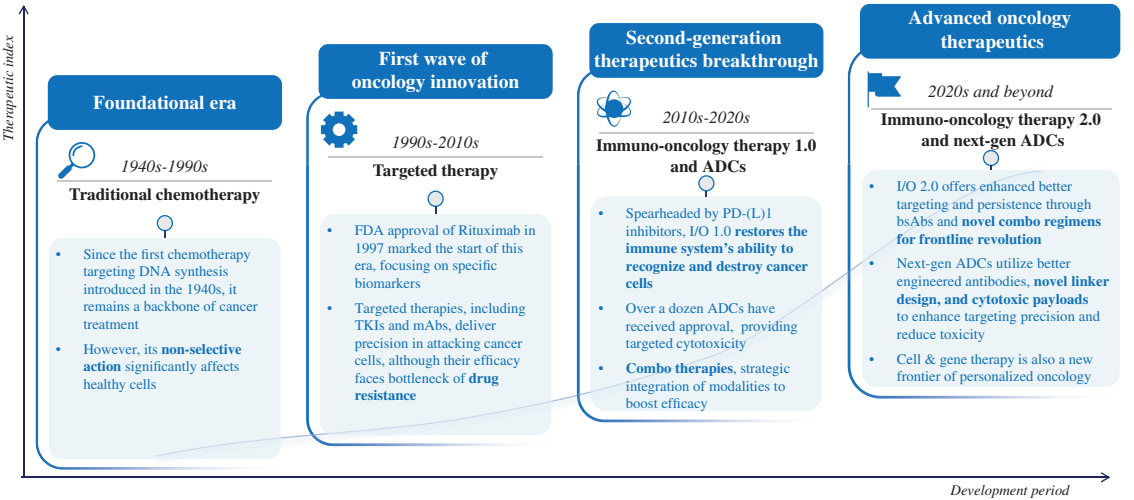
INDUSTRY OVERVIEW

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GLOBAL CANCER DRUG MARKET

Overview of Cancer Treatment Evolution

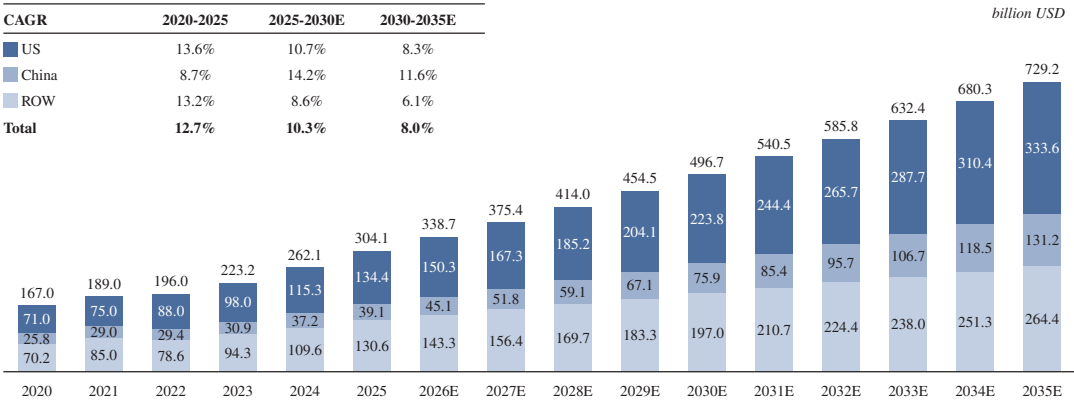
Cancer therapeutics have advanced from traditional broad-spectrum chemotherapy to targeted and immune-based therapies, and now to advanced immunotherapies and ADCs. The following chart illustrates the global evolution of oncology treatment development.



Source: Nature, Front Pharmacol., JAMA, CIC

Global and China Oncology Treatment Market Size

Global oncology drug market size, in the U.S., China and RoW, 2020-2035E



Source: International Agency for Research on Cancer (IARC), NCCR, NCCN, Chinese Society of Clinical Oncology (CSCO), CIC

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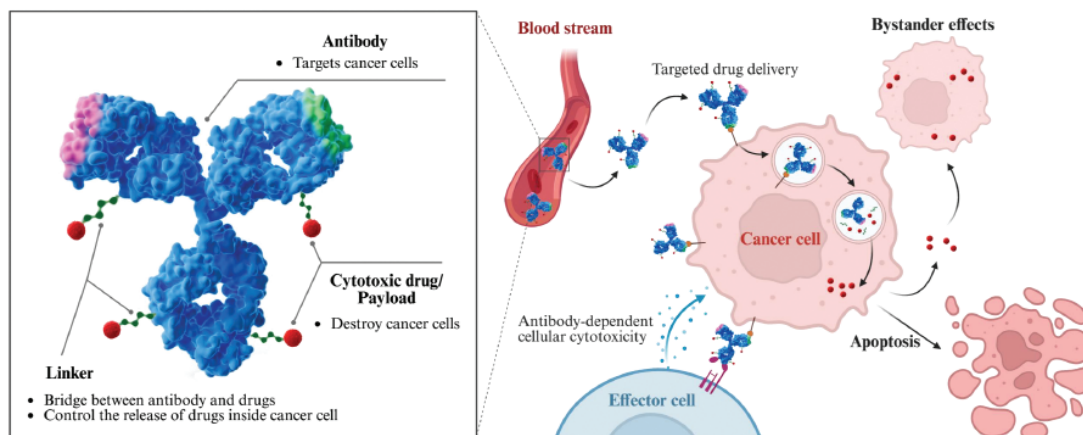
Advanced Cancer Therapeutic

Current targeted therapies and first-generation immunotherapies are constrained by limited durability of response and suboptimal efficacy in “cold” tumors with low immune infiltration. In addition, systemic toxicities and immune-related adverse events may restrict dose intensity and treatment duration. Advanced modalities are designed to address these limitations. ADCs deliver highly potent cytotoxic agents directly to tumor cells to limit off-target exposure and help overcome intratumoral heterogeneity. Immuno-oncology bispecific antibodies (I/O bsAbs) may co-engage complementary pathways in the tumor microenvironment, thereby amplifying antitumor immunity and tackling resistance to conventional checkpoint inhibitors.

Introduction to ADCs

ADC Structure and Mechanism

ADCs are targeted cancer therapeutics that integrate three key components: a monoclonal antibody directed against a tumor-associated antigen, a linker, and a cytotoxic payload. Four design pillars determine their clinical performance: target selection and antibody engineering; linker chemistry; payload mechanism and potency; and control of the DAR. After binding to its target antigen on tumor cells, the ADC-antigen complex is internalized and trafficked to intracellular compartments, where cleavage of the linker releases the cytotoxic payload to induce apoptosis. For membrane-permeable payloads, localized diffusion enables a bystander-killing effect that can eradicate neighboring tumor cells with low or heterogeneous antigen expression. These features are intended to concentrate cytotoxic activity within tumors while mitigating systemic exposure and improving the therapeutic index relative to traditional chemotherapy and earlier targeted approaches. The following schematic illustrates the structural components of an ADC and its mechanism of action.



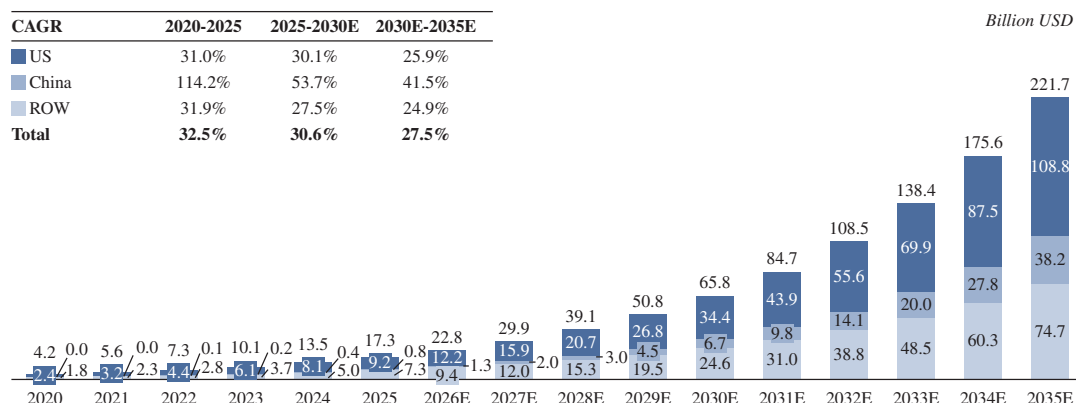
Source: CIC

ADC technology has evolved from heterogeneous constructs with unstable linkers and limited potency to more refined designs featuring humanized or fully human antibodies, high-potency payloads, and improved linker stability and conjugation methods. Advanced ADCs increasingly employ site-specific conjugation and optimized DARs to enhance homogeneity, pharmacokinetics and antitumor efficacy while reducing off-target toxicity. The frontier of ADC innovation is further expanding into bi-specific and multi-specific formats, designed to enhance tumor selectivity and therapeutic efficacy through simultaneous engagement of multiple surface antigens. These advances underpin the rapid expansion of ADCs across multiple solid tumors and hematologic malignancies.

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Global and China ADC Market Size

Global ADC market size, 2020-2035E



Source: Annual reports, IARC, NCCN, CSCO, CIC

Substantial Market Interest in ADCs

Since 2020, there have been about 300 ADC merger and acquisition and licensing deals globally, including around 60 involving MNCs, with disclosed value exceeding US\$215 billion. Chinese innovators participated in approximately 44% of global deal count, underscoring China’s increasingly active role as an important innovation hub for ADC development.

Potential Challenges and Implications for ADC Design

ADC’s clinical development and use present challenges related to safety, pharmacology and design optimization. Several FDA-approved ADCs carry boxed warnings that reflect risks of severe or fatal adverse events, most commonly hepatotoxicity, myelosuppression and interstitial lung disease (ILD). For example, Trodelvy (sacituzumab govitecan) carries a boxed warning for severe neutropenia and diarrhea, while Enhertu (trastuzumab deruxtecan) carries a boxed warning for ILD/pneumonitis.

On-target off-tumor toxicity. Because some target antigens are expressed at low levels in normal tissues, ADC binding can trigger unintended toxicities, including hematologic, hepatic, or gastrointestinal adverse events. Mitigating this risk begins with stringent antigen selection based on tumor selectivity, surface localization and internalization kinetics. It also requires optimization of linker stability to limit extracellular release and refinement of dosing strategies to balance efficacy with tolerability.

Off-target toxicity. Toxicities can arise when the cytotoxic payload is released prematurely in circulation due to an unstable linker, or when the ADC is taken up non-specifically by normal cells. These mechanisms may lead to clinically meaningful adverse effects such as myelosuppression, neuropathy, ILD, or ocular events. Design priorities include careful payload class selection and tuning, robust conjugation chemistry, and control of drug-to-antibody ratio (DAR) and DAR heterogeneity to achieve consistent pharmacokinetics and minimize free-drug exposure.

Design and clinical solution. Optimizing the therapeutic index of ADCs typically combines engineering and clinical strategies: precise antigen selection; stable, tumor-triggered linkers; site-specific conjugation to control DAR; and payloads calibrated for potency, membrane permeability and bystander effect where appropriate. Dosing and schedule refinement, proactive

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safety monitoring and supportive care protocols further mitigate risk. In addition, combining ADCs with immunotherapy is being explored to enhance tumor elimination by coupling targeted cytotoxicity with immune activation, provided that overlapping toxicities are managed with careful regimen design and sequencing.

Introduction to Advanced Immunotherapies

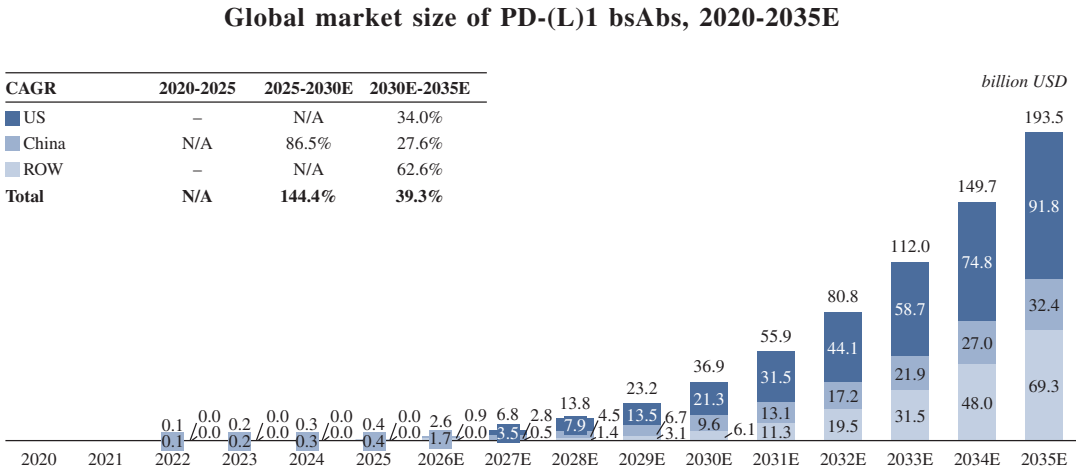
Evolution of I/O Innovations

The first wave of I/O therapies, led by PD-(L)1 inhibitors such as Merck’s Keytruda, transformed cancer care across multiple tumor types and established checkpoint inhibition as a core modality. Keytruda alone has over 30 approvals and over US\$30 billion in annual sales in 2025. Challenges remain, including drug resistance, limited durability of response and modest activity in “cold” tumors. Advanced I/O innovations, including bispecific and multispecific antibodies, seek to address these gaps by engaging complementary pathways, such as PD-(L)1 together with VEGF, CTLA-4, or IL-2, to boost immune activation, improve T-cell infiltration and broaden clinical benefit across tumor settings.

Introduction to I/O bsAbs

Bispecific antibodies are designed to bind two biologically complementary targets simultaneously, thereby coordinating multiple mechanisms of antitumor activity within a single molecule. By combining checkpoint inhibition with additional pathways such as angiogenesis modulation or T-cell costimulation, PD-(L)1-based bsAbs can enhance T-cell infiltration, normalize tumor vasculature, and counteract immune evasion mechanisms that limit the efficacy of first-generation PD-(L)1 monoclonal antibodies. Within this class, PD-(L)1/VEGF bsAbs have advanced most rapidly, providing early clinical validation of the concept and generating momentum for broader exploration across tumor types and lines of therapy.

Global and China I/O bsAbs Market Size



Source: Annual report, FDA, NMPA, CIC

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Substantial Market Interest in I/O bsAbs

High-value partnering and licensing activity reflects strong confidence in I/O bsAbs as advanced oncology backbones. Since 2020, there have been 35 global PD-(L)1 bsAb merger and acquisition and licensing deals, including 7 with MNCs, with total disclosed consideration exceeding US\$44 billion. Chinese companies have driven much of this momentum, participating in 71% of global deal count. These include 12 license-out agreements, highlighting both China’s robust domestic innovation and increasing global demand for China-originated I/O assets.

ADC + Advanced Immunotherapy Combination Therapy

Evolution of Combination Therapy

By modulating multiple pathways in parallel, rational combinations can generate synergistic or additive effects and address the molecular and immunologic complexity of tumors. Within this shift, ADCs are moving from a later-line rescue option towards earlier treatment settings in combination with immunotherapies, reflecting their potential to deliver potent cytotoxic activity directly to tumor cells while preserving a manageable safety profile. The integration of ADCs into immuno-oncology regimens is aligned with a broader precision-therapy paradigm: cytotoxic payloads are focused where antigen is expressed, while checkpoint inhibition or bispecific modulation reshapes the tumor microenvironment to support durable immune control. For lung cancer, combination I/O regimens with ADCs have shown improvements in progression-free survival and overall response versus chemotherapy alone, illustrating the clinical rationale for coordinated cytotoxic delivery and immune activation.

Superiority of ADC + Next Generation Immunotherapy Combination

The biological rationale for combining ADCs with advanced immunotherapies, particularly PD-(L)1/VEGF bispecific antibodies, is inherently complementary. VEGF pathway blockade remodels and normalizes abnormal tumor vasculature, alleviates hypoxia and promotes immune-cell trafficking into the tumor bed, thereby improving both immune engagement and intratumoral delivery of ADCs. In this context, the ADC contributes precise, high-intensity cytotoxicity against antigen-expressing cells and can trigger immunogenic cell death, while the bsAb sustains checkpoint inhibition and anti-angiogenic effects, supporting systemic immune surveillance. This coordinated targeting of vascular, immune and tumor-intrinsic pathways is expected to translate into higher objective response rates and longer progression-free and overall survival in indications where PD-(L)1/VEGF biology is relevant. It may also expand the therapeutic window relative to ADC monotherapy by concentrating exposure within the tumor and reducing reliance on higher systemic doses. Ongoing clinical studies, including the combination of the PD-1/VEGF bispecific antibody (MHB039A) with a TROP-2-directed ADC (MHB036C), are designed to validate these mechanistic advantages.

Global Competitive Landscape In-house ADC + PD-(L)1-based bsAb Combinations

Active development programs for ADC plus PD-(L)1-based bispecific antibody combinations span China, the U.S. and other regions. Among them, our portfolio features the greatest number of ongoing trials and the most advanced stage globally, including a Phase II study of MHB036C (TROP-2 ADC) with MHB039A (PD-1/VEGF) and an additional Phase I/II program pairing MHB088C (B7-H3 ADC) with MHB039A. Peer programs include HER2 ADC plus PD-1/VEGF bispecific combinations and other cross-modality pairings, underscoring broad industry validation of this strategy. The table below summarizes the global competitive landscape of in-house developed ADC and PD-(L)1-based bsAb ongoing clinical combo trial.

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Company	ADC asset	ADC target	PD-(L)1 bsAb asset	PD-(L)1 bsAb target	Combo trial phase highest	Combo trial indication highest	Treatment Line	FPD of highest stage globally	Trial location
Our group	MHB036C	Trop2	MHB039A	PD-1/VEGF	II	BC, incl. TNBC, HR+ HER2-BC	1L+	2025-08-07	China
					I/II	NSCLC	1L+	2025-01-20	China
Our group	MHB088C	B7-H3	MHB039A	PD-1/VEGF	I/II	SCLC	1L+	2025-08-07	China
Baili	Izalontamab Brengitecan (BL-B01D1)	EGFR/HER3	Danvilostomig (SI-B003)	PD-1/CTLA-4	II	Cervical Cancer and Other Gynecological Malignancies	2L+	2023-08-11	China
RemeGen	RC48	HER2	RC148	PD-1/VEGF	II	HR-/HER2-low Breast Cancer	1L+	2024-09-30	China
Junshi	JS212	EGFR/HER3	JS207	PD-1/VEGF	II	Advanced Lung Cancer	2L+	2025-12-24	China
					II	m/u ccRCC, m/u CRPC, la/mUC, u/a Melanoma	2L+	2026-03-20	China
Akeso	AK146D1	Trop2/ Nectin4 ADC	AK112	PD-1/VEGF	II	Advanced BC	1L+	2026-05-15	China
Qilu	QLC5513	TROP2	QL1706	PD-1/CTLA-4	Ib/II	Solid tumors	1L+	2025-12-18	China
Qilu	QLS5132	CLDN6	QL1706	PD-1/CTLA-4	Ib/II	Solid tumors	1L+	2026-04-03	China
Akeso	AK138D1	HER3	AK112	PD-1/VEGF	Ib/II	Advanced BC	1L+	2026-05-09	China
AstraZeneca	Puxitatum samrotecan	B7-H4	Rilvegostomig	PD-1/TIGIT	I/II	Solid tumors incl. OC, BC, EC, sq-NSCLC, BTC	2L+	2021-11-17	Global
Hengrui	Trastuzumab rezetecan (SHR-A1811)	HER2	SHR-1701	PD-L1/TGFB	I/II	HER2+ Gastric Cancer	1L+	2023-01-03	China
BioNTech/Biotheus	BNT3212	EGFR/HER3	BNT327/PM8002	PD-L1/VEGFA	I/II	Solid tumors	2L+	2025-08-20	China, Australia
MacroGenics	MGC018	B7-H3	Lorigerlimab (MGD019)	PD-1/CTLA-4	I	Solid tumors	2L+	2022-03-24	US

Source: CDE, clinicaltrial.gov, CIC

Growth Drivers and Future Trends

Growth Drivers

Expanding Patient Pool with Significant Medical Needs

Cancer remains a major cause of morbidity worldwide and in China, with large patient populations across lung, breast, colorectal, gastric, liver, prostate and thyroid cancers sustaining significant long-term treatment demand. As ADCs and PD-(L)1 bsAbs move from late-line salvage settings into earlier lines of therapy and broaden into more tumor types, the accessible patient pool for advanced modalities is expected to expand accordingly, supporting durable, structurally driven growth.

China’s Pivotal Role in Driving Advanced Cancer Therapeutics Innovations

China’s pharmaceutical market is growing faster than the global average, and transaction data demonstrate a decisive pivot towards advanced modalities. Since 2020, ADC-related deals have surpassed chemical drugs to become the most valuable transaction category, while bsAb-related deals have risen to the third largest by value. Chinese innovators have participated in approximately 44% of global ADC transactions and 71% of global PD-(L)1 bsAb BD&L deals, including a significant number of license-out arrangements, underscoring both strong domestic R&D capabilities and growing recognition from multinational partners.

Policy Tailwinds in China

Supportive policy frameworks further reinforce China’s position. Streamlined regulatory pathways, including conditional and special approval mechanisms, facilitate earlier access to innovative oncology drugs that address high unmet medical needs. In 2025, 50 innovative drugs were included in the NRDL, and 19 innovative drugs were added to commercial health insurance. Approximately 80% of innovative drugs gain NRDL inclusion within two years of launch. The NRDL’s adoption of a value rating framework, which emphasizes clinical efficacy and cost-effectiveness, provides a structured basis for including high-value therapies and can shorten the time from approval to broad reimbursement.

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Future Trends

Combination Therapy and Expansion of Treatment Lines

Combination regimens are expected to remain at the core of oncology treatment evolution. ADCs are increasingly positioned as combination partners earlier in the treatment continuum, where their targeted cytotoxicity can be paired with checkpoint inhibitors or PD-(L)1/VEGF bsAbs to couple efficient tumor debulking with durable immune activation. VEGF blockade-containing bsAbs can normalize tumor vasculature and promote immune-cell and drug infiltration, thereby improving ADC delivery and amplifying antitumor effects. As clinical data from ongoing ADC + PD-(L)1-based bsAb programs mature, these regimens are expected to migrate from later lines into front-line standards in selected tumor types.

Precision Medicine: Novel Structure of ADC and Advanced I/O

Advanced ADCs adopt refined architectures, including stable linkers, site-specific conjugation and controlled DAR, alongside potent and, where appropriate, membrane-permeable payloads to align efficacy, safety and bystander activity. On the immunotherapy side, PD-(L)1-based bsAbs and other multispecific constructs are engineered to co-target pathways such as checkpoint inhibition and angiogenesis within a single molecule, simplifying regimens and more precisely modulating the tumor microenvironment. These structural and mechanistic enhancements are designed to overcome resistance seen with first-generation agents, extend durable benefit to a broader range of patients and fit squarely within the precision-therapy paradigm.

Wider Coverage of Targets and Expression Levels

Ongoing engineering improvements are enabling effective treatment of tumors with low or heterogeneous antigen expression and more complex microenvironments. ADC designs that incorporate optimized target selection, improved linkers and suitable payload properties, together with microenvironment modulation by PD-(L)1/VEGF bsAbs, can enhance immune infiltration and ADC penetration within tumors. This integrated approach supports pursuit of new targets and indications, including patient populations that historically derived limited benefit from standard chemotherapy or single-pathway immunotherapy.

GLOBAL TROP-2 ADC MARKET

Overview

TROP-2 is a transmembrane protein with essential roles in embryonic and organ development and comparatively low expression in normal tissues. In contrast, it is frequently overexpressed across multiple solid tumors and associated with tumor growth, invasion and metastasis. This makes TROP-2 an attractive and rational target for ADCs. The following table sets forth TROP-2 expression rates across key tumor types.

Cervical cancer	High-grade gliomas	Ovarian cancer	Thyroid cancer	Breast cancer	Genitourinary cancers	Squamous cell carcinoma of lung	Endometrial cancer	Prostate cancer	Colon cancer	Adenocarcinoma of lung	Head and neck cancer
89%	86%	83%	83%	80%	80%	75%	72%	71%	68%	64%	63%

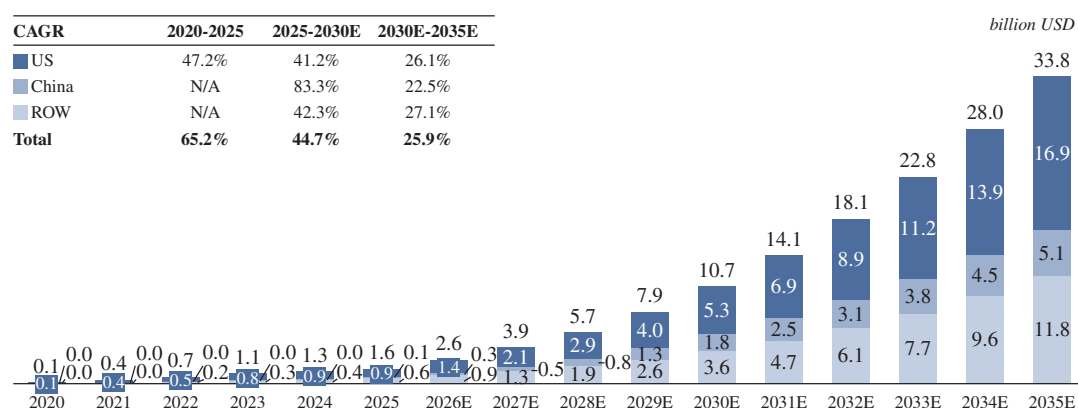
Source: *Nature, Cancers, Cancer Immunol Immun, VIA MEDICA, CIC*

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A TROP-2 ADC typically consists of a monoclonal antibody that selectively recognizes TROP-2, a linker and a potent cytotoxic payload. Upon binding to TROP-2-expressing tumor cells, the ADC-antigen complex is internalized, and intracellular linker cleavage releases the cytotoxic payload to induce cancer cell death. When membrane-permeable payloads are used, a bystander effect can be achieved, enabling killing of neighboring tumor cells with lower or heterogeneous TROP-2 expression. This mechanism is well suited to tumors characterized by molecular heterogeneity and partial target expression, and provides a differentiated approach relative to conventional chemotherapy. In clinical development, TROP-2 ADCs are being advanced both as monotherapy and in rational combinations with immunotherapies, chemotherapies and targeted agents, with global programs concentrated in triple-negative breast cancer (TNBC), HR+/HER2-breast cancer, urothelial carcinoma and non-small cell lung cancer (NSCLC). TROP-2 expression has been reported in about 82% to 90% of NSCLC.

Global and China TROP-2 ADC Market Size

Global market size of Trop-2 ADC, 2020-2035E



Source: Annual report, FDA, NMPA, CIC

Market Opportunity of TROP-2 ADC

The market opportunity for TROP-2 ADCs is anchored in the convergence of broad TROP-2 expression across major solid tumors, growing incidence, and documented limitations of current treatment options. Clinical experience in breast cancer and NSCLC has already defined clear late-line entry points for TROP-2 ADCs, with the potential to progress into earlier settings as safety and efficacy data accumulate. At the same time, toxicity profiles of first-generation agents reveal meaningful room for improvement.

Breast Cancer

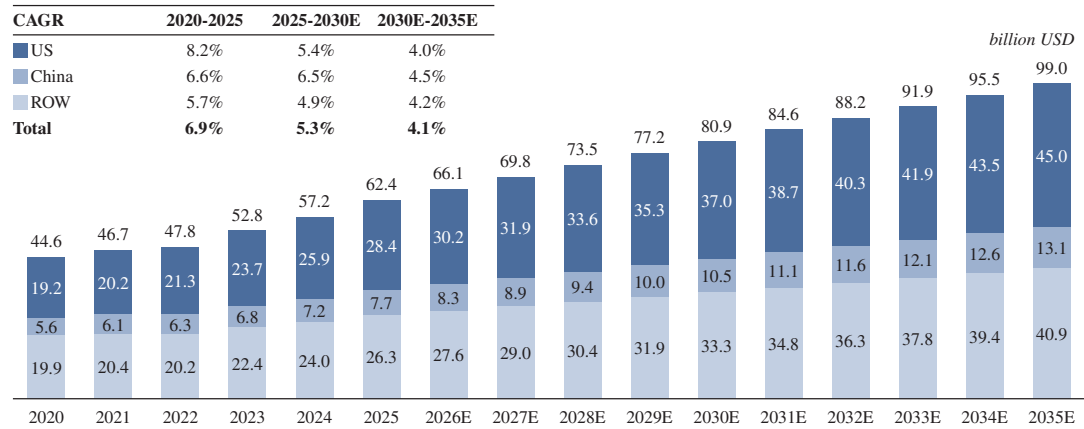
Overview

Breast cancer is the second most common cancer globally by incidence, with cases increasing from 2.26 million in 2020 to 2.45 million in 2025 and expected to reach 2.94 million by 2035. Incidence in the United States rose from 253.5 thousand in 2020 to 289.2 thousand in 2025 and is expected to reach 321.3 thousand in 2035. In China, incidence grew from 339.2 thousand in 2020 to 383.6 thousand in 2025 and is projected to reach 459.6 thousand in 2035. In the rest of the world, incidence increased from 1.67 million in 2020 to 1.78 million in 2025 and is anticipated to reach 2.15 million in 2035. TROP-2 is expressed in approximately 80% of breast cancer cases, with high expression observed in 50% of estrogen receptor-positive disease (ER+), 74% of human epidermal growth factor receptor 2-positive disease (HER2+) and 93% of TNBC samples.

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Market Size

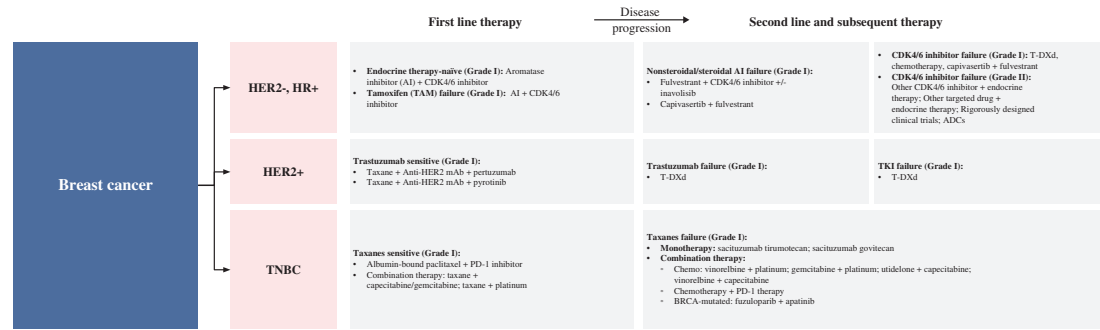
Global breast cancer drugs market size, 2020-2035E



Source: CSCO, CIC

Treatment Paradigm

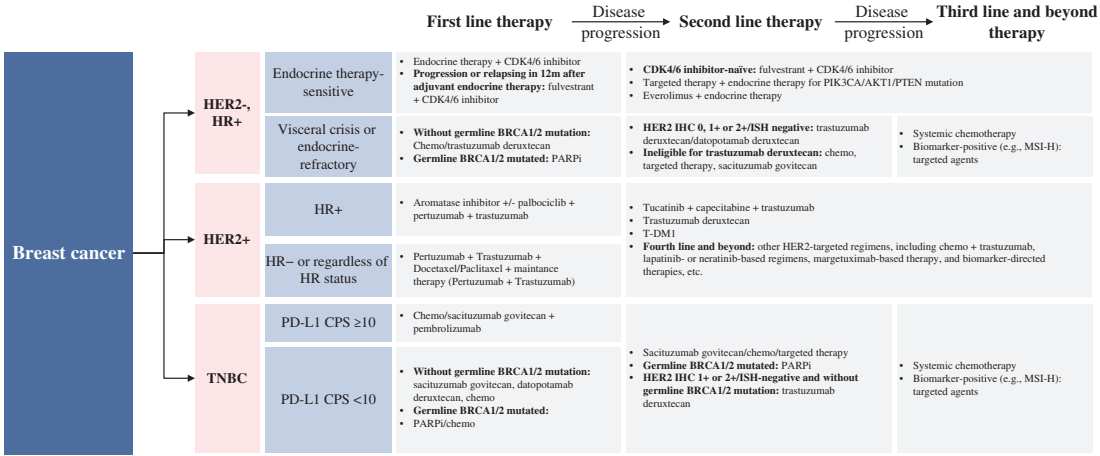
The following diagram outlines treatment path for breast cancer by subtype and line of therapy in China.



Source: CSCO, CIC

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The following diagram outlines treatment path for breast cancer across subtypes and lines of therapy in the U.S.



Source: NCCN, CIC

HR+/HER2- Breast Cancer

HR+/HER2- breast cancer is the most prevalent subtype of breast cancer, accounting for about 70% of total cases. Between 5% and 10% of patients are diagnosed with advanced disease, with an approximate five-year survival rate of 30% globally. HR+/HER2- disease is reported to have significantly higher TROP-2 expression than HER2+ disease, supporting development of TROP-2-directed approaches in this population.

Incidence

Global HR+/HER2- incidence increased from 1.58 million in 2020 to 1.72 million in 2025 and is expected to reach about 2.06 million in 2035. In China, incidence rose from 237.5 thousand in 2020 to 268.6 thousand in 2025 and is anticipated to reach 321.7 thousand in 2035.

Limitation of Current Treatment

An estimated 40% to 50% of advanced HR+/HER2- patients are resistant to endocrine therapy. While initial regimens provide disease control, effectiveness diminishes in recurrent or metastatic settings. Toxicities associated with existing ADCs and systemic regimens, including ILD with T-DXd and severe neutropenia with Trodelvy, can limit tolerability and treatment continuity, reinforcing demand for better-tolerated, high-efficacy TROP-2 ADCs.

Triple-Negative Breast Cancer

TNBC accounts for approximately 15% of breast cancers and is characterized by absence of ER, PR and HER2, resulting in a paucity of targeted therapies. Recurrent or metastatic TNBC has a poor prognosis, with a five-year survival rate below 15%, and is currently treated predominantly with chemotherapy, with immunotherapy benefiting only selected subgroups. TROP-2 is overexpressed in about 93% of TNBC.

Incidence

Global TNBC incidence increased from 339.2 thousand in 2020 to 368.2 thousand in 2025 and is expected to reach about 440.1 thousand in 2035. In China, incidence rose from 50.9 thousand in 2020 to 57.5 thousand in 2025 and is anticipated to reach 68.9 thousand in 2035.

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Limitation of Current Treatment

TNBC has few effective options beyond chemotherapy. Chemotherapy remains the mainstay because actionable targets are absent, and immunotherapy benefits only a subset of metastatic patients. Rapid disease progression and declining performance status contribute to short treatment duration and high attrition between lines. Existing TROP-2 ADCs demonstrate clinical promise but are associated with notable toxicities, including neutropenia with Trodelvy and interstitial lung disease or pneumonitis with Dato-DXd.

Non-small Cell Lung Cancer

Overview

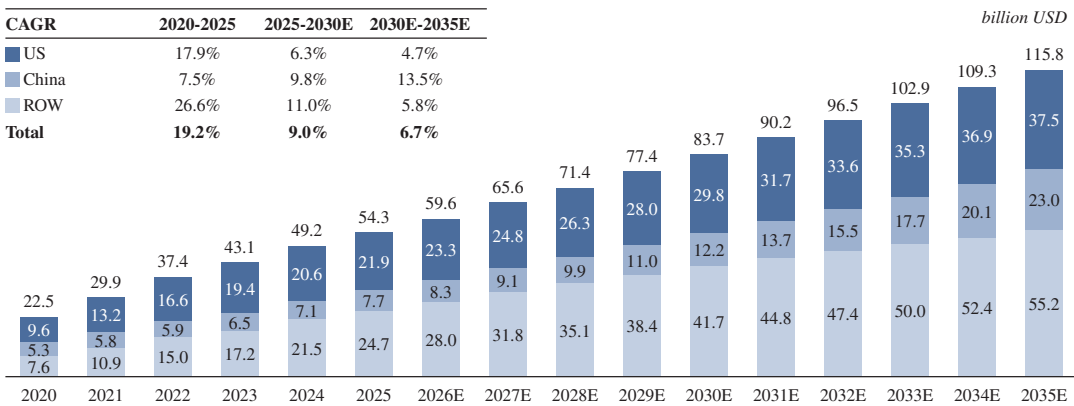
Lung cancer is the second most common cancer and the leading cause of cancer-related death worldwide. Non-small cell lung cancer (NSCLC) accounts for more than 85% of lung cancers, and about 70% of patients present with advanced diseases. Five-year survival for advanced NSCLC is about 8% to 10% in the U.S. and less than 5% in China. TROP-2 expression has been reported in about 82% to 90% of NSCLC.

Incidence

Global NSCLC incidence increased from 1.92 million in 2020 to 2.29 million in 2025 and is expected to reach about 2.96 million in 2035. In China, incidence grew from 830.1 thousand in 2020 to 1.06 million in 2025 and is anticipated to reach about 1.48 million in 2035. In the United States, incidence rose from 189.1 thousand in 2020 to 194.5 thousand in 2025 and is expected to reach about 210.7 thousand in 2035. In the rest of the world, incidence increased from 902.9 thousand in 2020 to 1.04 million in 2025 and is anticipated to reach about 1.26 million in 2035.

Market Size

Global non-small-cell lung cancer drugs market size, 2020-2035E

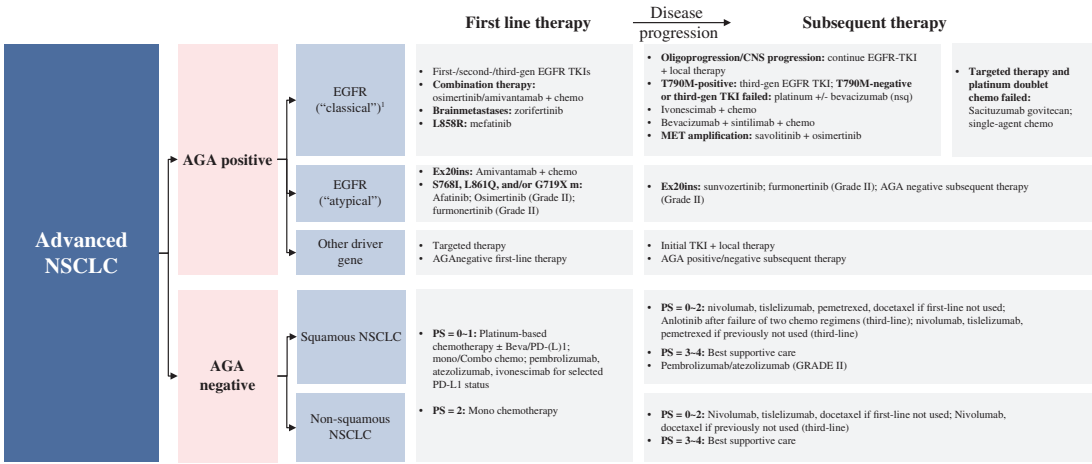


Source: CSCO, CIC

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Treatment Paradigm

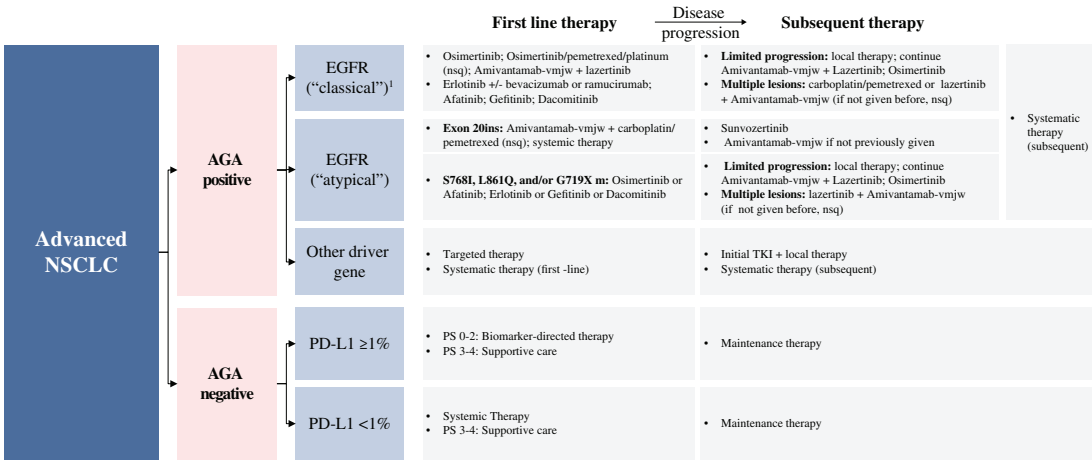
The following diagram outlines treatment path for NSCLC by biomarker status and clinical stage in China.



Notes: nsq: nonsquamous

- EGFR ex19-del or L858R
- All therapies listed are Grade I recommendations under the CSCO guideline, unless otherwise specified

The following diagram outlines treatment path for NSCLC by biomarker status and clinical stage in the U.S.



Note: nsq: nonsquamous

- EGFR ex19-del or L858R

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Limitations of Current Treatment

In NSCLC, the clinical benefit of immune checkpoint inhibitors is constrained in tumors with low or absent PD-L1 expression, underscoring the need for strategies that can operate effectively in immunologically “cold” microenvironments. Although chemo-immunotherapy improves outcomes for selected patients, primary and acquired resistance frequently emerge, leading to disease progression. Following failure of first-line chemo-immunotherapy, available treatment options are limited and generally deliver modest incremental benefit, with many patients cycling rapidly through subsequent regimens.

These gaps are compounded by the need to balance efficacy with proactive toxicity management to preserve performance status, quality of life and treatment adherence, particularly in later-line settings where tolerability often determines whether patients can receive additional therapy. The combination of high disease burden, resistance after front-line treatment and narrow post-progression choices highlights a clear opportunity for TROP-2-directed ADCs to provide targeted cytotoxicity and for rational combinations (for example, with advanced immunotherapies) to expand therapeutic options in PD-L1-low or refractory NSCLC, as TROP-2 expression has been reported in about 82% to 90% of NSCLC.

Competitive Landscape

List of Approved TROP-2 ADC

As of the Latest Practicable Date, three TROP-2 antibody-drug conjugates have obtained regulatory approvals that collectively cover TNBC, NSCLC and HR+/HER2- breast cancer. Recent decisions have moved the class into earlier clinical settings. As a monotherapy, MHB036C features an optimized ADC design, including an Fc-engineered anti-TROP-2 antibody, a proprietary topoisomerase I inhibitor payload, and a cleavable linker. Its payload is estimated to be five to ten times more potent than DXd. Clinical data have shown robust antitumor activity in lung and breast cancer at relatively low and tolerable doses, alongside a favorable safety profile (no major hematologic adverse events and an approximately 1% incidence of ILD). The table below outlines the global competitive landscape of approved TROP-2 ADCs.

Drug Name	Company	Indication	Treatment Line	First approval date	Combo/ Mono	Competent authority	Administration	2025 NRDL	Efficacy			Safety (TRAE% ≥ grade 3)	Clinical trial	Patient annual cost	Global sales in 2025
									mPFS (m)	mOS (m)	ORR				
Sacituzumab Tirumotecan (佳泰莱®)	Kelun biotech/ Merck	TNBC	3L+	2024/11/28	Mono	China	IV	YES	5.7	14.3	46.1%	63.1%	SKB264-III-03	~105 kRMB	RMB0.5 billion
		EGFRm non-sq NSCLC	3L+	2025/3/4	Mono	China	IV	YES	6.2	Not reached	41.8%	-	SKB264-II-08		
		EGFRm non-sq NSCLC	2L+	2025/10/11	Mono	China	IV	YES	7.1	35.6%	59.0%	-	SKB264-II-09		
Datopotamab Deruxtecán (Datroway®/ 達卓優®)	Daiichi Sankyo/ AstraZeneca	HR+ HER2-BC	3L+	2025/1/17	Mono	US	IV	-	6.9	18.6	36%	20.8%	TROPION-Breast01	~320 kUSD	JPY 47.6 billion
		EGFRm NSCLC	3L+	2025/6/23	Mono	US	IV	-	-	-	45%	-	TROPION-Lung05, TROPION-Lung01		
		HR+ HER2-BC	3L+	2025/8/22	Mono	China	IV	No	8.1	-	38.6%	-	TROPION-Breast01 (Chinese subgroup)		
		mTNBC	3L+	2026/5/22	Mono	US	IV	-	10.8	23.7	64%	-	TROPION-Breast02		
Sacituzumab Govitecan (Trodelvy®/ 拓達維®)	Gilead Sciences	TNBC	1L+	2026/6/24	Combo	US	IV	-	11.2	-	60%	≥ grade 3 TEAE 71%	ASCENT-04	~290 kUSD	US\$1.4 billion
		TNBC	1L+	2026/6/24	Mono	US	IV	-	9.7	-	48%	≥ grade 3 TEAE 66%	ASCENT-03		
		TNBC	3L+	2020/4/22	Mono	US	IV	-	5.6	13.0	33.3%	59.6%	IMMU-132-01	~150 kUSD	
		HR+ HER2-BC	3L+	2023/2/3	Mono	US	IV	-	5.5	14.4	21.0%	≥ grade 3 TEAE 74%	TROPiCS-02		
		TNBC	3L+	2022/6/7	Mono	China	IV	No	5.55	-	38.8%	71.3%	EVER-132-001	~500 kRMB	
		HR+ HER2-BC	3L+	2025/3/18	Mono	China	IV	No	5.5	14.4	21.0%	≥ grade 3 TEAE 74%	TROPiCS-02		

Source: Company announcement, ASCO, Nature Medicine, International Journal of Cancer, The Lancet, FDA, NMPA, CIC

INDUSTRY OVERVIEW

List of Clinical-Stage TROP-2 ADC Combo Studies for BC or NSCLC

In combination with MHB039A, MHB036C is further differentiated from peer TROP-2 ADC plus PD-1/PDL1 monoclonal antibody regimens, as MHB039A is a PD-1/VEGF bispecific antibody rather than a monospecific checkpoint inhibitor. Growing clinical evidence supports that PD-1/VEGF bispecific antibodies deliver improved anti-tumor responses compared with PD-1 monoclonal antibody. This chemotherapy-free combination integrates a promising TROP-2 with dual immune checkpoint and anti-angiogenic blockade, and has the potential to establish a new frontline standard of care in breast cancer and NSCLC. The following table lays out the global competitive landscape of TROP-2 ADC pipelines combo with PD-(L)1-based therapy for breast cancer or NSCLC.

Drug Name	Company	Indication	Treatment Line	Mono/Combo Therapy	Clinical Stage	First Posted Date	Trial Location
MHB036C	Our group	BC, incl. TNBC, HR+ HER2- BC	1L+	Combo with PD-1/VEGF bsAb	II	2025/8/7	China
		NSCLC	1L+	Combo with PD-1/VEGF bsAb	I/II	2025/1/20	China
Sacituzumab Tirumotecan	Kelun/Merck	High risk, early-stage TNBC or HR+ HER2- BC	Neoadjuvant Therapy	Combo with PD-1 mAb and chemo	III	2025/8/18	Global
		TNBC with PD-L1 CPS < 10	1L	Mono/Combo with PD-1 mAb	III	2025/4/18	Global
		TNBC or HR+ HER2- BC	1L	Mono/Combo with PD-1 mAb	II	2022/7/12	China
		PD-L1- nsq NSCLC	1L	Combo with PD-1 mAb	III	2024/9/13	China
		sq NSCLC	1L maintenance	Combo with PD-1 mAb	III	2024/7/15	Global excl. US
		NSCLC	Adjuvant Therapy	Combo with PD-1 mAb	III	2024/7/2	Global
		PD-L1+ NSCLC	1L	Combo with PD-1 mAb	III	2024/4/19	China
		NSCLC with PD-1 TPS ≥ 50%	1L	Combo with PD-1 mAb	III	2024/3/26	Global
Datopotamab Deruxtecan	Daiichi Sankyo/ AstraZeneca	TNBC or HR+ HER2- BC	Neoadjuvant Therapy	Combo with PD-1 mAb	III	2024/3/21	Global
		PD-L1+ TNBC	1L	Mono/Combo with PD-1 mAb	III	2023/12/5	Global
		AGA- PD-L1+ nsq NSCLC	1L	Combo with PD-1/TIGIT bsAb	III	2025/3/5	Global
		AGA- NSCLC	1L	Combo with PD-1 mAb + chemo	III	2023/3/22	Global
		AGA- nsq NSCLC with PD-L1 TPS < 50%	1L	Combo with PD-1 mAb +/- chemo	III	2023/1/19	Global
BAT8008	Bio-Thera Solutions	TNBC	2L+	Combo with PD-1 mAb	II	2024/4/2	China
			1L	Combo with PD-1 mAb	II	2025/5/28	China
		NSCLC	2L+	Combo with PD-1 mAb	II	2024/4/2	China
		AGA- NSCLC	1L	Combo with PD-1 mAb	II	2025/5/28	China
QLC5513	Qilu	TNBC	2L+	Combo with PD-1 mAb + CTLA mAb +/- chemo-	Ib/II	2025/12/18	China
DB-1305	Duality	BC, TNBC, NSCLC and other solid tumors	2L+	Combo with PD-1 mAb or PD- L1/VEGF-A bsAb	I/II	2022/6/29	Global
SHR-A1921	Hengrui	NSCLC	1L+	Combo with PD-1 mAb + CTLA mAb +/- chemo	I/II	2024/6/4	China

Source: CDE, clinicaltrials.gov, CIC

GLOBAL B7-H3 ADC MARKET

Overview

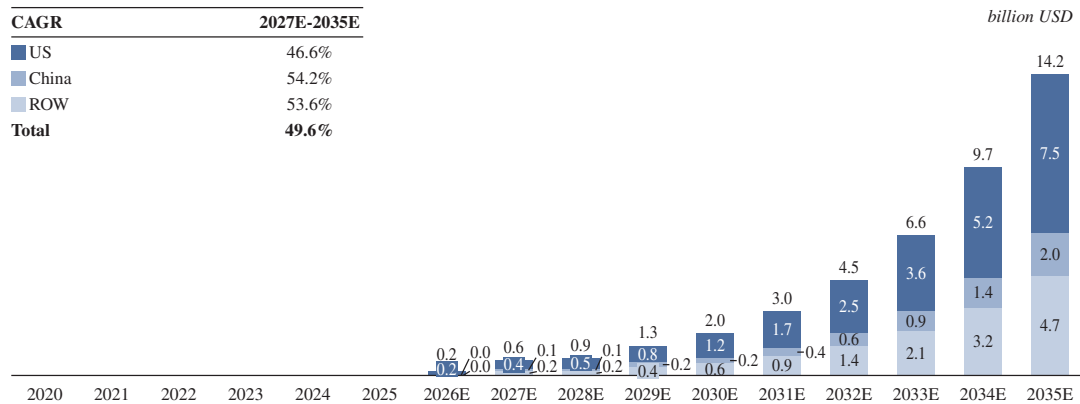
B7-H3 (CD276) is typically expressed at low levels in healthy tissues but is highly overexpressed across many solid tumors. B7-H3 contributes to immune evasion by suppressing T-cell-mediated antitumor responses and also promotes tumor progression, invasion and metastasis. After selective binding to B7-H3-expressing tumor cells, the conjugate is internalized; controlled linker cleavage then releases the payload to induce tumor-cell death. In parallel, antibody binding may block B7-H3-mediated immunosuppression and, through Fc effector function, engage antibody-dependent cellular cytotoxicity. This multi-layered mechanism provides an opportunity both to deliver potent cytotoxicity precisely to malignant tissue and to help restore antitumor immune activity. Although no B7-H3-targeted therapy has yet been approved, recent clinical readouts have been encouraging and have catalyzed significant development and partnering interest. Global efforts are concentrated in settings with high need, in particular small-cell lung cancer (SCLC) and metastatic castration-resistant prostate cancer (mCRPC).

INDUSTRY OVERVIEW

Addressable Market Size

The market for B7-H3 ADCs is expected to grow from a low initial commercial base, supported by the broader clinical and commercial validation of ADCs in oncology and the expression of B7-H3 across multiple solid tumors, including SCLC, NSCLC, prostate cancer and head and neck cancer. Future growth is expected to be driven by product approvals, indication expansion, increasing physician familiarity and gradual clinical adoption.

Global market size of B7-H3 ADC, 2020-2035E



Source: Annual report, FDA, NMPA, CIC

Market Opportunity of B7-H3 ADC

Existing standards of care in priority indications such as SCLC and mCRPC deliver limited long-term control, and resistance is common. B7-H3 ADCs have the potential to provide differentiated benefit as targeted cytotoxic agents, either as monotherapy in relapsed/refractory populations or in combination with other systemic therapies to deepen and prolong responses.

Small-Cell Lung Cancer (SCLC)

Overview

SCLC is a highly aggressive subtype of lung cancer characterized by small cell size, large nuclei, scant cytoplasm and a biological propensity for rapid proliferation and early widespread metastasis. The overall five-year survival rate is about 7%. B7-H3 is reported to be overexpressed in approximately 65% to 75% of SCLC cases.

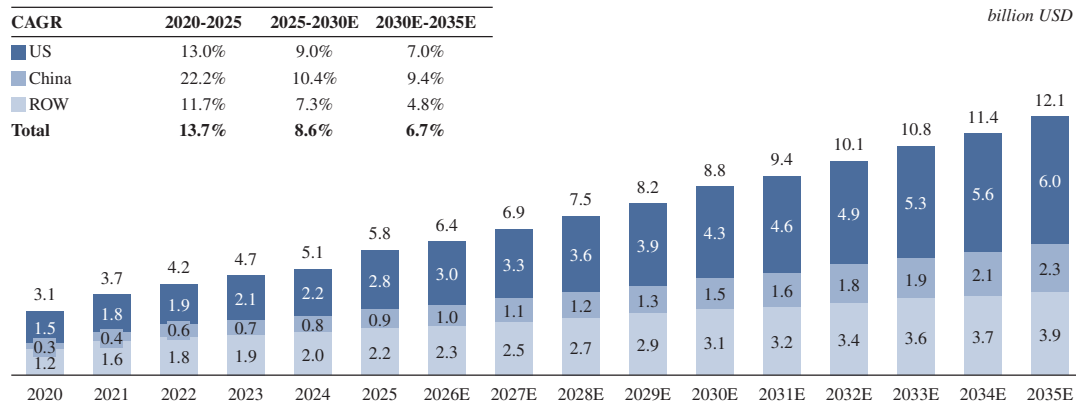
Incidence

Global SCLC incidence increased from 316.6 thousand in 2020 to 372.6 thousand in 2025 and is expected to reach 560.9 thousand in 2035. In China, incidence grew from 146.5 thousand cases in 2020 to 172.1 thousand in 2025 and is projected to reach 241.3 thousand in 2035. In the United States, incidence rose from 38.7 thousand cases in 2020 to 46.5 thousand in 2025 and is expected to reach 76.4 thousand in 2035. In the rest of the world, incidence increased from 131.4 thousand cases in 2020 to 154.1 thousand in 2025 and is anticipated to reach 243.1 thousand in 2035.

INDUSTRY OVERVIEW

Market Size

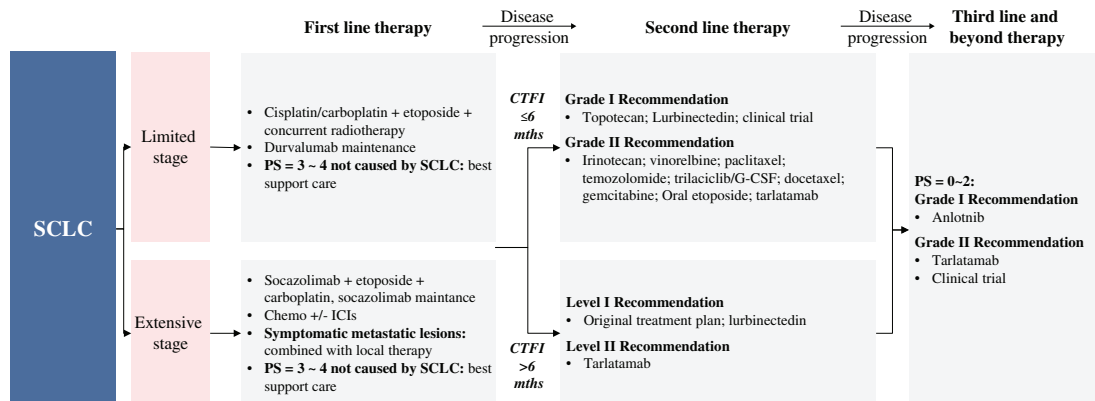
Global small-cell lung cancer drugs market size, 2020-2035E



Source: CSCO, CIC

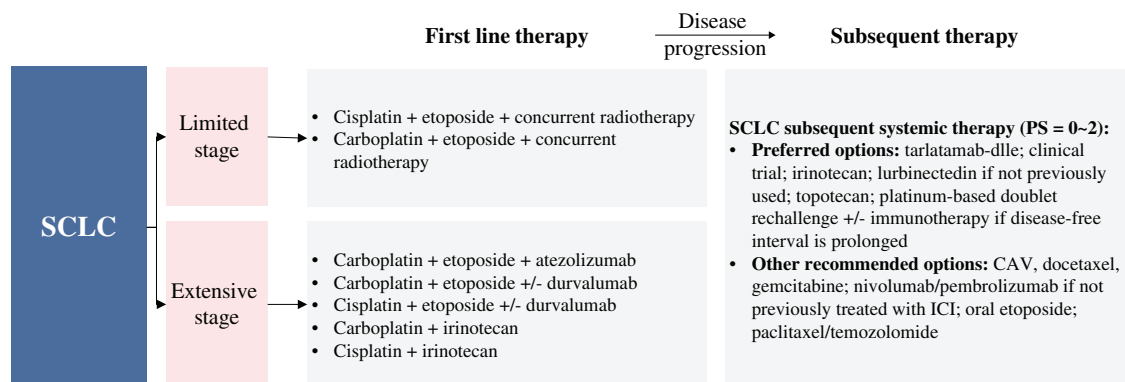
Treatment Paradigm

The following diagram outlines treatment path for SCLC by stage and line of therapy in China.



Source: CSCO 2026, CIC

The following diagram outlines treatment path for SCLC by stage and line of therapy in the U.S.



Note: CAV: cyclophosphamide/doxorubicin/vincristine

INDUSTRY OVERVIEW

Limitations of Current Treatment

Although PD-(L)1 inhibitors have been incorporated into front-line regimens for extensive-stage disease, chemotherapy remains the cornerstone treatment for SCLC, and relapse often occurs within one year. Post-recurrence options are limited and yield modest benefit, leaving a substantial unmet need for more potent and selective modalities. With B7-H3 overexpressed in about 65% of SCLC, B7-H3 ADCs offer a targeted strategy to address resistance and improve outcomes in patients who progress on current standards.

Metastatic Castration-Resistant Prostate Cancer

Overview

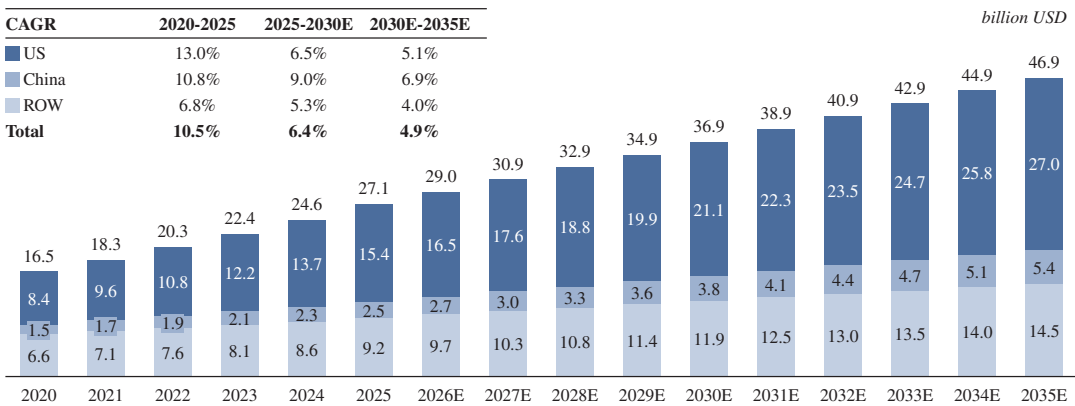
Castration-resistant prostate cancer (CRPC) represents an advanced stage that persists and progresses despite testosterone-lowering therapy. While most prostate cancers initially depend on androgen signaling, CRPC tumors adapt to survive and proliferate under reduced hormone levels. The metastatic form, mCRPC, is particularly aggressive and associated with high morbidity, complex treatment sequencing and limited durable responses. B7-H3 expression is observed in approximately 93% of mCRPC cases.

Incidence

Global prostate cancer incidence increased from 1.41 million in 2020 to 1.57 million in 2025 and is expected to reach 2.10 million in 2035. Within this, incidence in the United States increased from 191.9 thousand in 2020 to 245.1 thousand in 2025 and is expected to reach 275.2 thousand in 2035. In China, incidence grew from 112.1 thousand cases in 2020 to 178.6 thousand in 2025 and is projected to reach 297.6 thousand in 2035. In the rest of the world, incidence rose from 1.11 million cases in 2020 to 1.15 million in 2025 and is anticipated to reach 1.53 million in 2035. mCRPC accounts for about 5%-10% of prostate cancer cases.

Market Size

Global prostate cancer drugs market size, 2020-2035E

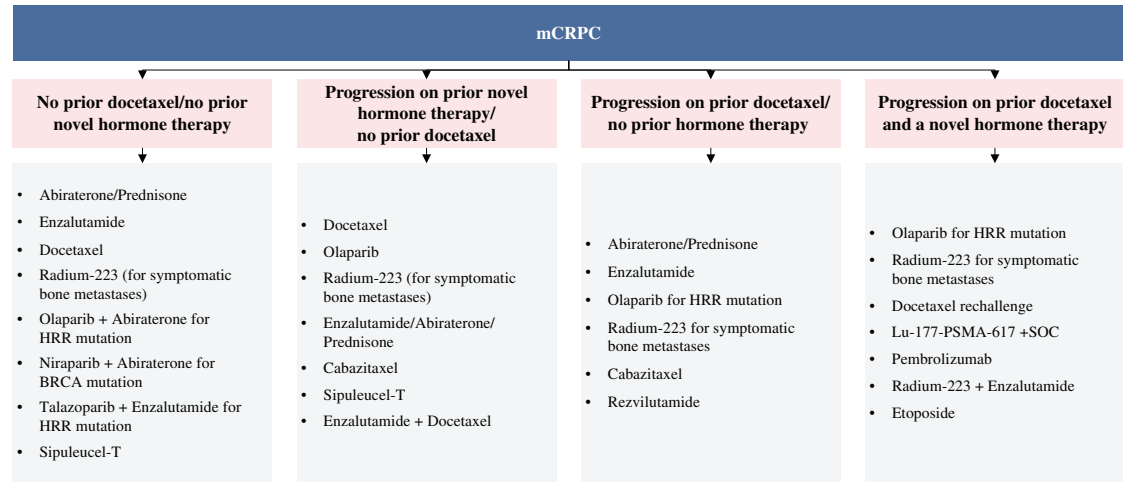


Source: CSCO, NCCN, CIC

INDUSTRY OVERVIEW

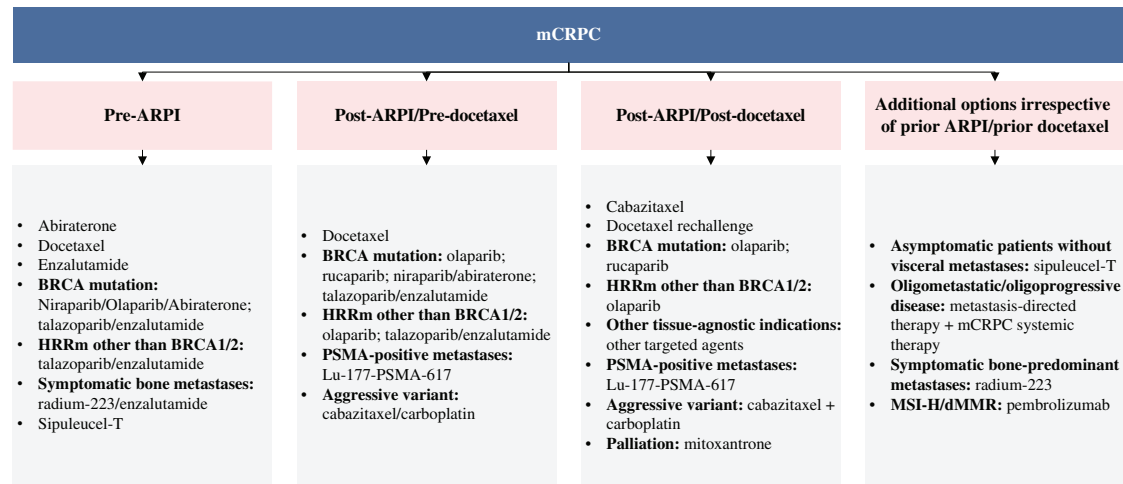
Treatment Paradigm

The following diagram outlines the treatment path for *mCRPC* in China.



Source: CSCO 2025, CIC

The following diagram outlines the treatment path for *mCRPC* in the U.S.



Source: NCCN 2026, CIC

Limitations of Current Treatment

Current *mCRPC* treatment involves androgen receptor pathway inhibitors (ARPIs), taxanes, radiopharmaceuticals, PARP inhibitors and, in selected cases, immunotherapy. However, cross-resistance between ARPIs, emergent resistance to subsequent lines and lack of robust predictive biomarkers limit the depth and durability of response. With B7-H3 expressed in up to 93% of CRPC cases, B7-H3 ADCs provide a differentiated, biomarker-aligned strategy targeting a widely expressed molecule independent of traditional androgen-signaling pathways, with the potential to overcome resistance and improve outcomes in heavily pretreated patients.

INDUSTRY OVERVIEW

Competitive Landscape

List of Clinical-Phase B7-H3 ADC

As of the Latest Practicable Date, there are no B7-H3 antibody-drug conjugates approved globally. Clinical development of B7-H3-targeted modalities has faced safety and tolerability challenges. At least two B7-H3- targeted investigational agents were discontinued in Phase I or Phase II after serious adverse events were reported, and one global Phase III study of a B7-H3-targeted ADC was temporarily suspended in December 2025 before resuming in January 2026 following protocol amendments and enhanced safety monitoring. Notwithstanding these historical events, continued investment by multiple developers and structural optimization efforts demonstrate sustained industry confidence in the therapeutic potential of B7-H3.

Within this competitive landscape, MHB088C is differentiated by its safety profile. While topoisomerase-based ADCs are often associated with clinically meaningful ILD and severe hematologic toxicities, MHB088C has demonstrated robust anti-tumor activity across multiple solid tumors with a favorable safety profile, including a low rate of ILD and approximately 10% grade ≥ 3 hematologic adverse events.

B7-H3 ADC Combo Study Pipelines for SCLC

The table below sets forth the competitive landscape of B7-H3 ADC combo pipelines with PD-(L)1-based therapy for SCLC currently in clinical trials.

Drug Name	Company	Indication	Treatment Line	Mono/Combo Therapy	Clinical Stage	First Posted Date	Trial Location
MHB088C	Our group/Qilu	SCLC	1L+	Combo with PD-1/VEGF bsAb	I/II	2025/8/7	China
DB-1311/ BNT324	Duality/BioNTech	SCLC	1L+	Combo with PD-1/VEGF bsAb	I/II	2025/3/24	Global
I-DXd	Daiichi Sankyo/ Merck	SCLC	IL induction or maintenance	Combo with PD-L1 mAb +/- chemo	I/II	2024/4/12	Global excl. China
		ES-SCLC	2L+	Combo with DLL3/HAS/CD3 inhibitors	I/II	2025/11/12	Global
YL201	MediLink	SCLC	1L+	Combo with PD-1/VEGF bsAb	I/II	2025/9/12	China
		ES-SCLC	2L+	Combo with or without PD-(L)1 mAb	I	2025/3/13	Global
HS-20093/ GSK5764227	Hansoh/GSK	SCLC	Maintenance	Combo with PD-L1 mAb	I	2025/7/7	China

Source: CDE, clinicaltrials.gov, CIC

B7-H3 ADC Monotherapy Pipelines for SCLC or CRPC

The table below sets forth the competitive landscape of B7-H3 ADC monotherapy pipelines for SCLC or CRPC currently in clinical trials.

INDUSTRY OVERVIEW

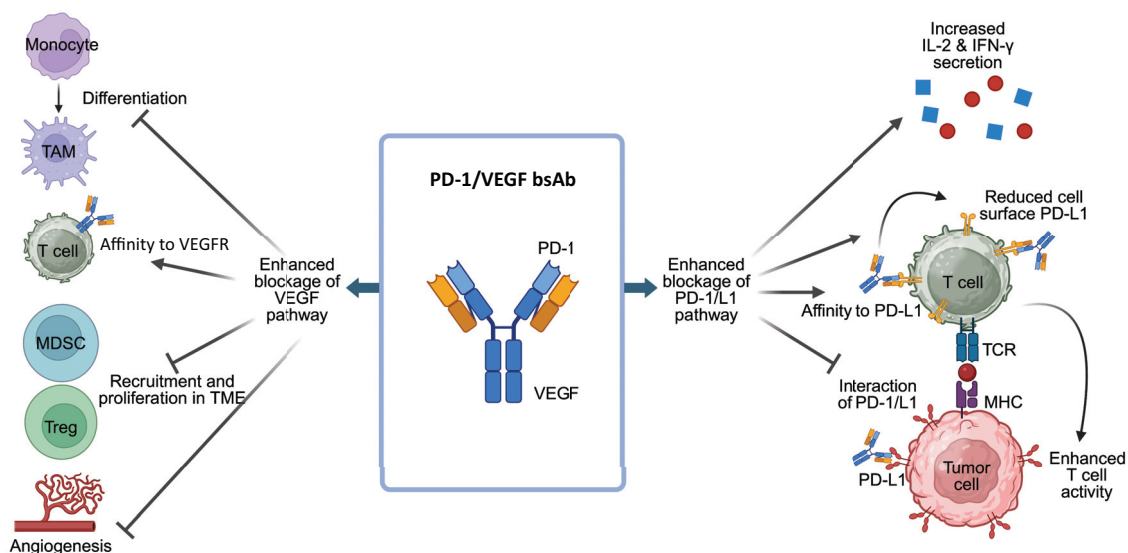
Drug Name	Company	Indication	Treatment Line	Mono/Combo Therapy	Clinical Stage	First Posted Date	Trial Location
MHB088C	Our company/Qilu	ES-SCLC	2L+	Mono	III	2025/4/10	China
		mCRPC	2L+	Mono	I/II	2023/4/26	China
I-DXd	Daiichi Sankyo/ Merck	ES-SCLC	2L	Mono	III	2024/1/12	Global
		mCRPC	2L+	Mono	III	2025/4/13	Global
HS-20093/ GSK5764227	Hansoh/GSK	LS-/ES-SCLC	2L	Mono	III	2024/7/12	Global
		mCRPC	2L+	Mono	II	2023/8/21	China
YL201	MediLink/Amgen	LS-/ES-SCLC	2L	Mono	III	2024/9/25	China
		mCRPC	2L+	Mono	II	2024/2/5	China
		ES-SCLC	2L+	Mono	I	2025/3/13	Global
DB-1311/ BNT324	Duality/BioNTech	mCRPC	2L+	Mono	I/II	2023/6/22	Global
IBI129	Innovent	SCLC	2L+	Mono	I/II	2024/3/15	Global excl.US
RC288	RemeGen	SCLC, CRPC	2L+	Mono	I/IIa	2026/4/14	China
MGC026	MacroGenics	SCLC	2L+	Mono	I	2024/2/5	Global excl.China
		mCRPC	2L+	Mono	I	2024/3/6	Global excl.China
SYS6043	CSPC Megalith	SCLC, mCRPC	2L+	Mono	I	2024/12/27	China
IDE034	IDEAYA	CRPC	2L+	Mono	I	2026/3/31	US

Source: CDE, clinicaltrial.gov, CIC

GLOBAL PD-(L)1/VEGF BsAb MARKET

Overview

PD-1 and VEGF are established cancer targets with complementary roles in tumor immune escape and angiogenesis. PD-1 is a key immune checkpoint exploited by tumors to evade immune attack, while VEGF is a major driver of tumor angiogenesis and contributes to immune suppression within the tumor microenvironment. PD-(L)1/VEGF bsAbs are designed to inhibit the PD-1/PD-L1 checkpoint axis and VEGF-driven angiogenesis at the same time, producing synergistic anti-tumor effects. In the presence of VEGF, PD-L1 binding affinity increases by up to 13-fold, which improves tumor targeting and may reduce off-target effects. The following figure illustrates this dual mechanism of PD-(L)1/VEGF bsAbs.



Source: iScience, Journal of Hematology & Oncology, CIC

INDUSTRY OVERVIEW

Comparison with First-Generation PD-1 mAb

Improved survival outcomes. Dual blockade of PD-(L)1 and VEGF pathways can achieve longer progression-free survival and overall survival in several tumor types by simultaneously activating anti-tumor immunity and normalizing tumor vasculature. In the Phase III HARMONi-2 study, ivonescimab extended median progression-free survival by 5.32 months to 11.14 months in first-line PD-L1-positive advanced NSCLC, highlighting the potential of this modality to surpass PD-1 monotherapy backbones.

Favorable safety profile. PD-(L)1/VEGF bsAbs introduce both immune-related and anti-angiogenic class effects, but clinical data to date indicate that toxicities are generally manageable with appropriate monitoring and established management algorithms. Importantly, safety profiles have not shown prohibitive overlap beyond what is expected from each pathway alone, supporting their feasibility as long-term backbones.

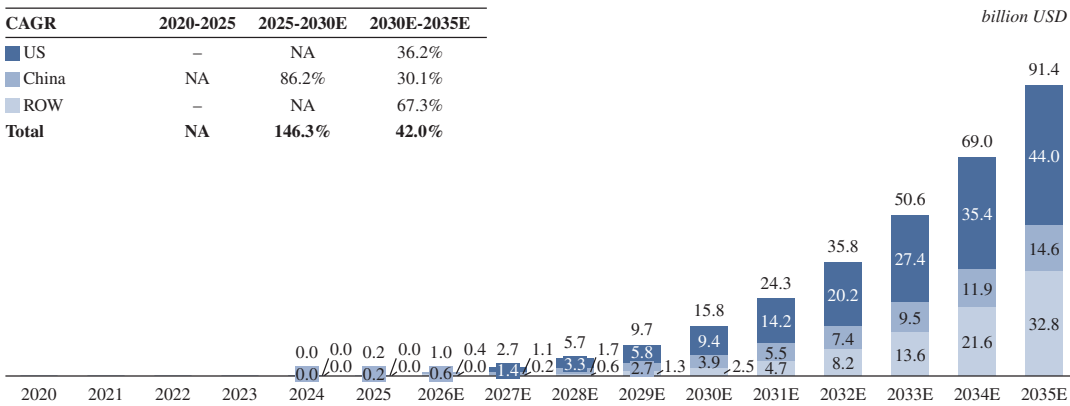
Enhanced response rates and tumor selectivity. Dual targeting improves objective response rates, including in patients who derive limited benefit from PD-(L)1 monotherapy. Increased PD-L1 binding efficiency and higher tumor specificity in the presence of VEGF contribute to stronger tumor targeting and immune activation.

Potential to overcome resistance. VEGF inhibition remodels the tumor microenvironment by reducing immunosuppressive cell populations, normalizing vasculature and improving T-cell infiltration. When integrated into a bsAb format with PD-(L)1 blockade, this effect helps counteract resistance mechanisms to first-generation checkpoint inhibitors and extends benefit to broader patient groups.

Global and China PD-(L)1/VEGF BsAb Market Size

The market for PD-(L)1/VEGF bispecific antibodies is expected to grow from a low current commercial base, supported by potential penetration into the existing PD-(L)1 treatment market and expansion into patient populations not optimally addressed by conventional PD-(L)1 therapies, including PD-L1-low or PD-L1-negative tumors, IO-experienced or IO-resistant patients and tumor types where angiogenesis-mediated immunosuppression is clinically relevant. Future growth is expected to be driven by regulatory approvals, indication expansion and physician adoption.

Global market size of PD-(L)1/VEGF(A) bsAbs, 2020-2035E



Source: Annual report, FDA, NMPA, CIC

Market Opportunities of PD-(L)1/VEGF BsAb

Potential to Redefine Treatment Backbones

Given their dual mechanism and favorable clinical signals, PD-(L)1/VEGF bsAbs are designed to serve as advanced monoclonal antibody backbones across multiple solid tumors. Data from the Phase III HARMONi-2 trial, where ivonescimab showed statistically significant and clinically relevant progression-free survival benefits versus pembrolizumab in first-line PD-L1-positive advanced NSCLC. As more indications and earlier-line uses are validated, PD-(L)1/VEGF bsAbs are well positioned to become standard components of front-line regimens.

INDUSTRY OVERVIEW

Opportunity to Enhance ADC Regimens

VEGF blockade can normalize tumor vasculature, improve perfusion and increase immune-cell and biologic-drug trafficking into tumors. When combined with ADCs, PD-(L)1/VEGF bsAbs may enhance intratumoral delivery of cytotoxic payloads, potentiate immunogenic cell death and broaden responses beyond PD-(L)1 monotherapy plus ADC combinations. This synergy is being actively explored, including in in-house programs where PD-1/VEGF bsAbs such as MHB039A are combined with advanced ADCs, with the goal of achieving deeper responses, delaying resistance and simplifying combination architectures into rational, biologically integrated regimens.

Competitive Landscape

List of Approved PD-(L)1/VEGF BsAb

Ivonescimab is the first PD-1/VEGF bsAb approved in China, with two approved indications, and serves as the initial clinical benchmark for the class.

Drug Name	Target	Company	Globally Most Advanced Indication	First Posted Date	Trial Location	Administration	2025NDRL	Efficacy			Safety (TRAE% ≥ grade 3)	Clinical trial	Patient annual cost	Global sales in 2025
								mPFS (mo)	mOS (mo)	ORR				
Ivonescimab (AK112)	PD-1/VEGF	Akesobio/ Summit	EGFRmt nsq la/m NSCLC post 3rd gen EGFR-TKI	2024/05/24	China	IV	-	7.1	16.8	50.6%	59.6%	HARMONI-A	~100 kRMB	N.A. ⁽¹⁾
			la/m NSCLC with PD-L1 expression (TPS ≥ 1%)	2025/04/25	China	IV	YES	11.14	-	50.0%	29.4%	HARMONI-2	~100 kRMB	

Source: WCLC, SITC, FDA, NMPA, CIC

Note:

- (1). The product revenue not publicly disclosed in annual report.

List of Clinical-Phase PD-(L)1/VEGF BsAb

Multiple PD-(L)1/VEGF candidates are in active clinical development across China, the U.S. and global multicenter programs, spanning Phase I to Phase III and covering NSCLC, breast cancer, renal cell carcinoma and other solid tumors. Within this landscape, our MHB039A is an in-house PD-1/VEGF bsAb with a broad development strategy encompassing advanced breast cancer (including TNBC, HR+/HER2+ and HR+/HER2-), NSCLC, SCLC and other solid tumors. MHB039A is differentiated by its molecular design, which has demonstrated full blocking activities against both PD-1 and VEGF and is intended to improve druggability, physicochemical properties, protein yield and stability. MHB039A has progressed to the Phase II clinical trials in China, positioning us among the leading innovators in this emerging class and providing a proprietary backbone for combination with our ADC portfolio. The table below sets forth the global competitive landscape of PD-(L)1/VEGF bsAbs.

Drug Name	Target	Company	Globally Most Advanced Indication	Clinical Stage	First Posted Date	Trial Location
MHB039A	PD-1/VEGF	Our group	Advanced BC (incl. TNBC, HR+ HER2- BC), NSCLC, SCLC and solid tumors	II	2025/8/07	China
Ivonescimab (AK112)	PD-1/VEGF	Akesobio/ Summit	EGFRmt nsq la/m NSCLC post 3rd gen EGFR-TKI	Approved	2024/5/24	China
			la/m NSCLC with PD-L1 expression (TPS ≥ 1%)	Approved	2025/4/25	China
			Stage IV NSCLC	III	2023/10/26	Global
Pumitamig (BNT327/BMS986545)	PD-L1/VEGF	BioNTech/BMS	mCRC	III	2026/3/5	China
			SCLC	III	2025/4/11	Global
			u/m CRC	III	2026/4/9	Global
			la/m NSCLC with PD-L1 expression (TPS ≥ 50%)	III	2026/1/23	Global
PF-08634404	PD-1/VEGF	Pfizer/3SBio	Unresectable Stage III NSCLC	III	2026/5/13	Global
			NSCLC	III	2025/5/16	China
			mCRC	III	2025/10/30	Global
SCTB14	PD-1/VEGF	SinoCellTech	Advanced/recurrent pMMR EC	III	2026/5/11	Global
RC148	PD-L1/VEGF	RemeGen	la/mNSCLC with PD-L1 expression (TPS ≥ 10%)	III	2025/11/28	China
HB0025	PD-L1/VEGF	Huaota	la/m NSCLC	III	2026/2/11	China
			nsq NSCLC	III	2026/2/11	China
			sq NSCLC	III	2026/1/6	China
IMM2510/AXN-2510	PD-L1/VEGF	ImmuneOnco/ Instil Bio	pMMR EC	III	2026/6/22	China
			NSCLC and solid tumors	II	2023/11/20	China
B1962	PD-L1/VEGF	Tasly	Solid tumors	II	2024/11/07	China
JS207	PD-1/VEGF	Junshi Pharma	NSCLC	II	2025/3/15	China
CVL006	PD-L1/VEGF	Convalife	mCRC	II	2026/3/26	China
			Solid tumors	Ib/II	2026/4/23	China
LM-299	PD-1/VEGF	LaNova/Merck	Solid tumors	I/II	2024/8/14	China
AI-081	PD-1/VEGF	OncoC4	Solid tumors	I/II	2025/3/26	China
KH003	PD-L1/VEGF	Sailing Pharma	Solid tumors	I/II	2025/8/15	US
SG1408	PD-L1/VEGF	Sumgen	Solid tumors	I/II	2025/6/10	China
SCR-M015	PD-1/VEGF	Simcere	Solid tumors	I	2022/11/02	China
				I	2026/6/22	China

Source: FDA, NMPA, clinicaltrials.gov, CDE, CIC

INDUSTRY OVERVIEW

GLOBAL THYROID EYE DISEASE MARKET

Overview

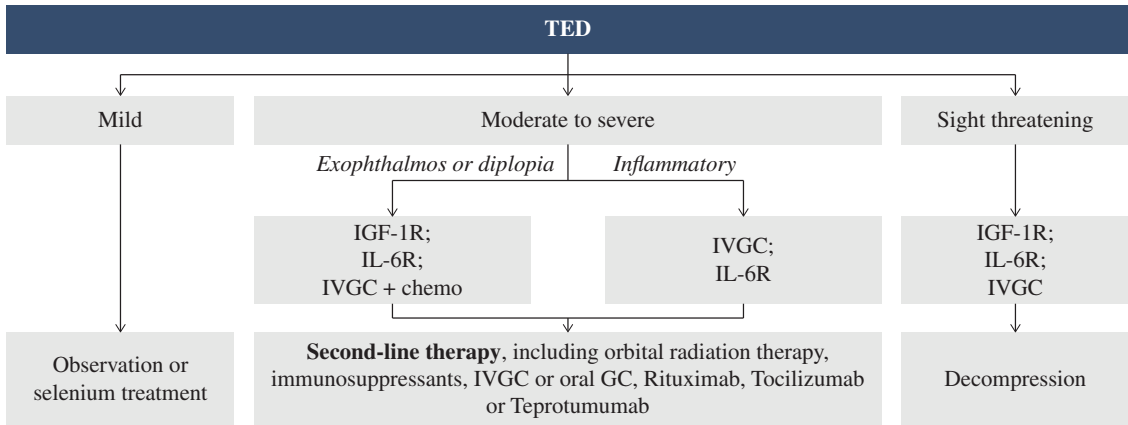
Thyroid eye disease (TED) is an autoimmune disorder characterized by inflammation, expansion and remodeling of orbital tissues, most commonly in association with Graves’ disease. Patients may experience eyelid retraction, proptosis, conjunctival and periorbital swelling, ocular pain, foreign-body sensation, diplopia and, in severe sight-threatening cases, exposure keratopathy or compressive optic neuropathy. TED typically follows a biphasic course comprising an active inflammatory phase, lasting several months up to two years, followed by an inactive fibrotic phase in which structural changes may become permanent. Prognosis and severity are influenced by smoking status, control of thyroid function and early recognition and treatment of active disease.

Prevalence

The global prevalence of TED was approximately 17.4 million in 2025 and is projected to reach 20.3 million by 2035. Moderate-to-severe TED accounted for approximately 22% of total TED cases, or 3.8 million globally in 2025. In China, prevalence increased from 4.3 million in 2020 to 4.4 million in 2025 and is expected to reach 4.7 million by 2035. In the United States, prevalence increased from 0.8 million in 2020 to 0.9 million in 2025 and is expected to reach 1.0 million by 2035. In the rest of the world, prevalence rose from 10.8 million in 2020 to 12.1 million in 2025 and is projected to reach 14.7 million by 2035.

Treatment Paradigm

Current management of TED is stratified by disease activity and severity. The following diagram outlines first-line and second-line approaches to treat TED by disease severity.



Source: the Lancet, 2022 ATA/ETA, CSE2025, CIC

Based on *Lancet Diabetes & Endocrinology* 2025, the 22nd Chinese Society of Endocrinology Academic Conference (CSE2025) proposed considering IGF-1R and IL-6R antagonists as first-line options for appropriate patients, reflecting the continued evolution of TED treatment toward targeted biologic therapies.

Introduction of IGF-1R mAb

IGF-1R is a clinically validated therapeutic target in TED. Pathologically, IGF-1R signaling contributes to recruitment and activation of T and B lymphocytes and upregulation of inflammatory cytokines such as IL-6 and TNF- α within the orbit. This cascade promotes fibroblast activation, glycosaminoglycan deposition, adipogenesis and extraocular muscle enlargement, which drive proptosis and motility disturbance. By directly antagonizing IGF-1R, monoclonal antibodies can modulate upstream disease biology rather than solely suppressing downstream inflammation, offering the potential for disease-modifying effects, reduction of orbital volume expansion and meaningful, sustained improvement in signs and symptoms.

INDUSTRY OVERVIEW

Current Treatment Limitations of IGF-1R Therapy and Unmet Medical Needs

Despite recent advances, limitations of current treatment underscore the need for next-generation IGF-1R therapies that offer improved safety, more convenient administration and sustained disease control:

Balancing efficacy and safety. Although IGF-1R-targeted therapy has demonstrated robust clinical efficacy, it is associated with clinically meaningful risks, particularly hyperglycemia and hearing-related adverse events, which require close monitoring and can limit use in patients with comorbidities. With teprotumumab, hearing-related adverse events have been reported across studies with rates ranging from 7% to 81.5%; a boxed warning on hearing impairment, including hearing loss, was added after approval. Corticosteroids remain widely used but can exacerbate osteoporosis and hyperglycemia, while rituximab increases infection risk in vulnerable populations.

Route of administration and care burden. The intravenous route of administration for currently approved IGF-1R therapies necessitates multiple lengthy infusions per treatment course, each typically 60 to 90 minutes, imposing significant time and resource burdens on patients and healthcare systems and potentially impacting adherence. Treatment courses carried out via intravenous also carry risks of infusion reactions, reinforcing interest in more convenient subcutaneous alternatives.

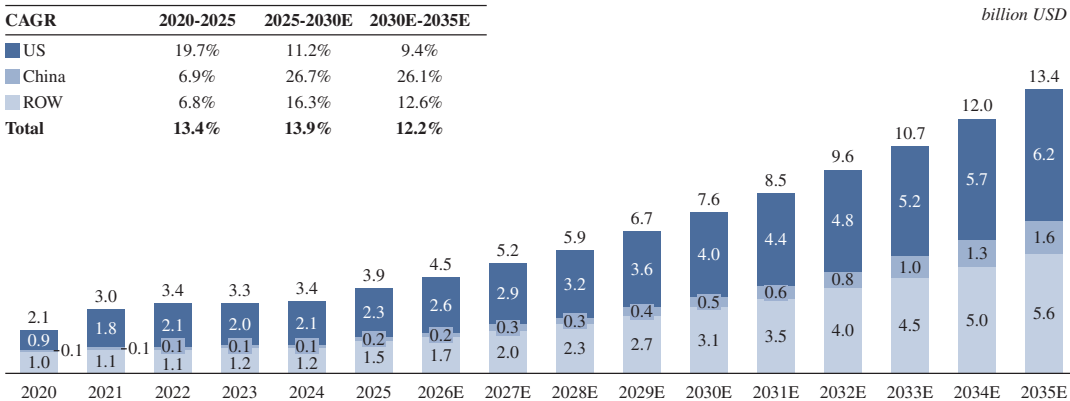
Durability and recurrence. 72 weeks after teprotumumab treatment, 38% of patients experienced relapse. This rate increased to 63% over a two-year period in a post-marketing assessment following treatment discontinuation. Longer-term follow-up further indicates that a substantial proportion of patients experience attenuation of benefit or disease reactivation over time, including early relapses within months and cumulative recurrence rates reported above 60% over about 2.5 years, which increase cumulative treatment exposure and costs.

Our late-stage, soon-to-commercial candidate MHB018A, a subcutaneous IGF-1R antibody in the Phase III in China, has the potential to address these needs. MHB018A is designed to reduce infusion burden through subcutaneous dosing while pursuing robust disease control within the same validated mechanism of action.

Market Size

Currently, global approved TED drug therapies include Teprotumumab (IGF-1R), Teprotumumab N01 (IGF-1R), Veligrotug (IGF-1R), glucocorticoids and other immunosuppressants. IGF-1R constituted 49% of the market size in 2024 for TED drug treatment globally.

Global thyroid eye disease market size, 2020-2035E



Source: CSCO, CIC

INDUSTRY OVERVIEW

Competitive Landscape of IGF-1R Antibodies

List of Approved IGF-1R Antibodies

As of the Latest Practicable Date, three intravenous IGF-1R antibodies are approved for TED. Tepezza (teprotumumab) is approved, and generated approximately US\$1.9 billion in sales in 2025. Sycume (teprotumumab N01) is approved in China, providing the first domestically available IGF-1R therapy for TED; an application for its inclusion in the NRDL was submitted in March 2025. The table below sets forth the list of approved IGF-1R antibodies.

Drug Name	Company	Indication	Administration	First approval date	Country	Efficacy ¹		Safety (sAE %)	Clinical trial	2025 NRDL	Patient annual cost	Global sales in 2025
						Proptosis responder rate ²	Proptosis (mm) average Change					
Teprotumumab (Tepezza®)	Amgen/Horizon	TED	IV	2020/1/21	US	51%	-2.3	11.63%	NCT01868997	-	~330 kUSD	US\$1.9 billion
						73%	-2.3	5%	NCT03298867			
Teprotumumab N01 (信必敏®)	Innovent	TED	IV	2025/3/11	China	81.9%	-2.3	0	NCT05795621	Yes	~105 kRMB	N.A. ³
Veligrotag (Lumvoa™)	Viridian	TED	IV	2026/6/26	US	70%	-2.9	0	NCT05176639	-	~120 kUSD	N.A. ³
						56%	-2.34	0	NCT06021054			

Notes:

- Adjusted by placebo at 24 weeks.
- The proptosis responder rate was defined as the percentage of patients with ≥ 2 mm reduction in proptosis in the study eye from baseline, without deterioration in the non-study eye (≥ 2 mm increase) in proptosis.
- The revenue from this product is not publicly disclosed in companies’ annual report.

Source: FDA, NMPA, CIC

List of Clinical-Phase IGF-1R Antibodies

Drug Name	Company	Administration	Clinical Stage	First Posted Date	Trial Location
MHB018A	Our group	SC	III	2025/5/25	China
Teprotumumab	Amgen/Horizon	SC	III	2024/2/8	US, others
VRDN-003	Viridian	SC	III	2025/2/6	US, others
KHN939	Pulekang	IV	III	2026/5/18	China
AMG 732	Amgen	SC	II	2026/2/27	US, others
Lonigutamab	ValenzaBio	SC	I/II	2023/1/13	US, others
SCTT11	Shenzhou Cell Engineering	SC	I/II	2025/1/6	China
NTB003	Chia Tai Tianqing	IV	Ib/II	2026/1/27	China

Source: clinicaltrials.gov, CDE, CIC

Tepezza and Sycume are administered intravenously, requiring repeated infusions over each treatment cycle and carrying the known risks of infusion-related reactions and hearing and metabolic adverse events. In contrast, our MHB018A is being developed as a subcutaneous IGF-1R antibody, which differentiates it from other IGF-1R antibodies in both administration and tolerability. Subcutaneous administration provides a more convenient route of administration compared with intravenous IGF-1R antibodies, which require repeated infusions during each treatment cycle. Moreover, compared with intravenous infusion, subcutaneous injection typically results in slower absorption and lower C_{max}. As many acute adverse events are C_{max}-dependent, the reduced peak exposure may reduce the incidence and severity of hearing-related adverse events that have been widely observed as a potential class effect of IGF-1R-targeted therapies. If validated in our ongoing Phase III trials, MHB018A’s Sub-Q formulation could reduce treatment burden, enhance adherence and offer comparable or improved efficacy together with a more favorable safety and tolerability profile.

INDUSTRY OVERVIEW

GLOBAL DERMATOLOGY TREATMENT AND CARE MARKET

Disease Overview of Dermatology

The global dermatology drug market increased from US\$40.8 billion in 2020 to US\$72.8 billion in 2025, representing a CAGR of 12.3%, and is projected to reach US\$119.7 billion by 2035, implying a CAGR of 5.1% from 2025 to 2035. China’s market size rose from US\$3.8 billion in 2020 to US\$7.7 billion in 2025, at a CAGR of 14.9%, and is expected to reach US\$16.9 billion by 2035, representing a CAGR 8.2% from 2025.

Dermatologic autoimmune and immune-mediated diseases such as atopic dermatitis (AD) and vitiligo share core pathogenic features of immune dysregulation and cytokine-driven inflammation, with downstream consequences for skin-barrier integrity, pigmentation and chronic symptom burden.

Atopic Dermatitis

Overview

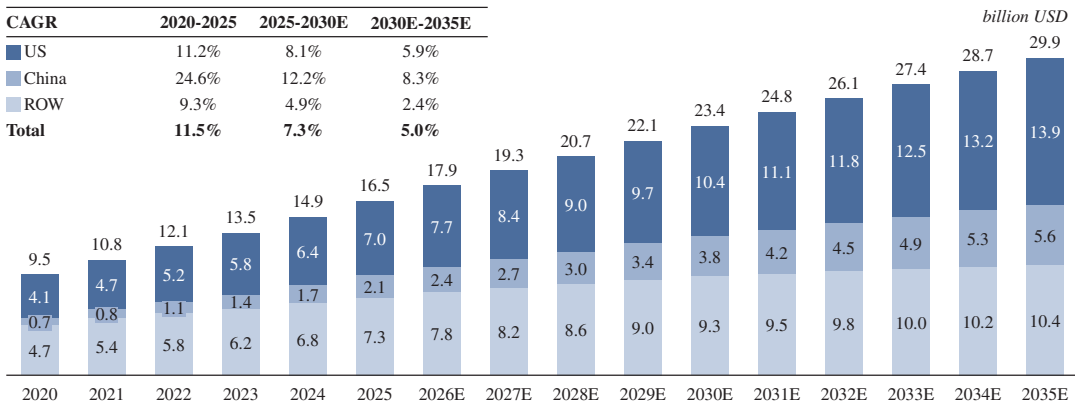
AD is a common, chronic inflammatory skin disease characterized by recurrent, pruritic eczematous lesions and dry, sensitive skin. The disease imposes persistent quality-of-life, social, academic and occupational burdens, particularly when onset occurs early in life or when control is suboptimal. Mild disease represents the majority of cases, with moderate disease comprising a meaningful minority and severe disease accounting for a smaller but clinically significant subset.

Prevalence

Across the world, AD affects 15% to 20% of the children and 6% to 10% of the adult. The global prevalence of AD was approximately 250.6 million in 2025 and is expected to increase to 276.1 million by 2035. In China, prevalence was 54.8 million in 2024 and is expected to reach 56.6 million by 2035. In the United States, prevalence was 31.2 million in 2025 and is expected to reach 32.4 million by 2035, while in the rest of the world, prevalence was 164.6 million in 2025 and is projected to reach 187.1 million by 2035. Severity distribution is approximately 73% mild, 25% moderate, and 2% severe.

Market Size

Global atopic dermatitis market size, 2020-2035E



Source: CSCO, CIC

INDUSTRY OVERVIEW

Vitiligo

Overview

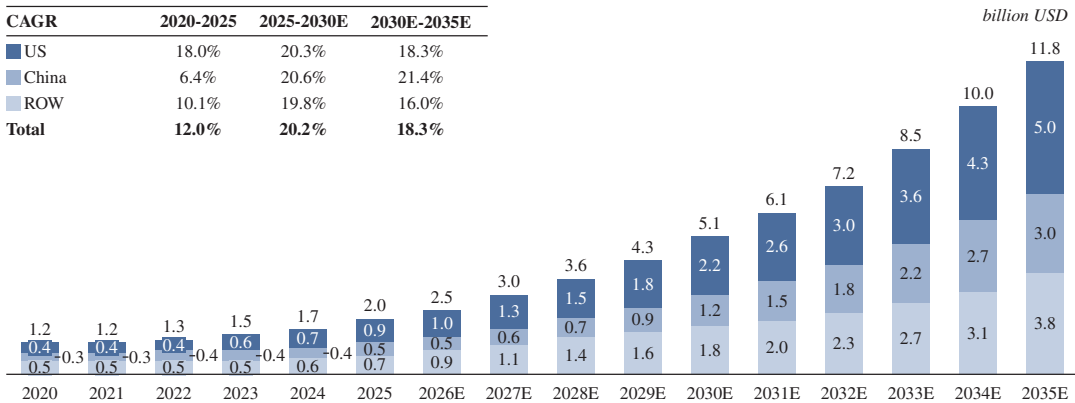
Vitiligo is a chronic autoimmune depigmenting disorder in which melanocyte destruction results in enlarging areas of depigmented skin, hair and, in some cases, mucosa. Although not life-threatening, vitiligo substantially affects self-image, social interactions and mental health, particularly when lesions involve visible sites. Disease control often requires prolonged therapy, and durable repigmentation remains challenging in many patients.

Prevalence

Global prevalence of vitiligo was approximately 28.8 million in 2025 and is projected to reach 31.6 million by 2035. In China, prevalence was 10.3 million in 2025 and is expected to increase modestly to 10.6 million by 2035. In the United States, prevalence was 3.3 million in 2025 and is expected to reach 3.5 million by 2035. In the rest of the world, prevalence was 15.2 million in 2025 and is projected to reach 17.4 million by 2035.

Market Size

Global vitiligo market size, 2020-2035E



Source: CSCO, CIC

Introduction of JAK Inhibitors

JAK inhibitors (JAKi) have emerged as an important therapeutic class in immune-mediated dermatologic diseases by intervening downstream of multiple cytokine receptors that signal through the JAK-STAT pathway. By modulating signaling of cytokines such as IL-4, IL-13, IL-31 and IFN- γ , JAKi can address diverse inflammatory phenotypes across AD, vitiligo and related disorders within a unified mechanism, which is particularly valuable in patients with overlapping atopic or autoimmune manifestations. This broad pathway coverage enables rapid and pronounced reductions in pruritus and inflammation, translating into early symptom relief and improved quality of life. Availability of both oral systemic and topical formulations allows treatment to be matched to disease extent and severity: oral agents are suited to widespread or refractory disease, while topical formulations enable targeted therapy with reduced systemic exposure for localized lesions. For dermatology treatment, topical JAKi have clear advantages over oral options when disease is localized, delivering drug directly to affected skin, minimizing systemic exposure and associated risks, and enabling convenient, lesion-directed regimens without committing patients to systemic therapy. The market size for JAK inhibitors for both atopic dermatitis and vitiligo is US\$2.6 billion in 2025.

INDUSTRY OVERVIEW

Competitive Landscape of Topical JAKi

MH004 is differentiated from other topical JAK inhibitors by its novel pro-drug design and proprietary topical formulation. As a locally administered JAK inhibitor, MH004 is designed to enhance skin permeability and achieve potent local JAK inhibition in skin tissues while minimizing systemic exposure and the systemic toxicities typically associated with oral JAK inhibitors. Its key differentiating feature lies in its ability to deliver high local JAK inhibition with limited systemic burden.

List of Approved Topical JAKi in AD and Vitiligo Treatment

Drug Name	Company	Target	Dosage form	Administration	Indication	First approval date	Country	2025 NRDL	Unit price	Global sales in 2025
Ruxolitinib Cream (OPZELURA®/百康安®)	Incyte	JAK1/JAK2	Ointment	Topical	Mild to moderate AD in non-immunocompromised adult and pediatric patients 12 years of age and older	2021-09-21	US	-	US\$35/g (60g/tube; US\$2,094 USD)	US\$0.7 billion
					Nonsegmental vitiligo in adult and pediatric patients 12 years of age and older	2022-07-18	US	-		
					Mild to moderate AD in non-immunocompromised adult and pediatric patients 2 years of age and older	2025-09-18	US	-		
	CMS/ Incyte	JAK1/JAK2	Ointment	Topical	Nonsegmental vitiligo in adult and pediatric patients 12 years of age and older	2026-01-30	China	-	RMB 58/g (100g/tube; RMB 5,800)	

Source: FDA, NMPA, EMA, PMDA, CIC

List of Clinical-Phase Topical JAKi in AD and Vitiligo Treatment

AD Pipeline

Drug Name	Company	Indication	Administration	Target	Clinical Stage	First Posted Date	Trial Location
Tofacitinib etocomil	Our group	AD	Topical	JAK	NDA	2025-05-31	China
Pumecitinib	Puqi	AD	Topical	JAK1, JAK2	NDA	2026-02-11	China
QLM3003	Qilu	AD	Topical	JAK1, JAK2, JAK3	III	2025-03-17	China
VC005 cream	Vcare	AD	Topical	JAK1	III	2026-04-23	China

Note: Only included the highest clinical stage in the Phase III or above

Source: clinicaltrials.gov, CDE, CIC

Vitiligo Pipeline

In vitiligo, the pipeline spans global Phase III programs and an emerging cohort of China-based candidates targeting JAK1, JAK2 or related pathways. Our MH004 is also in clinical development for vitiligo in China, making us one of the limited numbers of domestic companies simultaneously pursuing JAK inhibition in both AD and vitiligo. This dual-indication strategy, if supported by robust data, could allow efficient leverage of development, manufacturing and commercialization capabilities across related immune-dermatology segments. The table below sets forth the global competitive landscape of topical JAK inhibitors pipeline for vitiligo.

Drug Name	Company	Indication	Administration	Target	Clinical Stage	First Posted Date	Trial Location
Tofacitinib etocomil	Our group	Vitiligo	Topical	JAK	III	2026-06-29	China
HDM3010	Huadong	Vitiligo	Topical	JAK1, JAK2	III	2024-09-09	China
Ivarmacitinib cream	Hengrui	Vitiligo	Topical	JAK1	II	2025-01-22	China
LNK01004	Lynk	Vitiligo	Topical	JAK1, JAK2	II	2026-05-20	China

Note: Only included the highest clinical stage in the Phase II or above

Source: clinicaltrials.gov, CDE, CIC

INDUSTRY OVERVIEW

SOURCE OF INFORMATION

We commissioned CIC to conduct an analysis of and to prepare a report on the major markets for which our drug candidates are positioned. We agreed to pay CIC a total fee of RMB600 thousand. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the CIC report. CIC’s services include industry consulting, commercial due diligence, strategic consulting, etc. Its consulting team has been tracking the latest market trends across various industries, where it has relevant and insightful market intelligence. The CIC report was compiled based on the following assumptions: (i) the overall social, economic and political environment globally and in China is expected to remain stable during the forecast period; (ii) the economic and industrial development globally and in China is likely to maintain a steady growth trend over the next decade; (iii) related key industry drivers are likely to continue driving the growth of the market during the forecast period; and (iv) there is no extreme force majeure or industry regulation in which the market may be affected dramatically or fundamentally. In compiling and preparing the CIC report, CIC used the following key methodologies to collect multiple sources, validate the data and information collected, and cross-check each respondent’s information and views against those of others: (i) secondary research, which involved reviewing published sources including national statistics, annual reports of listed companies, industry reports and data based on CIC’s own research database; and (ii) primary research, which involved in-depth interviews with the industry participants. CIC’s projections are made based on various market determinants and their coefficients assigned to a market which indicate their relative importance. The market determinants represent both subjective assumptions and objective factors, therefore, the projected data may not be consistent with the real data.