友芝友生物製藥

WUHAN YZY BIOPHARMA CO., LTD.
武漢友芝友生物製藥股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2496)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

The board (the "**Board**") of directors (the "**Directors**") of Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司) (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the audited consolidated annual results of the Group for the year ended December 31, 2025 (the "**Reporting Period**"), together with the comparative figures for the year ended December 31, 2024 (the "**Corresponding Period**"). The consolidated financial statements of the Group for the Reporting Period have been reviewed by the Board and the Audit Committee and audited by the Company's auditor.

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

FINANCIAL SUMMARY

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Revenue	**66,858**	107,813
Cost of revenue	**(56,123)**	(22,744)
Gross profit	**10,735**	85,069
Other income	**10,467**	11,096
Other gains and losses	**23**	1,892
Research and development expenses	**(78,198)**	(164,986)
Administrative expenses	**(22,806)**	(26,592)
Finance costs	**(4,953)**	(4,078)
Loss before tax	**(84,732)**	(97,599)
Loss for the year	**(84,732)**	(97,599)

	As of December 31,	
	2025	2024
	RMB'000	*RMB'000*
Non-current assets	**43,107**	46,508
Current assets	**131,900**	221,335
Non-current liabilities	**27,500**	51,172
Current liabilities	**200,536**	186,136
Net (liabilities) assets	**(53,029)**	30,535

MANAGEMENT DISCUSSION AND ANALYSIS

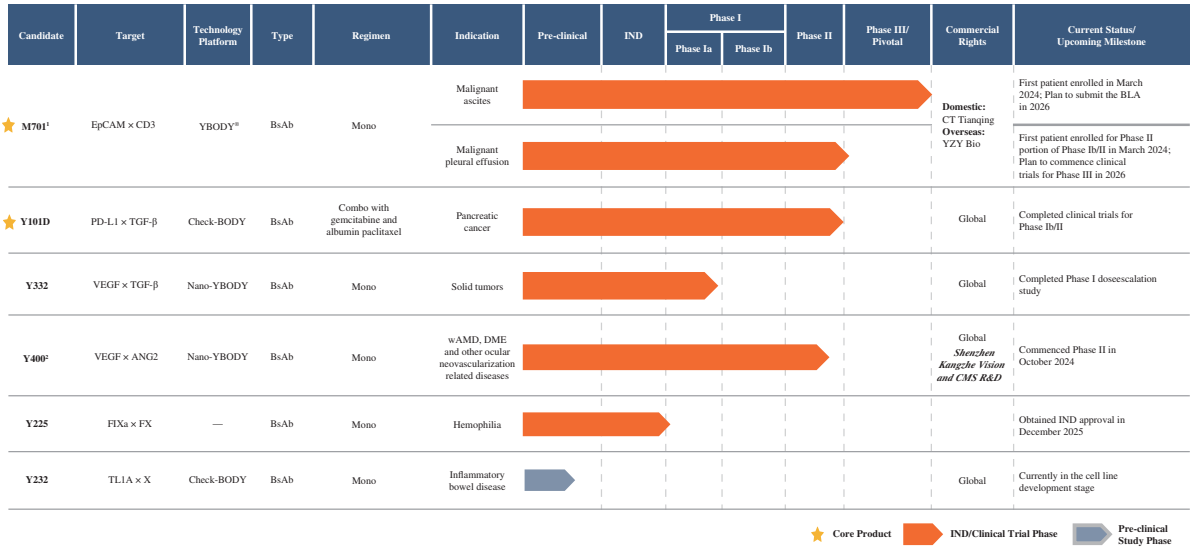
OVERVIEW

Founded in 2010, the Company is a biotechnology company dedicated to developing bispecific antibody (BsAb)- based therapies. The Company has been forward-looking in deploying its presence in a number of promising therapeutic fields, including but not limited to tumor-associated complications, tumors, ophthalmology and autoimmune diseases. The Company also proactively established several self-developed technology platforms, such as Y-BODY®, Check-Body and Nano-Ybody®, promoting the development of more candidates to clinical stages with high efficiency.

PRODUCT PIPELINE

As of the date of this announcement, three of our four clinical-stage drug candidates are BsAbs designed for tumor treatment or tumor-associated complications such as malignant ascites (MA) and malignant pleural effusion (MPE). In particular, we have been focusing on developing the T cell-engaging BsAb (including M701), and the tumor microenvironment (TME)-targeted BsAbs, including Y101D and Y332. As of the date of this announcement, we have two Core Products, M701 and Y101D. M701 is a recombinant BsAb that targets cancer cells expressing human EpCAM and T cells expressing human CD3. M701 are primarily being developed for the treatment for MA and MPE, which are severe complications of cancer characterized by the accumulation of fluids in the abdominal or chest cavity of cancer patients. Y101D is a recombinant anti-PD-L1 and anti-TGF-β humanized BsAb being developed for the treatment of pancreatic cancer.

The following chart summarizes our main product pipelines as of the date of this announcement:



Notes:

(1) We have granted the domestic rights of M701 to CT Tianqing, and the Company retains all overseas rights. With respect to domestic rights, we are entitled to receive an upfront payment, milestone payments upon the occurrence of certain pre-agreed milestone events, and tiered royalties based on net sales.

(2) In compliance with the specific agreement between both parties concerning the rights related to the U.S., Europe and Japan, we have transferred all the rights and assets of Y400 to Shenzhen Kangzhe Vision and CMS R&D. We are entitled to receive an upfront payment, milestone payments upon the occurrence of certain pre-agreed milestone events, and tiered royalties based on net sales. We are negotiating new right arrangements with Kangzhe.

(3) All of our drug candidates are in-house developed.

Abbreviations: Mono refers to monotherapy; Combo refers to combination therapy; EpCAM refers to epithelial cell adhesion molecule; CD3 refers to cluster of differentiation 3; PD-L1 refers to programmed death ligand 1; TGF-β refers to transforming growth factor-β; VEGF refers to vascularendothelial growth factor; ANG2 refers to angiopoietin-2; wAMD refers to wet age-related macular degeneration; and DME refers to diabetic macularedema.

BUSINESS REVIEW

As of the date of this announcement, the Company has made significant progress in its pipeline products and business operations. The following sets out the progress the Company has made during the Reporting Period and up to the date of this announcement.

M701

M701, our Core Product, is a recombinant BsAb targeting cancer cells expressing human EpCAM and T cells expressing human CD3. M701 are primarily being developed for the treatment for MA and MPE, which are severe complications of cancer characterized by the accumulation of fluids in the abdominal or chest cavity of cancer patients.

In October 2024, we reached a license cooperation with CT Tianqing, including granting CT Tianqing an exclusive, sublicensable license to develop, register, manufacture and commercialize the licensed product within the licensed territory and the licensed field. For details, please refer to the announcement of the Company dated October 7, 2024.

In March 2025, we submitted a patent application for the M701 formulation to the China National Intellectual Property Administration.

In April 2025, the M701 sequence patent was granted in the PRC.

In May 2025, the M701 sequence patent was granted in Russia.

- **MA:** We are currently conducting a Phase III clinical trial of M701 for treatment of MA in the PRC, which is designed to evaluate the efficacy of M701 monotherapy in combination with systematic treatment (including targeted therapy, immunotherapy or chemotherapy) for MA. As of the date of this announcement, we have submitted the Pre-BLA application to the Center For Drug Evaluation, NMPA.

In July 2025, the enrollment of all subjects for the Phase III clinical trial of M701 for the treatment of MA had been completed, with a total of 312 subjects enrolled.

In March 2026, the Phase III clinical trial of M701 for the treatment of MA completed follow-up for all subjects, and data collection and analysis are currently underway.

- **MPE:** We are conducting a Phase Ib/II clinical trial of M701 for the treatment of MPE in the PRC. We completed the Phase Ib portion of this trial, with a total of 24 patients enrolled. The Phase Ib clinical data demonstrates preliminary efficacy of M701 in controlling MPE in NSCLC patients.

  In September 2025, the Phase II clinical trial of M701 for MPE has completed 100% subject enrollment (with a total of 92 subjects enrolled) and follow-up is ongoing.

  In October 2025, interim data from the Phase II clinical trial of M701 for the treatment of MPE were presented at the 2025 ESMO meeting.

  In February 2026, the Phase Ib/II clinical trial of M701 for the treatment of MPE obtained IND approval from FDA.

  In March 2026, based on EDC data as of November 22, 2025, the PuFS data of Phase II have tended to mature, demonstrating that M701 pleural infusion has better pleural effusion control efficacy than control treatment without increased safety risk. The data have been collated and submitted to the 2026 American Society of Clinical Oncology (ASCO) Annual Meeting.

As of the date of this announcement, the Phase III clinical trial of M701 for the treatment of MA and the Phase II clinical trial for the treatment of MPE have progressed smoothly and the drug's safety is good.

Y101D

Y101D, our Core Product, a recombinant anti-PD-L1 and anti-TGF-β humanized BsAb, is being developed for the treatment of solid tumors. Y101D is designed to simultaneously inhibit the programmed death receptor 1 (PD-1) and its ligand (PD-L1 axis) and the TGF-β signaling pathways, thus having the potential to unleash a synergistic anti-tumor activity and relieve drug resistance. We completed a Phase I clinical trial of Y101D for the treatment of metastatic or locally advanced solid tumors in September 2024.

- **Pancreatic cancer:** We have completed the Phase Ib/II clinical trial of Y101D in combination therapy for the treatment of advanced/metastatic pancreatic cancer and finalized the CSR report in November 2025. We are conducting Biomarker analysis for this study and, in the meantime, carrying out further preclinical studies to explore more effective combination therapy regimens for the treatment of advanced/metastatic pancreatic cancer.

Y332

Y332, a recombinant anti-VEGF and anti-TGF-β BsAb, is being developed for the treatment of a variety of solid tumors. In pre-clinical studies, Y332 shows high affinity to both VEGF and TGF-β, favorable bioactivity and stability, and demonstrates encouraging anti-tumor effects. We commenced a Phase I clinical trial of Y332 for the treatment of metastatic or locally advanced solid tumors in October 2023.

In February 2025, we have completed the Phase I clinical trial of Y332, with a total of 18 patients enrolled, and the safety of the drug has been preliminarily evaluated and the overall safety of the drug is currently good.

We are evaluating the feasibility of developing Y332 for combination therapy through pre-clinical studies.

Y400

As a testament to our R&D capability, in compliance with the specific agreement between both parties concerning the rights related to the U.S., Europe and Japan, we have transferred all the rights and assets of Y400 to Shenzhen Kangzhe Vision and CMS R&D. Y400 is a Class I Innovative Biological Product targeting ocular fundus neovascular diseases. It is a VEGFA/ANG2 tetravalent bispecific antibody designed with a proprietary nano-antibody structure. This innovative molecule simultaneously inhibits abnormal neovascularization through dual pathways (VEGFA and ANG2), offering the potential for enhanced efficacy and reduced dosing frequency compared to existing anti-VEGF therapies. During the Reporting Period, Y400 progressed to a multicenter Phase II clinical trial in the PRC, evaluating the safety, tolerability, pharmacokinetics, and efficacy of intravitreal injections of Y400 in patients with neovascular age-related macular degeneration (nAMD). As at the end of the Reporting Period, the Phase I trial had demonstrated favorable safety and efficacy profiles, and 23 patients had been enrolled in the Phase II trial.

Y225

Y225 is a biosimilar of Emicizumab for the treatment of hemophilia. Y225 has completed cell line construction, drug substance process and formulation development, technology transfer, toxicology batch production and testing (500L scale), and GMP batch production and testing (500L scale).

In October 2025, the Chinese patent for the Y225 antibody preparation was granted.

In December 2025, we obtained the IND approval from the China National Medical Products Administration. For details, please refer to the announcement of the Company dated December 24, 2025.

Y232

Y232 is a BsAb for the treatment of inflammatory bowel disease of TL1A × X, which can simultaneously inhibit two inflammatory signaling pathways to effectively alleviate the occurrence and development of inflammation. It is currently in the confirmation stage of cell line development.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that we may be able to ultimately develop and market M701, Y101D, Y332, Y225 and Y232 successfully. There is no assurance that Y400 may be ultimately developed and marketed successfully. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Manufacturing Facilities and Collaboration with CMOs/CDMOs

As of the date of this announcement, we maintain a manufacturing base of approximately 1,400 square meters with a scale of 500L (two 200L bioreactors and two 50L bioreactors) and a maximum annual production of 20-24 batches with single bioreactor to accommodate the manufacturing demands for our pre-clinical studies and earlier phases of clinical trials for a majority of our drug candidates, including M701, Y332, and our pre-clinical candidates. As of December 2025, we have completed the production and testing and release of 3 batches of bulk drug substance and 6 batches of finished dosage forms for the Y225 project.

Besides manufacturing conducted at our own facilities, we currently also engage third-party CMOs/CDMOs to carry out the production, process characterization and process validation of samples for the M701 pivotal clinical trial, as well as the production of regulatory batches for the Y225 project. As these projects require larger-scale production volumes, we are responsible for the development of manufacturing process of our drug candidates and for part of the production, whilst CMOs/CDMOs are responsible for the larger-scale production.

Commercialization

Our primary objective is to realize the global value of our core product, the M701. By strategically managing domestic and international rights and interests, and through commercial licensing, global strategic partnerships, and flexible collaborative development models, we efficiently advance the market adoption of our core products. On one hand, we leverage our domestic rights partnerships to accelerate the clinical development and marketing authorization applications for our core products, steadily achieving milestone payments and subsequent royalty revenues. On the other hand, during the critical phases of overseas clinical trials, we proactively engage with premium global partners to advance international rights collaborations and licensing. Concurrently, we actively seek business development opportunities in high-quality early-stage projects, integrate industry resources to enrich our pipeline, and build a sustainable commercial growth momentum for the Company's long-term development.

FUTURE DEVELOPMENT

Looking ahead into 2026, the Company will anchor M701 as its core development pipeline and prioritize the rapid advancement of its clinical R&D, marketing applications at home and abroad, and commercialization of overseas rights. We will focus our resources, make targeted efforts, and meanwhile advance the translation of research of preclinical pipeline candidates with potential on a selective basis, while simultaneously expanding the business development (BD) layout for early-stage projects. Specifically, we will: (i) vigorously promote the domestic clinical R&D and application submission of M701, complete the domestic marketing application submission for the ascites indication, advance the pleural effusion indication into Phase III, and accelerate the realisation of related milestone payments; (ii) prepare to launch international multi-center clinical trials of M701 for the pleural effusion indication overseas, actively engage with global partners to promote the licensing and cooperative development of overseas rights, achieving rapid realization of overseas value; (iii) deepen the R&D and evaluation of pre-clinical candidate drugs, with a focus on the development progress of early-stage projects such as Y232; (iv) promote high-quality candidate drugs into clinical development stages, creating a well-structured pipeline portfolio.

Meanwhile, the Company will continue to strengthen its capabilities in both innovative R&D and BD, proactively exploring collaboration opportunities for high-quality early-stage projects on a global scale and pursuing an in-depth cooperation model of "technology platforms + pipelines". It will also promote the full alignment of its R&D and regulatory submission systems with international standards, enhancing the global competitiveness of its core products through collaboration. These efforts will solidify the foundation for the Company to navigate industry cycles and achieve sustainable development.

FINANCIAL REVIEW

Revenue

During the Reporting Period, our revenue consisted of (i) license fee income; (ii) R&D service income; and (iii) other income.

License fee income

The license fee income is mainly due to a license and collaboration agreement entered into by and between the Company and CT Tianqing, and the Company recognized revenue of RMB4.0 million when the customer obtained control of the use of the intellectual property rights during the year ended December 31, 2025. Our license fee income decreased from RMB82.8 million for the Corresponding Period to RMB4.0 million for the Reporting Period, primarily due to the substantial upfront payment under the agreement having been recognized upon signing in 2024. Subsequent income is to be recognized gradually upon the achievement of specific R&D milestones, and the amount corresponding to the milestones that met the recognition criteria in 2025 was relatively small, resulting in a significant decline in income.

R&D Service Income

R&D service income is mainly based on the license and collaboration agreement entered into by and between the Company and CT Tianqing, for which the Company provides entrusted R&D services. During the year ended December 31, 2025, the Company recognized R&D service income of RMB62.8 million on a progressive basis based on the relative proportion of effort or input to satisfy the performance obligation to the total input expected to be required to satisfy the performance obligation. Our R&D service income increased from RMB25.0 million for the Corresponding Period to RMB62.8 million for the Reporting Period, primarily due to the cooperation agreement between the Group and CT Tianqing taking effect in October 2024. In 2024, only three months (October 2024 to December 2024) of service income were recognized, whereas in 2025, a full year of service income based on the progress of performance obligations was recognized, resulting in a significant year-on-year increase.

The following table sets forth a breakdown of our revenue for the years indicated:

	Year ended December 31,			
	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
License fee income	**4,038**	**6.0**	82,795	76.8
R&D service income	**62,820**	**94.0**	25,018	23.2
Total	**66,858**	**100.0**	107,813	100.0

Other Income

During the Reporting Period, our other income consisted of (i) government grants; (ii) bank interest income; and (iii) others.

Government grants included grants received from various PRC government authorities mainly in connection with the enterprise development support and subsidies which had certain conditions imposed by the respective PRC government authorities. The relevant conditions have been fully met upon recognition. Bank interest income included interest from bank deposits. Others included other miscellaneous non-operating income.

The following table sets forth a breakdown of our other income for the years indicated:

	Year ended December 31,			
	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
Government grants	**9,695**	**92.6**	8,508	76.7
Bank interest income	**759**	**7.3**	2,566	23.1
Others	**13**	**0.1**	22	0.2
Total	**10,467**	**100.0**	11,096	100.0

Our other income decreased from RMB11.1 million for the Corresponding Period to RMB10.5 million for the Reporting Period, primarily due to an increase in government grants of RMB1.2 million. The increase was partially offset by a decrease in bank interest income of RMB1.8 million.

Other Gains and Losses

During the Reporting Period, our other gains and losses consisted mainly of (i) losses on disposal of property and equipment; (ii) net foreign exchange gains (losses); and (iii) others.

The following table sets forth a breakdown of our other gains and losses for years indicated:

	Year ended December 31,			
	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
Losses on disposal of property and equipment	**(15)**	**(65.2)**	(67)	(3.5)
Gain on termination of lease agreement	**–**	**–**	7	0.3
Net foreign exchange gains (losses)	**69**	**300**	1,952	103.2
Others	**(31)**	**(134.8)**	–	–
Total	**23**	**100.0**	1,892	100.0

Losses on disposal of property and equipment represented our loss from disposing of certain assets. Net foreign exchange gains (losses) refer to net gains or losses arising from foreign currency transactions or translation of foreign currency statements due to changes in exchange rates during the Reporting Period.

We recorded other gains of RMB0.02 million for the Reporting Period, as compared to other gains of RMB1.9 million for the Corresponding Period, primarily due to the combined effects of (i) a decrease in the loss on disposal of property and equipment of RMB0.05 million during the Reporting Period as compared to the Corresponding Period; and (ii) a decrease in net foreign exchange gains of RMB1.9 million arising from fluctuations in the exchange rate of HK$-denominated foreign currencies held in 2025 as compared to the Corresponding Period. The Company's foreign exchange gains in 2024 were primarily attributable to the substantial HK$ deposits (approximately HK$170 million) held at the end of 2023. As these funds were gradually allocated to R&D between 2024 and 2025, the principal amount decreased significantly, resulting in a marked reduction in foreign exchange gains in 2025.

Research and Development Expenses

During the Reporting Period, our R&D expenses consisted of (i) technical service fees; (ii) raw materials costs; (iii) employee benefit expenses; (iv) depreciation and amortization expenses; and (v) others. Technical service fees are mainly related to our engagement with third party service providers including CROs, SMOs, CMOs/CDMOs, clinical trial sites and principal investigators, as well as other expenses incurred in connection with our pre-clinical studies and clinical trials. Raw materials costs mainly included expenses for procuring materials and consumables used to support our pre-clinical studies and clinical trials. Employee benefit expenses consisted of wages and salaries, bonuses and other employee benefits for R&D employees. Depreciation and amortization expenses mainly represented the depreciation and amortization of our right-of-use assets, property and equipment for R&D purposes. Others mainly included general expenses including utilities, traveling and transportation expenses and other miscellaneous expenses incurred for R&D purposes.

The following table sets forth the breakdowns of our R&D expenses in absolute amount and as percentages of our total R&D expenses for the years indicated:

	Year ended December 31,			
	2025		2024	
	RMB'000	**%**	*RMB'000*	*%*
Technical service fees (included in cost of revenue: RMB48,417,000 (2024: RMB19,888,000))	**93,405**	**69.5**	135,005	71.9
Raw materials costs	**9,139**	**6.8**	17,322	9.2
Employee benefit expenses (included in cost of revenue: RMB7,706,000 (2024: RMB2,856,000))	**21,925**	**16.3**	23,849	12.7
Depreciation and amortization expenses	**3,016**	**2.3**	5,070	2.7
Others	**6,836**	**5.1**	6,484	3.5
Total	**134,321**	**100.0**	187,730	100.0

Our R&D expenses decreased from RMB187.7 million for the Corresponding Period to RMB134.3 million for the Reporting Period. The decrease was mainly due to the decrease in costs incurred in the Phase III clinical trial of M701 for MA compared with that of the Corresponding Period.

Administrative Expenses

During the Reporting Period, our administrative expenses consisted of (i) employee benefits expenses; (ii) professional parties' fees; (iii) depreciation and amortization expenses; (iv) business development fees; (v) freight and miscellaneous fees; and (vi) others. Employee benefits expenses consisted of wages and salaries, bonuses and other employee benefits for administrative employees. Professional parties' fees represented our engagement of professional parties during our ordinary course of business. Depreciation and amortization expenses represented the depreciation and amortization of our right-of-use assets, property and equipment for administrative purposes. Business development expenses represented administrative fees incurred as a result of our business development activities. Freight and miscellaneous fees comprised of transportation expenses. Others mainly included short-term leases expenses, utility fees, traveling expenses, office consumables, and other miscellaneous expenses.

The following table sets forth breakdowns of our administrative expenses in absolute amount and as percentages of our total administrative expenses for the years indicated:

	Year ended December 31,			
	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
Employee benefits expenses	**10,651**	**46.7**	10,340	38.9
Professional parties' fees	**5,302**	**23.3**	8,549	32.1
Depreciation and amortization expenses	**1,193**	**5.2**	1,357	5.1
Business development fees	**550**	**2.4**	953	3.6
Freight and miscellaneous fees	**686**	**3.0**	512	1.9
Others	**4,424**	**19.4**	4,881	18.4
Total	**22,806**	**100.0**	26,592	100.0

Our administrative expenses were RMB22.8 million for the Reporting Period, which remained relatively stable as compared to RMB26.6 million for the Corresponding Period.

Finance Costs

Our finance costs primarily represented our interest expenses on bank and other borrowings. Our finance costs were RMB5.0 million for the Reporting Period, representing an increase of RMB0.9 million as compared to RMB4.1 million for the Corresponding Period, mainly due to an increase of RMB0.9 million in the interest of bank borrowings as compared to the Corresponding Period.

Income Tax Expense

For the Corresponding Period and the Reporting Period, we incurred no income tax expenses.

Loss and Total Comprehensive Expenses

As a result of the foregoing, our losses and total comprehensive expenses were RMB84.7 million for the Reporting Period, representing a decrease of RMB12.9 million as compared to RMB97.6 million for the Corresponding Period. This was mainly attributable to (i) a decrease of RMB41.0 million in revenue; (ii) an increase of RMB33.4 million in cost of revenue compared with that of the Corresponding Period during the Reporting Period; and (iii) a decrease of RMB86.8 million in R&D expenses during the Reporting Period compared with that of the Corresponding Period. The net effect of these factors resulted in a decrease in losses and total comprehensive expenses during the Reporting Period compared with that of the Corresponding Period.

Liquidity and Capital Resources

Our primary sources of liquidity consisted of cash and cash equivalents, which we have historically generated primarily through capital contributions from our shareholders, private equity financing and bank loans. We expect that our cash needs in the near future will primarily relate to progressing the development of our drug candidates towards receiving regulatory approval and commencing commercialization, as well as expanding our drug candidate portfolio.

As of December 31, 2025, our cash and cash equivalents decreased to RMB100.1 million from RMB126.3 million as of December 31, 2024. The decrease was primarily attributable to the recurring operating losses during the Reporting Period.

As of December 31, 2025, we had current assets of RMB131.9 million, including cash and cash equivalents of RMB100.1 million, trade and other receivables and prepayments of RMB25.6 million, value added tax recoverable of RMB3.0 million and inventories of RMB3.3 million. As of December 31, 2025, we had current liabilities of RMB200.5 million, including bank borrowings of RMB100.0 million, trade and other payables of RMB45.1 million, advance from transfer agreement of RMB39.5 million, contract liabilities of RMB15.5 million, deferred income of RMB0.2 million and lease liabilities of RMB0.3 million.

For the Reporting Period, our net cash used in operating activities was RMB21.6 million (the Corresponding Period: RMB100.7 million), which was primarily attributable to our loss before tax of RMB84.7 million, adjusted for non-cash and non-operating items. Positive adjustments primarily included (i) a decrease in trade and other receivables and prepayments of RMB65.2 million; (ii) equity-settled share-based payment of RMB1.2 million; (iii) depreciation of property and equipment of RMB3.8 million; and (iv) financial costs of RMB5.0 million. Negative adjustment mainly included (i) a decrease in contract liabilities of RMB5.1 million; (ii) a decrease in trade and other payables of RMB4.4 million; and (iii) an increase in value added tax recoverable of RMB2.9 million

For the Reporting Period, our net cash used in investing activities was RMB0.1 million (the Corresponding Period: RMB4.7 million). Such cash outflow was mainly due to purchase of property and equipment of RMB0.9 million, which was partially offset by cash inflow of RMB0.8 million from bank interest received.

For the Reporting Period, our net cash used in financing activities was RMB4.7 million (the Corresponding Period net cash from financing activities of: RMB33.0 million). Such cash outflow was due to the new bank borrowing raised of RMB79.9 million, which was partially offset by cash outflow mainly in relation to the repayment of bank borrowings of RMB79.3 million and paid interests on bank borrowings.

As part of our treasury management, we invest in certain structured deposits and wealth management products to better utilize excess cash when our cash sufficiently covers our ordinary course of business. We have implemented a series of internal control policies and rules setting forth overall principles as well as detailed approval process of our treasury management activities, to ensure that the purpose of investment is to preserve capital and liquidity until free cash is used in our primary business and operation. We only allow investments in structured deposits and other principal-guaranteed wealth management products, if any, which are issued by large commercial banks in the PRC.

Capital Structure

The capital structure of the Group consists of bank borrowings, lease liabilities, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves. The Group's debts and monetary assets are denominated in RMB and/or HK$.

As of December 31, 2025, the carrying amounts of the bank borrowings were mainly repayable within one to two years.

Indebtedness

As of December 31, 2025, we had bank borrowings of RMB127.5 million, consisting of secured bank loans of RMB68.5 million and unsecured bank loans of RMB59.0 million. As of December 31, 2025, we had unutilized banking facilities of RMB162.5 million.

As of December 31, 2025, we had lease liabilities of RMB0.3 million, as compared to RMB0.5 million as of December 31, 2024.

Gearing Ratio

Gearing ratio represents liability divided by equity as of the same dates and multiplied by 100%. Liability is defined as short-term loan and lease liabilities. As of December 31, 2025, the Group had negative total equity, therefore, the gearing ratio is not applicable.

Significant Investments

We did not make or hold any significant investments during the Reporting Period.

Material Acquisitions and/or Disposals of Subsidiaries, Associates and Joint Ventures

We did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Future Plans for Material Investments or Capital Assets

As of the date of this announcement, we do not have any concrete future plans for material capital expenditure, investments or capital assets. We will make further announcement(s) in accordance with the Listing Rules, where applicable, if any investments and acquisition opportunities materialize.

Contingent Liabilities

As of December 31, 2025, we did not have any contingent liabilities. As of the date of this announcement, there have been no material changes or arrangements to our contingent liabilities.

Capital Commitments

As of December 31, 2025, we did not have any significant capital commitments.

Charges on Group Assets

As of December 31, 2025, certain of our bank borrowings were secured by our property and equipment, and investment properties with carrying amount of RMB4.5 million and RMB0.4 million as of the same date.

Foreign Exchange Exposure

Certain financial liabilities are denominated in foreign currency of respective group entities which are exposed to foreign currency risk. We did not have a foreign currency hedging policy against our exposure to currency risk during the Reporting Period. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Subsequent Events After the Reporting Period

Discloseable Transaction — Transfer of Land Use Right and Building

References are made to the announcements of the Company dated January 23, 2026 and February 5, 2026 (the "**Announcements**") in relation to the Transfer of Land Use Right and Building. Capitalised terms used in this announcement have the same meanings as those defined in the Announcements.

On January 23, 2026, Wuhan Yiruide and the Company entered into the Transfer Agreement pursuant to which Wuhan Yiruide agreed to acquire, and the Company agreed to transfer, the Land Use Right and the Building for a consideration of approximately RMB36,880,000.

For further details, please refer to the Announcements.

The H Share Full Circulation by the Company

As disclosed in the Company's announcement dated February 4, 2026, the Company has obtained listing approval from the Stock Exchange for the conversion of 68,010,299 Unlisted Shares into H Shares.

As of the date of this announcement, the Company is processing the relevant conversion and listing and trading procedures in respect of the converted H Shares. Save as disclosed above, as of the date of this announcement, there are no other significant events that might affect the Group after the Reporting Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

The Company has adopted the principles and code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules. During the Reporting Period, the Company has complied with the code provisions in the CG Code, except for code provision C.2.1 as explained below.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Dr. Zhou Pengfei is the founder of the Group, the chairman of the Board and the chief executive officer of the Company who has been participating in the Group's business and overall strategic planning since its establishment. The Board believes that vesting the roles of both the chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of the chairman of the Board and the chief executive officer of the Company at an appropriate time if necessary, taking into account the circumstances of the Group as a whole.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules to regulate all dealings by Directors, Supervisors and relevant employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities. The Company has also devised its own code of conduct regarding Directors' dealings in the Company's securities (the "**Code of Conduct**") on terms no less exacting than the Model Code as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and Supervisors, and the Directors and Supervisors have confirmed that they have complied with the Code of Conduct during the Reporting Period. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company during the Reporting Period.

Employees and Remuneration Policies

As of December 31, 2025, the Group had a total of 106 employees with 83 employees for R&D and 23 employees for general and administrative.

We are committed to making sure that working conditions throughout our business network are safe and that employees are treated with care and respect. We believe we offer our employees competitive compensation packages, reflecting our stakeholder-centric ethos which we believe leads to sustainable and durable growth. As required by PRC regulations, we participate in various government statutory employee benefit plans, including social insurances, namely pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing funds. We are required under the PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government regulations from time to time. Our compensation package also comprises year-end bonuses, communication, transport and meal allowances, staff dormitory, paid leaves, and holiday benefits. In addition, we provide career development opportunities and promote an inventive, collaborative, and productive work environment, which we believe fosters long-lasting self-motivation for our employees.

We offer employees a variety of professional development opportunities and encourage a performance-driven environment. We focus on creating a culture to encourage retention and engagement. Given our emphasis on our integrated in-house R&D capabilities, we attach great importance to internal talent growth. We continually pursue progression opportunities for our staff through various internal and external training and development programs, including pre-job training, on-the-job practice, cross-training, special skills training, and talent echelon development training.

In recognition of the contributions of our employees and to incentivize them to further promote our development, the Company had adopted the Wuhan Caizhi Employee Incentive Scheme of Wuhan YZY Biopharma Co., Ltd. (the "**Wuhan Caizhi Employee Incentive Scheme**") and the Caizhi No. 2 Employee Incentive Scheme of Wuhan YZY Biopharma Co., Ltd. (the "**Caizhi No. 2 Employee Incentive Scheme**") (collectively, the "**Employee Incentive Schemes**"). An award under the Employee Incentive Schemes (the "**Award(s)**") gives a participant in the Employee Incentive Schemes a right when granted the Award to obtain partnership interest in the employee incentive platforms (namely, Wuhan Caizhi, Caizhi No. 2, Huiyou Jucai and Huiyou Juzhi) as a limited partner. The Employee Incentive Schemes do not involve any grant of share options or awards after the listing of the Company and therefore are not subject to the provisions of Chapter 17 of the Listing Rules.

In addition, the Company had also adopted 2024 H Share Option Plan. For details of the 2024 H Share Option Plan, please refer to the section headed "2024 H Share Option Plan" in the annual report of the Company to be published by the Company.

As of the date of this announcement, Wuhan Caizhi and Caizhi No. 2, in aggregate, directly hold 28,413,118 Shares (comprising of 22,602,913 Unlisted Shares and 5,810,205 H Shares) (representing approximately 14.66% of the total issued share capital of the Company as of December 31, 2025), while some of the participants indirectly held partnership interest in Wuhan Caizhi through holding partnership interest in Huiyou Jucai and/or Huiyou Juzhi. For details of the Employee Incentive Schemes, please refer to the section headed "Employee Incentive Schemes" in Appendix VI of the Prospectus.

Material Litigation

During the Reporting Period, the Company was not engaged in any material litigation or arbitration of material importance, and the Directors were not aware of any material litigation or claim pending or threatened against the Group.

Profit Distribution Plan/Final Dividends

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2025.

Purchase, Sale or Redemption of the Listed Securities of the Company

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

As at the end of the Reporting Period, the Company did not hold any treasury shares (as defined under the Listing Rules).

Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to review and supervise our financial reporting process and internal control system, and provide advice and comments to the Board. The Audit Committee comprises three members, namely Ms. Fu Lili, Dr. Zhou Hongfeng and Dr. Deng Yuezhen, with Ms. Fu Lili (being our independent non-executive Director with the appropriate professional qualifications) as chairwoman of the Audit Committee.

The Audit Committee has considered and reviewed the audited consolidated annual results of the Group for the year ended December 31, 2025 and the accounting principles and practices adopted by the Group and has discussed with management on issues in relation to internal control, risk management and financial reporting. The Audit Committee is of the opinion that the audited consolidated annual results of the Group for the year ended December 31, 2025 are in compliance with the relevant accounting standards, laws and regulations and appropriate disclosure has been made.

Scope of Work of the Company's Auditor

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in this annual results announcement have been agreed by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on March 27, 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this annual results announcement.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER

The Company will arrange the time for convening the AGM as soon as practicable. A notice convening the AGM will be published on the Company's website and the website of the Stock Exchange or dispatched to the Shareholders (if requested) in accordance with the requirements of the Listing Rules in due course. Once the date of the AGM is finalized, the Company will announce the period of closure of register of members of the Company in the notice of the AGM.

Corporate communications will be available electronically on both the Company's website at www.yzybio.com and the HKEXnews website at www.hkexnews.hk. Actionable Corporate Communications will be sent to Shareholders individually via the email address provided by them or in printed form (if no functional email addresses are provided).

If the Shareholders want to change the means of receipt and language of corporate communications, they may send an email to YZYBIO.ecom@computershare.com.hk specifying their name, address and request to receive the corporate communications in printed form. Any instructions to receive future communications in printed form will remain valid for one year from the receipt date of the Shareholder's instruction.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

		Year ended December 31,	
	NOTES	**2025**	2024
		RMB'000	*RMB'000*
Revenue	*4*	**66,858**	107,813
Cost of revenue		**(56,123)**	(22,744)
Gross profit		**10,735**	85,069
Other income	*6*	**10,467**	11,096
Other gains and losses	*7*	**23**	1,892
Research and development expenses		**(78,198)**	(164,986)
Administrative expenses		**(22,806)**	(26,592)
Finance costs	*8*	**(4,953)**	(4,078)
Loss before tax	*10*	**(84,732)**	(97,599)
Income tax expense	*9*	**–**	–
Loss and total comprehensive expense for the year		**(84,732)**	(97,599)
Loss per share			
— Basic (RMB)	*11*	**(0.44)**	(0.50)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

	NOTES	At December 31, 2025 RMB'000	2024 RMB'000
Non-current Assets			
Property and equipment		**34,166**	37,039
Right-of-use assets		**7,870**	8,375
Investment properties		**404**	448
Value added tax recoverable		**544**	511
Prepayment for acquisition of property and equipment		**123**	135
		43,107	46,508
Current Assets			
Inventories		**3,285**	4,260
Trade and other receivables and prepayments	*13*	**25,553**	90,718
Value added tax recoverable		**2,997**	82
Bank balances and cash		**100,065**	126,275
		131,900	221,335
Current Liabilities			
Trade and other payables	*14*	**45,063**	49,378
Bank borrowings		**100,005**	75,820
Contract liabilities	*15*	**15,480**	20,591
Lease liabilities		**253**	362
Deferred income		**240**	490
Advance from transfer agreement		**39,495**	39,495
		200,536	186,136
Net Current (Liabilities) Assets		**(68,636)**	35,199
Total Assets less Current Liabilities		**(25,529)**	81,707
Non-current Liabilities			
Bank borrowings		**27,500**	51,080
Lease liabilities		**–**	92
		27,500	51,172
Net (Liabilities) Assets		**(53,029)**	30,535

	NOTES	At December 31, 2025	2024
		RMB'000	*RMB'000*
Capital and Reserves			
Share capital		**193,849**	193,849
Reserves		**(246,878)**	(163,314)
Total (Deficit) Equity		**(53,029)**	30,535

1. GENERAL INFORMATION

Wuhan YZY Biopharma Co., Ltd. (the "**Company**") was established in the People's Republic of China (the "**PRC**") on July 8, 2010, as a limited liability company. On January 13, 2022, the Company was converted into a joint stock company with limited liability under the PRC Company Law, with its name changed from Wuhan YZY Biopharma Limited Company (武漢友芝友生物製藥有限公司) to Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司). The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on September 25, 2023. The respective address of the registered office and the principal place of business is No. 666 Gaoxin Avenue, Wuhan East Lake New Technology Development District, Wuhan, Hubei Province, PRC.

The principal activities of the Company and its subsidiaries (the "**Group**") are mainly committed to develop bispecific antibody (BsAb)-based targeted and immune-oncology therapies to address the significant unmet medical needs of patients with cancer and age-related opthalmologic diseases. Particulars and principal activities of the subsidiaries are disclosed in note 34.

The consolidated financial statements are presented in RMB, which is also the functional currency of the Company and its subsidiaries.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards have been issued which are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after January, 1 2026.
[3] Effective for annual periods beginning on or after January, 1 2027.

Except for the new and amendments IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to IFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

The disclosure requirements in IFRS 7 Financial Instruments: Disclosures in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and costs.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted. The amendments are required to be applied retrospectively, with specific exceptions. The application of the amendments is not expected to have significant impact on the financial position and performance of the Company.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

Going concern

The Group had net current liabilities of RMB68,636,000, net liabilities of RMB53,029,000 as at December 31, 2025 and incurred a net loss of RMB84,732,000 for the year then ended, while its bank balances and cash amounted to RMB100,065,000.

In view of the circumstances, the directors of the Company have given careful considerations to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The following plans and measures have been undertaken to mitigate the liquidity pressure and to improve the Group's financial position:

(i) The Group has been actively negotiating with banks for extension of banking facilities. At the date of the report, the Group has obtained aggregate banking facilities of RMB310,000,000 from reputable banks in the PRC, and subsequent to December 31, 2025 the Group has drawn 1-year bank borrowings of RMB60,000,000 from these banking facilities;

(ii) The Group has entered into a transfer agreement on January 23, 2026 to dispose certain leasehold land and building of the Group and additional cash will be realised from the disposal;

(iii) The Group has been actively advance the research and development progress to receive development milestone payments from the licence and collaboration agreement with Chia Tai Tianqing Pharmaceutical Group Co. Ltd. (正大天晴藥業集團股份有限公司) which entered in October 2024 as disclosed in note 4; and

(iv) The Group has planned or implemented various measures to control administrative costs and research and development costs, such as further reprioritisation of pipelines and containment of employee costs.

The directors of the Company have reviewed the Group's cash flow projections prepared by management, which covered a period of 15-month from December 31, 2025. In the opinion of the directors of the Company after taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations and commitments as and when they fall due within the next 15-month period from December 31, 2025. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

4. REVENUE

The Group derives its revenue from contracts with customers in relation to the transfer of goods and services over time and at a point in time, as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Types of goods or services		
Recognised at a point in time		
Licence fee income	**4,038**	82,795
Recognised over time		
R&D service income	**62,820**	25,018
	66,858	107,813

In October 2024, the Group entered into a licence and collaboration agreement with Chia Tai Tianqing Pharmaceutical Group Co. Ltd. (正大天晴藥業集團股份有限公司) ("**CT Tianqing**"), pursuant to which the Group granted to CT Tianqing an exclusive, sublicensable licence to develop, register, manufacture and commercialise the Licenced Product within the Licenced Territory and the Licenced Field.

The considerations for the licence and collaboration agreement comprise fixed element (i.e. the first non-refundable upfront payment and payments to provision of R&D services) and variable elements (i.e. the second non-refundable upfront payment, development and sales milestone payments and sales-based royalties). The Group determined that the consideration relates to multiple distinct performance obligations which including the grant of a right to use the licence to intellectual property rights (the "**Licence**"), provision of R&D services (the "**R&D services**") and option to additional licence of intellectual property right.

Licence fee income

For the grant of a right to use the Licence, revenue is recognised at a point in time when the Group has granted the licence to the customer and the customer obtains control on the usage of the licence. During the year ended December 31, 2025, the Group recognised a total revenue of RMB4,038,000 in relation to development milestone payments (2024: RMB82,795,000 in relation to the grant of a right to use the license), and the remaining fixed transaction price is allocated to the performance obligation of provision of R&D services and option to additional licence of intellectual property right as stated below.

The estimated amount of variable consideration is included in relation to development and sales milestone payments and sales-based royalties in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group update the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Notwithstanding the above criteria, the Group shall recognise revenue for a sales-based royalty promised in exchange for a licence of intellectual property only when (or as) the later of the following events occurs:

- the subsequent sale occurs; and

- the performance obligation to which some or all of the sales-based royalty has been allocated has been satisfied (or partially satisfied).

The normal credit term is 30 days (2024: 30 days) upon issuance of invoices.

R&D services income

R&D services under contract with CT Tianqing is performance obligation which is capable of being distinct. Accordingly, the transaction price is allocated based on the relative stand-alone selling prices of the services.

Revenue is recognised over time as the Group does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date. For over time revenue recognition, the progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

When another party is involved in providing R&D services to the customer, the Group determines whether the nature of its promise is a performance obligation to provide specified services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent). The Group concluded that the Group acts as the principal for provision of R&D services as it controls the specified services before it is transferred to the customer.

Contract liabilities represents the Group's obligation to R&D services to the customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The normal credit term is 30 days (2024: 30 days) upon issuance of invoices.

Option to additional licence of intellectual property right

The Group evaluated the non-refundable payments for option to additional licence of intellectual property right to determine if the option represents a material right and is distinct from the other performance obligations identified in the arrangement. The Group determined that the option to additional licence of intellectual property right is a material right and distinct. The Group defers the non-refundable payments allocated to the option as contract liability and recognises revenues at a point in time, at the earlier of when the option is exercised or lapses unexercised.

5. SEGMENT INFORMATION

For the purpose of resource allocation and performance assessment, the Group's chief executive officer, being the chief operating decision maker ("**CODM**"), reviews the overall results and financial position of the Group as a whole and no further analysis of the single segment is presented.

Geographical information

The Group's operations and all of the Group's non-current assets are located in the PRC.

Information about the Group's revenue and non-current assets is presented based on the location of operations and the geographical location of the assets.

	Revenue from external customer			
	Year ended December 31,		**Non-current Assets At December 31**	
	2025	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
PRC	**66,858**	107,813	**43,107**	46,508

Information about the major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Customer A	**66,858**	107,813

6. OTHER INCOME

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Government grants *(note)*	**9,695**	8,508
Bank interest income	**759**	2,566
Others	**13**	22
	10,467	11,096

Note: The amounts represent government grants received from various PRC government authorities as incentives for the Group's R&D activities. Unconditional government grants are recognised in profit and loss when received while conditional government grants are recognised in profit or loss when the Group fulfilled the conditions.

7. OTHER GAINS AND LOSSES

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Losses on disposal of property and equipment	**(15)**	(67)
Gain on termination of lease agreement	**–**	7
Net foreign exchange gains	**69**	1,952
Others	**(31)**	–
	23	1,892

8. FINANCE COSTS

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Interest expenses on bank borrowings	**4,940**	4,065
Interest expenses on lease liabilities	**13**	13
	4,953	4,078

9. INCOME TAX EXPENSE

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulations of the EIT Law, the tax rate of the Company and the Company's PRC subsidiaries is 25% for both years.

Since November 11, 2023, the Company has been accredited as a High and New Technology Enterprise and enjoys a preferential tax rate of 15% for a term of three years starting from 2023 to 2026. Accordingly, the profit derived by the Company is subject 15% EIT rate for the reporting period.

The tax expense for the year can be reconciled to the loss before tax per the consolidated statements of profit or loss and other comprehensive expenses as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Loss before tax	**(84,732)**	(97,599)
Income tax expense calculated at 15% (2024: 15%)	**(12,710)**	(14,640)
Tax effect of different tax rates of subsidiaries	**107**	(43)
Tax effect of expenses not deductible for tax purpose	**111**	66
Effect of R&D expenses that are additionally deducted	**(14,406)**	(21,558)
Utilisation of deductible temporary differences previously not recognised	**(102)**	(824)
Tax effect of tax losses not recognised	**27,000**	36,999
	–	–

Note: Pursuant to Caishui 2023 circular No. 7, the Group enjoys super deduction of 200% (2024: 200%) on qualified R&D expenditures for the year ended December 31, 2025.

As at December 31, 2025, the Group has unrecognised tax losses of approximately RMB1,330,530,000 (2024: RMB1,150,530,000) which will expire at various dates up to and including 2035. As at December 31, 2025, the Group has deductible temporary differences of approximately RMB28,181,000 (2024: RMB28,860,000). No deferred tax asset has been recognised in respect of the tax losses or temporary differences due to the unpredictability of future profit streams.

The unrecognised tax losses will be carried forward and expire in years as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
2028	**44,222**	44,222
2029	**117,457**	117,457
2030	**117,756**	117,756
2031	**106,312**	106,312
2032	**247,064**	247,064
2033	**271,060**	271,060
2034	**246,659**	246,659
2035	**180,000**	–
	1,330,530	1,150,530

10. LOSS BEFORE TAX

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Loss before tax for the year has been arrived at after charging:		
Directors' emoluments	**3,732**	3,903
Other staff costs:		
— salaries and other benefits	**22,221**	23,043
— discretionary bonuses *(note)*	**2,009**	3,454
— retirement benefit scheme contributions	**3,328**	3,536
— share-based payments	**1,168**	480
	32,458	34,416
Depreciation of property and equipment	**3,759**	5,927
Depreciation of right-of-use assets	**639**	601
Depreciation of investment properties	**44**	44
	4,442	6,572
Auditors' remuneration	**1,900**	2,350
Cost of inventories recognised as an expense	**9,139**	17,322
Research and development expenses		
— Technical service fees (included in cost of revenue: RMB48,417,000 (2024: RMB19,888,000))	**93,405**	135,005
— Raw material costs	**9,139**	17,322
— Employee benefit expenses (included in cost of revenue: RMB7,706,000 (2024: RMB2,856,000))	**21,925**	23,849
— Depreciation and amortisation expenses	**3,016**	5,070
— Others	**6,836**	6,484
	134,321	187,730

Note: Discretionary bonuses are determined based on the duties and performances of the relevant individuals and the operating result of the Group.

11. LOSS PER SHARE

The calculation of the basic loss per share is based on the following data:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Loss for the year for the purpose of calculating basic loss per share	**(84,732)**	(97,599)

	Year ended December 31,	
	2025	2024
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic loss per share calculation	**193,849,000**	193,849,000
Loss per share		
— Basic	**(0.44)**	(0.50)

No diluted loss per share for both 2025 and 2024 were presented as there was no potential ordinary shares in issue for both 2025 and 2024.

12. DIVIDENDS

No dividend was declared or paid by the Company during the years ended December 31, 2025 and 2024.

13. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	At December 31,	
	2025	2024
	RMB'000	*RMB'000*
Trade receivables from licence and collaboration agreement	**11,600**	51,108
Prepayments for R&D services *(note)*	**13,372**	32,090
Receivables from transfer agreement	**–**	6,752
Advance to staff	**400**	203
Others	**181**	565
	25,553	90,718

Note: Prepayments mainly include upfront fee paid for R&D services for the clinical and non-clinical study of drugs.

As at January 1 2024, there is no trade receivables from licence and collaboration agreements.

The following is an ageing analysis of trade receivables net of allowance for credit losses presented based on the revenue recognition dates:

	At December 31,	
	2025	2024
	RMB'000	*RMB'000*
0-90 days	**11,600**	51,108

14. TRADE AND OTHER PAYABLES

	At December 31,	
	2025	2024
	RMB'000	*RMB'000*
Trade payables for R&D expenses	**4,499**	6,516
Accrued R&D expenses	**30,937**	32,420
Other payables to government *(note i)*	**3,600**	3,600
Accrued staff costs and benefits	**4,701**	5,183
Accrued audit fee	**900**	1,050
Other tax payables	**398**	470
Others	**28**	139
	45,063	49,378

Note:

(i) This amount was asset related government subsidy and attached with conditions that the construction of the buildings should be completed and approved by the respective PRC government authority before December 31, 2016. The Company has not fulfilled the conditions attached to this subsidy at December 31, 2025 and 2024. Therefore, the amount was repayable to the respective PRC government authority on demand.

The credit period on purchases of goods/services of the Group is 0 to 90 days (2024: 0 to 90 days).

The following is an aging analysis of trade payables presented based on the invoice dates:

	At December 31,	
	2025	2024
	RMB'000	*RMB'000*
0-30 days	**2,757**	1,989
31-90 days	**548**	2,704
91-180 days	**112**	1,456
181-365 days	**361**	26
Over 365 days	**721**	341
	4,499	6,516

Analysis of trade payables and other payables denominated in currencies other than the functional currency of relevant group entities is set out below:

	At December 31,	
	2025	2024
	RMB'000	*RMB'000*
United States dollars ("**US$**")	**28**	28
Swiss Franc ("**CHF**")	**885**	754
	913	782

15. CONTRACT LIABILITIES

	At December 31,	
	2025	2024
	RMB'000	*RMB'000*
Contract liabilities		
— from licence and collaboration agreement	**15,480**	20,591

The contract liabilities represent unrecognised received consideration (or an amount of consideration is due) in relation to the licence and collaboration agreement, where there are still implied obligations to be provided by the Company as stipulated in the agreement.

Analysed as:		
— Current	15,480	20,591

As at December 31, 2025, contract liabilities amounted to RMB15,480,000 (2024: RMB20,591,000) are expected to be recognised as income within one year and are classified as current liabilities.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the website of the Company (www.yzybio.com) and the website of the Stock Exchange (www.hkexnews.hk). The 2025 annual report of the Company containing all relevant information required under the Listing Rules will be dispatched to the Shareholders (if requested) and published on the afore-mentioned websites in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings. These terms and their definitions may not correspond to any industry standard definition and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as the Company.

"2024 H Share Option Plan"	the 2024 H share option plan adopted by the Company in accordance with Chapter 17 of the Listing Rules
"Actionable Corporate Communications"	any corporate communication that seeks instructions from the Shareholders on how they wish to exercise their rights or make an election as the Shareholders
"Administrator"	the Board and/or any committee of the Board or other person(s) to whom the Board has delegated its authority under the 2024 H Share Option Plan
"AGM"	the annual general meeting of the Company to be convened no later than June 2026

"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of the Company
"bispecific antibody" or "BsAb"	an antibody directed at two different targets or two different epitopes on the same target
"Caizhi No. 2"	Nanjing Caizhi No. 2 Enterprise Management Partnership (Limited Partnership) (南京才智二號企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 27, 2021 and one of our employee incentive platforms
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman" or "Chairman of the Board"	the chairman of the Board
"CDMO(s)"	contract development and manufacturing organization, which is a pharmaceutical company that develops and manufactures drugs for other pharmaceutical companies on a contractual basis
"CMO(s)"	contract manufacturing organization, a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing
"Company"	Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司), a joint stock company established in the PRC with limited liability on January 13, 2022, or, where the context requires (as the case may be), its predecessor, Wuhan YZY Biopharma Limited Company (武漢友芝友生物製藥有限公司), a limited liability company established in the PRC on July 8, 2010
"Corresponding Period"	for the year ended December 31, 2024
"CRO(s)"	contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of R&D services outsourced on a contractual basis
"CT Tianqing"	Chia Tai Tianqing Pharmaceutical Group Co. Ltd. (正大天晴藥業集團股份有限公司), a limited liability company established in the PRC and a principal subsidiary of Sino Biopharmaceutical Limited
"Director(s)"	the director(s) of the Company

"Domestic Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded on any stock exchange
"Group"	our Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the content may require), or where the context so requires, in respect of the periods before the Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
"H Share(s)"	ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Huiyou Jucai"	Nanjing Huiyou Jucai Enterprise Management Partnership (Limited Partnership) (南京匯友聚才企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 26, 2021 and one of our employee incentive platforms
"Huiyou Juzhi"	Nanjing Huiyou Juzhi Enterprise Management Partnership (Limited Partnership) (南京匯友聚智企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 27, 2021 and one of our employee incentive platforms
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MA"	the accumulation of fluid in the peritoneal cavity resulting from the growth of primary or metastatic malignant neoplasms in the peritoneum
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"MPE"	the collection of fluid in the pleural cavity resulting from malignant disease. Malignant pleural effusions often contain free floating malignant cells
"NSCLC"	non-small cell lung cancer

"PRC"	the People's Republic of China
"PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》) (as amended, supplemented or otherwise modified from time to time)
"Prospectus"	the prospectus of the Company dated September 13, 2023
"Reporting Period"	the year ended December 31, 2025
"RMB"	Renminbi, the lawful currency of the PRC
"R&D"	research and development
"Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising the Unlisted Shares and H Shares
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Shenzhen Kangzhe Vision"	Shenzhen Kangzhe Vision Pharmaceutical Development Co., Ltd. (深圳市康哲維盛醫藥發展有限責任公司) (formerly known as Kangzhe Pharmaceutical Research and Development (Shenzhen) Limited (深圳康哲醫藥發展有限公司)), an indirect wholly-owned subsidiary of China Medical System Holdings Limited, the shares of which are listed on the Stock Exchange (Stock code: 0867)
"SMO(s)"	site management organization, an organization that provides clinical trial-related services
"CMS R&D"	CMS RESEARCH & DEVELOPMENT PTE. LTD. (formerly known as SOTER BIOPHARMA PTE. LTD.), an indirect wholly-owned subsidiary of China Medical System Holdings Limited, the shares of which are listed on the Stock Exchange (Stock code: 0867)
"Supervisor(s)"	member(s) of the supervisory committee of the Company
"Unlisted Foreign Share(s)"	ordinary share(s) issued by the Company with a nominal value of RMB1.00 each which is/are held by foreign investors and not listed on any stock exchange

"Unlisted Shares"	Domestic Shares and Unlisted Foreign Shares
"US$"	United States dollar, the lawful currency of the United States
"Wuhan Caizhi"	Wuhan Caizhi Investment Management Partnership (Limited Partnership) (武漢才智投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on September 21, 2015 and one of our employee incentive platforms
"%"	per cent

APPRECIATION

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

By order of the Board
Wuhan YZY Biopharma Co., Ltd.
Dr. Zhou Pengfei
Chairman of the Board, Executive Director and Chief Executive Officer

Wuhan, PRC, March 27, 2026

As at the date of this announcement, the Board comprises Dr. Zhou Pengfei and Mr. Wen Zhicheng as executive Directors; Dr. Yuan Qian, Dr. Zhou Hongfeng, Mr. Pang Zhenhai, Dr. Hui Xiwu and Mr. Xie Shouwu as non-executive Directors; and Dr. Cheng Bin, Ms. Fu Lili, Dr. Deng Yuezhen and Dr. Chen Bin as independent non-executive Directors.