Outperform

Price: $2.00
Price Target: $7.50

Industry
Biotechnology

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Stock Data

52-Week Range	$0.51/$2.20
Avg. Daily Volume	119,435
Market Cap. (MM)	$111
Shares Out. (MM)	55.6
Cash Per Share	$0.86
Debt-to-Capital	1.1%
Book Value Per Share	$1.50
Dividend Yield	0.00%
Shares Short	28,427
Institutional Ownership	5.1%
FY End	Dec

Source: Factset

EPS Estimates ($)

	2025	2026	2027
1Q	(0.19)A	--	--
2Q	(0.22)E	--	--
3Q	(0.23)E	--	--
4Q	(0.27)E	--	--
FY	(0.90)E	(0.80)E	(0.75)E
P/E	NM	NM	NM

Net Income Estimates ($M)

	2025	2026	2027
1Q	(10.3)A	--	--
2Q	(12.1)E	--	--
3Q	(13.0)E	--	--
4Q	(14.8)E	--	--
FY	(50.2)E	(45.7)E	(46.0)E

Connect Biopharma (CNTB)

Initiating Coverage w/ OP — Defining a New Biologic Class for Acute Asthma/COPD

Summary

CNBT's lead candidate, rademikibart, is a next-generation IL-4Rα inhibitor positioned as the first biologic for treating acute exacerbations in asthma and COPD—addressing a major unmet need. In Phase 2b studies, rademikibart showed rapid onset, durable response, and the largest FEV1 gains reported in asthma. Rademikibart is poised to define a new therapeutic category with peak sales potential exceeding $5B. Topline data from its Phase 2 studies is expected in 1H26, representing a key catalyst.

Key Points

Unmet Need: Acute Exacerbations Remain Untreated by Biologics: Acute exacerbations—sudden, severe flare-ups of respiratory symptoms—account for over 2 million ER visits annually among asthma and Chronic Obstructive Pulmonary Disease (COPD) patients and drive more than 70% of total disease costs. No biologic is approved for use during these high-risk events, and current therapies are limited to chronic maintenance. *Rademikibart's rapid onset and single-dose subcutaneous profile uniquely position it for point-of-care use in urgent care, ED, and inpatient settings*.

Best-in-Class FEV1 Gains with Rapid and Sustained Response: In Phase 2b asthma trials, *rademikibart achieved the largest FEV1 improvement reported with a biologic*, including a 420 mL gain at Week 24 among patients with baseline eosinophil counts ≥300 cells/μL. Lung function gains were observed within 24 hours, and sustained through Week 24. Home spirometry showed that more than 70% of the Week 1 improvement occurred on Day 1, underscoring rademikibart's suitability for acute intervention.

Dual Role in Acute and Maintenance Treatment: Rademikibart's rapid onset supports use during acute exacerbations, while its durable efficacy supports long-term maintenance in asthma and COPD. With an addressable market exceeding $12B and anticipated to expand, we forecast peak sales of $5B+ across both indications. By combining immediate relief with sustained control, rademikibart is positioned to define a new best-in-class category in respiratory biologics.

Catalysts and Commercial Pathway: Two global Phase 2 trials—Seabreeze STAT Asthma and Seabreeze STAT COPD—are evaluating rademikibart for the treatment of acute exacerbations. Topline data are expected in 1H26 and represent a key catalyst. *We project Phase 3 to initiate by year-end 2026, completion in 2027, supporting a BLA submission for acute indications by year-end 2027, with potential approval in 2028. We project potential approval of the maintenance indication in 2029*.

Initiating Coverage with Outperform Rating, $7.50 Price Target

We are initiating coverage of Connect Biopharma (CNTB) with an Outperform rating and a $7.50 price target. Our investment thesis is based on the company's lead asset, rademikibart, which we believe is positioned to emerge as the first biologic approved for the treatment of acute exacerbations in asthma and COPD—sudden, severe flare-ups of respiratory symptoms that often require emergency care or hospitalization. These high-morbidity episodes represent a large, high-cost burden for which there is currently no approved biologic therapy. Rademikibart is also being developed for chronic maintenance, establishing potential for dual-market penetration.

With topline data from two Phase 2 trials expected in 1H26, and pivotal trials expected to initiate by year-end 2026, we see multiple near-term catalysts and a clearly defined regulatory path to potential U.S. approval in 2028 (acute) and 2029 (maintenance). *We estimate peak global sales potential exceeding $5 billion, supported by an addressable and growing market of $12 billion across asthma and COPD*.

Rademikibart Positioned to Define a New Class in Respiratory Care

- Rademikibart is positioned as the first-in-class monoclonal antibody treatment for acute exacerbations in asthma and COPD—urgent, high-cost events with no current biologic options.
- Dual indication strategy—targeting both acute intervention and chronic maintenance—rademikibart addresses the full continuum of care, with a combined global market opportunity at $12 billion.
- Robust Phase 2b signal: rapid onset and sustained lung function gains, including a 420 mL FEV_1 improvement at Week 24 in high-eosinophil patients.
- Topline data expected in 1H26 from global Phase 2 trials in acute asthma and COPD—key catalysts, with registrational Phase 3 initiation anticipated by year-end 2026.
- Well-capitalized into 2027, with $84 million in cash (as of 1Q25) and strategic non-dilutive funding potential from Simcere partnership in Greater China.

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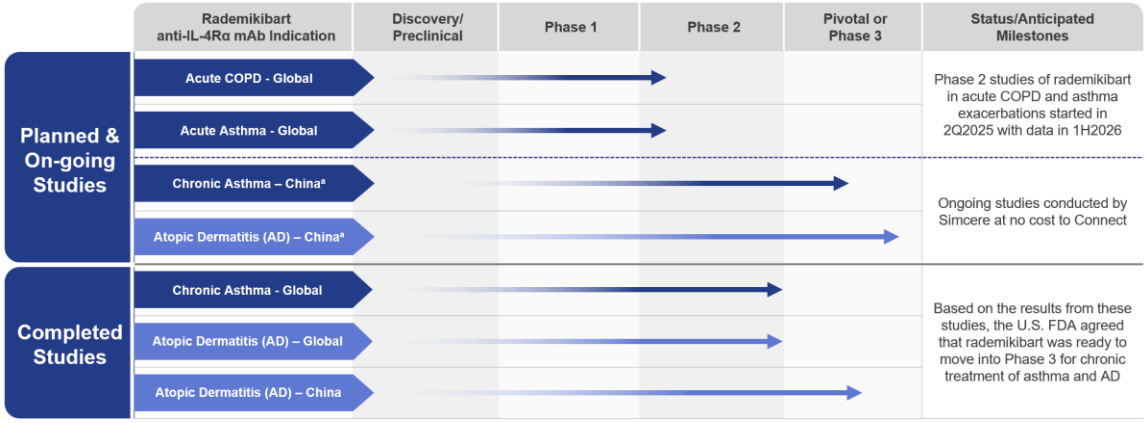
Strategic Focus on Acute Exacerbations and Maintenance Therapy

Rademikibart has shown clinical activity across asthma, COPD, and atopic dermatitis (Figure 1). While early development spanned multiple indications, current efforts are focused on asthma and COPD—where both unmet need and commercial potential are highest.

Ongoing development is centered on acute exacerbations and chronic maintenance use, with the goal of establishing rademikibart as the best-in-class IL-4Rα-targeted biologic in respiratory care.

Figure 1. Demonstrated Efficacy and Safety Across Multiple Indications



Source: Company Reports and Presentations

Clinical and Commercial Rationale for Dual Indication Strategy

Rademikibart targets two high-need segments—acute intervention and chronic maintenance. This dual-pathway strategy addresses a major gap in asthma and COPD care. While several biologics are approved for chronic use, none are indicated during exacerbations—leaving a large, high-risk population underserved. We estimate the current addressable target market at $12 billion, with rademikibart having global peak sales potential exceeding $5 billion ($3B in asthma, $2B in COPD) (Figure 2).

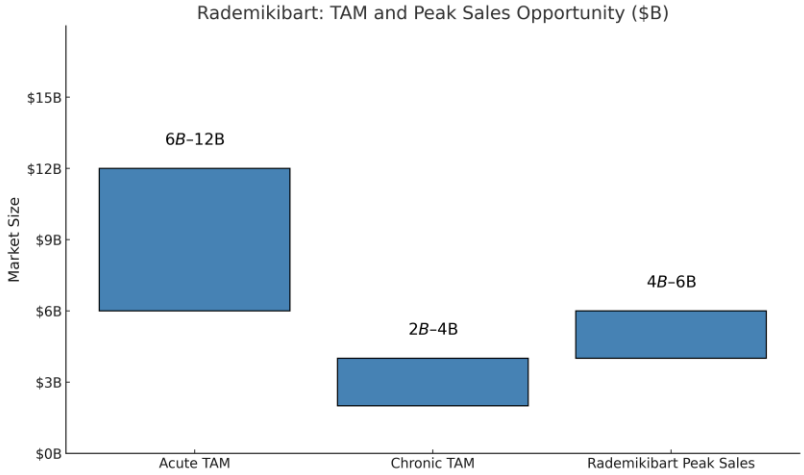
Exacerbations drive the majority of morbidity, cost, and healthcare use in both disease states. Patients often cycle through ERs and hospitals without access to a targeted biologic. By targeting IL-4Rα with rapid onset and duration of therapeutic benefit, rademikibart is positioned to stabilize patients and reduce relapse, readmission, and steroid exposure.

Phase 2 data show both immediate FEV_1 response and sustained improvement through 24 weeks, reinforcing rademikibart's potential as a rescue and maintenance therapy—especially in eosinophilic or high-risk patients.

Acute intervention also creates a commercial entry for biologic-naïve patients, many of whom lack access to specialty care. Demonstrating benefit during exacerbations may drive initial adoption and support continued maintenance use.

We believe this rescue-and-control positioning will expand the market beyond existing maintenance-only agents.

Figure 2. Rademikibart TAM and Peak Sales Opportunity



Source: Company Reports and Presentations, NCM Estimates

Targeting Acute Exacerbations in Asthma and COPD

As aforementioned, acute exacerbations of asthma and COPD are a major driver of respiratory-related hospitalizations, ER visits, and long-term decline. These episodes are typically managed with bronchodilators and corticosteroids, yet nearly half of patients experience no meaningful improvement within four weeks. Revisit rates range from 11% to 20%, and hospitalization is common (Figure 3).

Despite this burden, no biologics are approved for use during acute episodes. Further, maintenance biologics like dupilumab and tezepelumab are explicitly contraindicated in this setting. This exposes a critical gap at the point of highest clinical urgency.

Rademikibart's single-dose, subcutaneous profile is well suited for urgent care, ER, and inpatient use—where rapid inflammation control may reduce admissions and improve short-term outcomes. Positioning rademikibart for use in this setting could unlock a significant underpenetrated segment where no biologic competition currently exists.

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Figure 3. Acute Exacerbations Drive Respiratory Morbidity in Asthma and COPD

	Asthma	COPD
POPULATION	**Affects >22M adults in US** with ~40% have at least one exacerbation per year	**Affects >16M adults in US** with ~30-50% have at least one exacerbation per year
CURRENT SoC	Fast-acting inhaled bronchodilators and oral/IV corticosteroids; severe cases may require IV magnesium sulfate, heliox therapy, and noninvasive ventilation; intubation is considered if patients do not respond to initial therapies. Antibiotics are often added if a bacterial infection is suspected with COPD	
PROGRESSION	**~50% fail to improve on 1st Line treatments**	**~85% fail to improve on 1st Line treatments**
ADMISSIONS	Persistent hypoxia, severe respiratory distress, poor response to initial treatment, altered mental status and/or a history of exacerbations drive admission decisions	
	~1 million ED visits or hospitalizations/yr **~11% of Asthma patients are hospitalized** **LOS typically ranges from 2 to 3 days** **~50% meet treatment failure criteria within 4 weeks of an exacerbation, with 20% requiring a re-visit to the ED**	**~1.3 million ED visits or hospitalizations/yr** **~41% of COPD patients are hospitalized** **LOS typically ranges from 4 to 7 days** **~50% fail treatment within 4 weeks of an exacerbation with ~11% of patients require re-hospitalization**
LONG-TERM CARE	As symptoms improve, hospital physicians coordinate care with PCPs or pulmonologists; asthma patients are most likely to get treated by a PCP in the outpatient setting	COPD patients are typically older and have more comorbidities than asthma patients, and are therefore more likely to be referred to a pulmonologist upon discharge

Source: Company Reports and Presentations

Next-Generation IL-4Rα Inhibitor for Acute Exacerbations and Maintenance Control

Rademikibart is a fully human IgG4 monoclonal antibody targeting IL-4Rα, a common receptor subunit shared by the IL-4 and IL-13 signaling pathways that drive type 2 inflammation in asthma and COPD. These cytokine cascades are central to airway inflammation, mucus hypersecretion, and eosinophilic activation across both acute and chronic respiratory disease states (Figure 4).

By blocking IL-4Rα, rademikibart inhibits downstream JAK/STAT signaling and suppresses the release of proinflammatory mediators, including thymus and activation-regulated chemokine (TARC), periostin, and eotaxin. This immunomodulatory mechanism may reduce type 2 inflammation and help mitigate both acute exacerbations and chronic respiratory symptoms across a range of phenotypes.

Structural modeling suggests rademikibart binds IL-4Rα with higher affinity and improved conformational stability compared to dupilumab, supported by lower B-factors and stronger hydrogen bonding at the receptor interface. In vitro studies confirm potent inhibition of IL-4 and IL-13 signaling, and early clinical data demonstrate rapid onset of action—consistent with FEV_1 improvements observed within 24 hours of dosing.

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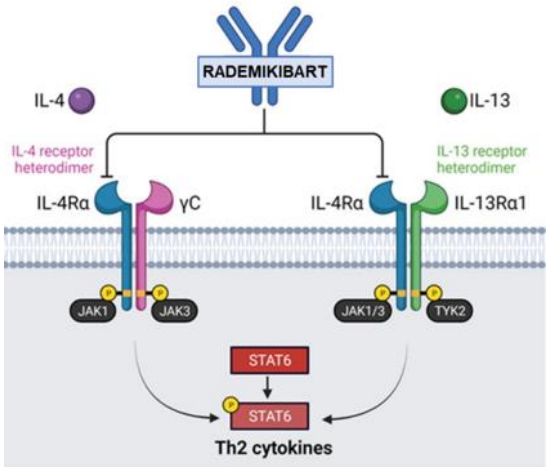
Figure 4. MOA: Blocking IL-4 and IL-13 Signaling w/ High-Affinity Binding to IL-4Rα



Key Characteristics
- High affinity to IL-4Rα
- Potent inhibition of:
  - JAK-STAT signaling
  - Cell proliferation
  - TARC release

Potential Benefits
- Greater clinical response
- Faster onset of action
- Less frequent dosing

Source: Company Reports and Presentations

Phase 2b Results: Rapid and Durable Improvements in Lung Function

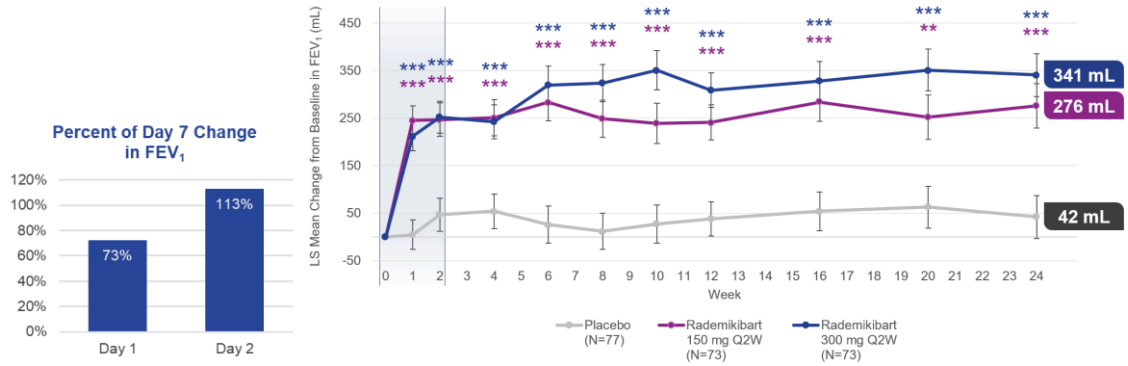
Rademikibart demonstrated statistically significant and clinically meaningful improvements in lung function in a global Phase 2b study of adults with moderate-to-severe asthma and type 2 inflammation (NCT04773678). The study enrolled 322 patients randomized to receive placebo or rademikibart (150 mg or 300 mg Q2W), following a 600 mg loading dose.

At Week 12, the trial met its primary endpoint with placebo-adjusted improvements in pre-bronchodilator FEV_1 of 140 mL (150 mg Q2W) and 189 mL (300 mg Q2W) ($p=0.005$ and $p<0.001$, respectively). These gains were sustained through Week 24, with improvements of +276 mL (150 mg Q2W) and +341 mL (300 mg Q2W) (Figure 5, right panel).

Early Onset of Action and Sustained Control

Rademikibart showed a rapid onset of action, with 73% of the Week 1 FEV_1 improvement seen within 24 hours of dosing and 113% by Day 2, as measured by home spirometry (Figure 5, left panel). These early gains translated into sustained lung function improvements over the 24-week study period.

Figure 5. Rapidly Improved and Sustained FEV_1 Values

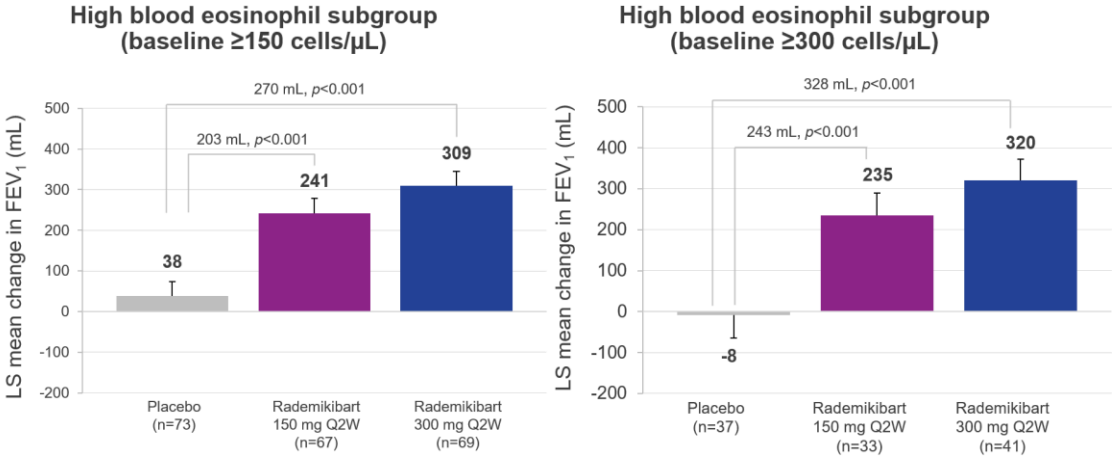


Source: Company Reports and Presentations

Rademikibart Delivers Significant FEV_1 Gains in High-Eosinophil Patients

In subgroup analyses from the Phase 2b study, rademikibart showed greater efficacy in patients with high eosinophils, delivering statistically significant FEV_1 improvements at Week 12. In the subgroup with eosinophils ≥300 cells/µL, placebo-adjusted FEV_1 gains were even greater +243 mL (150 mg Q2W) and +328 mL (300 mg Q2W) (both p<0.001; Figure 6, right panel). Further, the high-eosinophil subgroup maintained durable responses through Week 24 with peak FEV_1 improvement of +420 mL.

Figure 6. Lung Function Improvement at Week 12 in Patients with Elevated Eosinophils



Source: Company Reports and Presentations

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Secondary Efficacy Endpoints and Safety Profile

Secondary endpoints in the Phase 2b study included improvements in ACQ-6 scores, reduced rescue medication use, and directional reductions in exacerbation rates—supporting the observed functional benefit. Rademikibart was well tolerated, with no treatment-related serious adverse events or eosinophil-associated safety concerns. Hyper-eosinophilia events (≥1500 cells/µL) occurred less frequently than with dupilumab.

Comparative Efficacy Supports Best-in-Class Potential

In the Phase 2b study, rademikibart's placebo-adjusted FEV_1 improvements exceeded those reported with IL-4, IL-5, and TSLP inhibitors in similar high-eosinophil populations.

As shown in Figure 7, rademikibart delivered a 328–420 mL FEV_1 gain among patients with eosinophils ≥300 cells/µL, outperforming dupilumab, tezepelumab, benralizumab, and mepolizumab in visual cross-study comparison. These findings reinforce its potential to set a new therapeutic benchmark in both acute and maintenance care.

Figure 7. Placebo-Adjusted FEV_1 Gains in Eosinophilic Asthma vs. Approved Biologics

Product	FDA Approv. in last 10 yrs	Study	N (Pbo/Tx)	% patients with EOS ≥300 cells/µL	Week	First response week	Placebo adjusted improvement from baseline in FEV_1	Placebo adjusted improvement from baseline in FEV_1 (*EOS ≥300 cells/µL*)
Rademikibart	--	Phase 2b Asthma	108/108	46.3%	12	1	270 mL*	328 mL
					24		299 mL*	420 mL
		COPD-Like Patients†	27/19	31.6%	12	1	228 mL	500 mL
					24		290 mL	620 mL
Dupilumab	2018	Asthma: QUEST[1]	231/633	41.8%	12	2	130 mL	240 mL
	2024	COPD: NOTUS[5]	465/470	60.8	12	2	82 mL	113 mL
Benralizumab	2017	SIROCCO[3] Q4W	407/399	68.9%	48	4	--	106 mL
		CALIMA Q4W[6]	440/425	67.5%	56		--	125 mL
Reslizumab	2016	STUDY 1[2]	244/245	--	52	4	126 mL	--
		STUDY 2[2]	232/232	--			90 mL	--
Tezepelumab	2021	NAVIGATOR[4]	528/531	41.5%	52	2	130 mL	230 mL

Source: Company Presentations and Reports

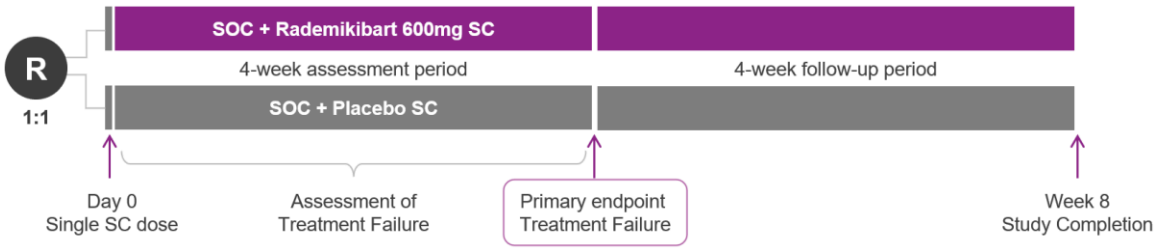
Phase 2 Seabreeze STAT Program: Acute Asthma and COPD

Connect is conducting two global Phase 2 studies—Seabreeze STAT Asthma and Seabreeze STAT COPD—evaluating rademikibart in patients presenting to ER, urgent care, or inpatient settings with acute exacerbations. The studies support rademikibart's role as a point-of-care biologic for rapid intervention in these high-risk episodes.

Each trial will enroll ~160 patients with eosinophil counts ≥300 cells/µL and at least one exacerbation in the prior 12 months (Figure 8). Participants are randomized 1:1 to receive a single 600 mg subcutaneous dose of rademikibart or placebo, in addition to standard-of-care therapy.

The primary endpoint is treatment failure through Day 28, defined as a composite of death, (re)admission, ED revisit, or escalation of therapy. Secondary endpoints include change in post-bronchodilator FEV_1, time to symptom resolution, and readiness for discharge. Topline data are expected in 1H26, informing Phase 3 design and representing a key clinical and valuation inflection point.

Figure 8. Seabreeze STAT Trial Design—Rademikibart in Acute Asthma and COPD



	Population		Primary Endpoint
Seabreeze ASTHMA STAT	Adolescents and adults at urgent outpatient visit, ED or hospital	Eosinophil count of ≥ 300 cells/µL, ≥1 exacerbation in prior 12 months	Treatment Failure (28 days after randomization): includes death (any cause), (re)admission to hospital, urgent visit to outpatient/ED provider for symptom worsening, or necessity to intensify pharmacologic treatment.
Seabreeze COPD STAT	Adults at urgent outpatient visit, ED or hospital		

Source: Company Reports and Presentations

Phase 3 Registrational Program

Connect plans to initiate two global Phase 3 trials in late 2026—one in acute asthma and one in COPD—pending positive results from the Seabreeze Phase 2 studies. The design is expected to mirror Seabreeze STAT, incorporating point-of-care dosing and biomarker enrichment for eosinophils ≥150–300 cells/µL. Endpoints include improvements in lung function and reductions in clinical failure events such as hospital admission, ED revisit, or escalation of care. The FDA has provided feedback supporting this strategy, and interim analyses for efficacy and futility are planned.

If successful, these trials could establish rademikibart as the first biologic approved for acute respiratory exacerbations in point-of-care settings, with potential extension into maintenance use for high-risk patients. Regulatory submissions are targeted for 2027 (acute) and 2028 (maintenance), potentially supporting commercialization in 2028 and 2029, respectively.

Simcere Licensing Agreement: Non-Dilutive Source of Capital

In November 2023, Connect Biopharma entered an exclusive agreement with Simcere Pharmaceutical, granting rights to develop, manufacture, and commercialize rademikibart in Greater China (Mainland China, Hong Kong, Macau, and Taiwan). Simcere is a China-based biopharma company with established immunology expertise and strong regulatory execution.

Key Financial Terms:

- **Upfront Payment:** $22.4 million, recognized as revenue in 2Q24
- **Milestones:** ~$110 million remains per regulatory and commercial milestones
- **Royalties:** Tiered on net sales across all indications; mid-single digits escalating to low-double digits as thresholds are met

On July 9, 2025, Simcere submitted an NDA to China's NMPA for rademikibart in adolescents and adults with moderate-to-severe atopic dermatitis.

Balance Sheet Positioned to Support Operations into 2027

As of March 31, 2025, Connect reported approximately $84 million in cash and short-term investments. Based on its current operating plan, management expects this to fund operations into 2027—including completion of the Seabreeze STAT trials and advancement into Phase 3 studies.

Figure 9. Summary Balance Sheet

(#s in $1,000s)	Mar 31, 2025	Dec 31, 2024
Cash and Short-Term Investments	$83,995	$93,708
Total Assets	$92,685	$101,284
Long-Term Debt	—	—
Total Liabilities	$9,786	$9,120
Total Liabilities and Shareholders' Equity	$92,685	$101,284

Source: Company Reports and Presentations

Senior Management

Barry D. Quart, Pharm.D. – Chief Executive Officer & Director

Dr. Quart joined Connect Biopharma as Chief Executive Officer and a member of the Board in June 2024. He brings over three decades of leadership in the biopharmaceutical industry, including a transformative tenure as CEO and later Chair of Heron Therapeutics, where he led the development and commercialization of four FDA-approved products: CINVANTI®, SUSTOL®, ZYNRELEF®, and APONVIE®. Earlier, he co-founded Ardea Biosciences and served as CEO through its acquisition by AstraZeneca in 2012, advancing multiple innovative therapies including ZURAMPIC® and MEK inhibitors. He previously held senior roles at Pfizer and Agouron Pharmaceuticals. Quart is an inventor on 18 U.S. patents and author of over 75 peer-reviewed publications. He holds a Doctor of Pharmacy degree from the University of California, San Francisco, and currently serves on the Board of Kiniksa Pharmaceuticals.

David L. Szekeres, J.D. – President

Mr. Szekeres was appointed President in June 2024 and brings deep operational, strategic, and legal expertise across the life sciences sector. Prior to Connect, he served as Chief Operating Officer of Heron Therapeutics and previously held roles as Chief Business Officer and General Counsel at Regulus Therapeutics. Earlier, he led global M&A at Life Technologies and practiced corporate law at Latham & Watkins. He has served on the boards of several healthcare and biotechnology companies, including GRI Bio and CureMatch. Szekeres holds a B.A. from the University of California, Irvine, and a J.D. from Duke University School of Law.

Kimberly J. Manhard – Chief Development Officer

Ms. Manhard joined Connect in 2024 as Chief Development Officer, bringing over 25 years of experience in clinical development and regulatory strategy. She has successfully advanced multiple programs through late-stage development and FDA approval in immunology, oncology, and rare diseases. Prior to Connect, she held senior leadership roles at Heron Therapeutics and Ardea Biosciences, where she oversaw cross-functional development teams and global regulatory submissions. Manhard earned her B.S. in Biological Sciences from the University of California, Irvine.

Lisa Peraza – Vice President, Finance

Ms. Peraza was appointed Vice President of Finance in 2024 and leads Connect's financial operations, including planning, forecasting, and reporting. She has more than 15 years of experience in financial leadership roles at public and private biotech companies, with prior positions at Heron Therapeutics and other life sciences firms. Peraza holds a B.S. in Accounting and is a Certified Public Accountant.

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Jeff Cohn, J.D. – General Counsel & Corporate Secretary
Mr. Cohn serves as General Counsel and Corporate Secretary, responsible for legal, compliance, and corporate governance matters. He brings over two decades of experience advising publicly traded biopharmaceutical companies, with prior roles at Regulus Therapeutics and Heron Therapeutics. His areas of expertise include SEC compliance, licensing, M&A, and intellectual property strategy. Cohn earned his B.A. from Emory University and his J.D. from the University of Southern California Gould School of Law.

Lei Sun, Ph.D. – Vice President of Biologics and Head of CMC
Dr. Sun leads biologics development and global CMC strategy at Connect, bringing over 20 years of experience in bioprocess development, manufacturing, and regulatory submissions. She has overseen IND and BLA-enabling programs and previously held CMC leadership roles at global pharmaceutical companies. Her expertise spans cell line development, scale-up, formulation, and quality systems. Sun holds a Ph.D. in Biochemistry from the University of California, Davis.

Raúl Collazo, Ph.D. – Vice President, Global Head of Medical Affairs
Dr. Collazo oversees global medical affairs, including scientific communications, real-world evidence generation, and KOL engagement. He brings more than 15 years of experience in medical affairs and clinical development, with prior leadership roles at AstraZeneca and Sanofi. Collazo earned his Ph.D. in Pharmacology from the University of Michigan and completed postdoctoral research in translational medicine at the NIH.

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Connect BioConnect Biopharma Holdings Limited (CNBT)

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(#s in 1,000s, except per share data)

	1Q24A	1Q25A	2Q25E	3Q25E	4Q25E	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue:										
License and collaboration revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ 26,033	$ -	$ 10,000	$ 15,000
Total revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ 26,033	$ -	$ -	$ -
		$ -	$ -	$ -	$ -				$ 10,000	$ 15,000
Operating Expenses:										
Research and development expense	$ 8,663	$ 6,633	$ 7,850	$ 8,350	$ 9,000	$ 53,002	$ 29,256	$ 31,833	$ 33,000	$ 34,250
General and administrative expense	$ 3,970	$ 4,814	$ 5,250	$ 5,500	$ 6,500	$ 16,054	$ 19,229	$ 22,064	$ 25,000	$ 28,000
Total operating expenses	$ 12,633	$ 11,447	$ 13,100	$ 13,850	$ 15,500	$ 69,056	$ 48,485	$ 53,897	$ 58,000	$ 62,250
Loss from operations	$ (12,633)	$ (11,447)	$ (13,100)	$ (13,850)	$ (15,500)	$ (69,056)	$ (22,452)	$ (53,897)	$ (48,000)	$ (47,250)
Interest income	$ 1,247	$ 720	$ 525	$ 375	$ 225	$ 5,223	$ 4,453	$ 1,845	$ 750	$ 500
Other income (expense), net	$ 2,723	$ 509	$ 500	$ 500	$ 500	$ 1,847	$ 2,594	$ 2,009	$ 1,750	$ 1,000
Total other income, net	$ 3,970	$ 1,229	$ 1,025	$ 875	$ 725	$ 7,070	$ 7,047	$ 3,854	$ 2,500	$ 1,500
Net loss before income tax	$ (8,663)	$ (10,218)	$ (12,075)	$ (12,975)	$ (14,775)	$ (61,986)	$ (15,405)	$ (50,043)	$ (45,500)	$ (45,750)
Income tax expense (benefit)	$ 30	$ 54	$ 55	$ 55	$ 55	$ 120	$ 223	$ 219	$ 225	$ 250
Net loss	$ (8,693)	$ (10,272)	$ (12,130)	$ (13,030)	$ (14,830)	$ (62,106)	$ (15,628)	$ (50,262)	$ (45,725)	$ (46,000)
Foreign exchange translation adjustments	$ (234)	$ 62	$ -	$ -	$ -	$ (614)	$ (670)	$ 62	$ -	$ -
Unrealized (losses) gains on available-for-sale investments	$ 9	$ (1)	$ -	$ -	$ -	$ 354	$ 12	$ (1)	$ -	$ -
Net Loss	$ (8,918)	$ (10,211)	$ (12,130)	$ (13,030)	$ (14,830)	$ (62,366)	$ (16,286)	$ (50,201)	$ (45,725)	$ (46,000)
Net Loss Per Ordinary Share:										
Basic and diluted	$ (0.16)	$ (0.19)	$ (0.22)	$ (0.23)	$ (0.27)	$ (1.13)	$ (0.28)	$ (0.90)	$ (0.80)	$ (0.75)
Weighted-average ordinary shares outstanding, basic and diluted:	55,103	55,352	55,477	55,602	55,727	55,067	55,213	$ 55,540	57,000	61,000
Cash and equivalents ($1,000s)	$ 93,708	$ 83,995				$ 118,303	$ 93,708			

Source: Company Reports and NCM Estimates

Company Description

Connect Biopharma is a clinical-stage biopharmaceutical company developing immune-modulating therapies for chronic inflammatory diseases. Founded in 2012, the company is headquartered in San Diego, California, with R&D operations in China. Its lead candidate, rademikibart, is a next-generation IL-4Rα inhibitor in late-stage clinical development for both acute intervention and long-term maintenance in asthma and COPD. The drug targets type 2 inflammation and has demonstrated rapid and durable FEV_1 improvements, including a 420 mL gain at Week 24 in high-eosinophil patients. Importantly, over 70 percent of the Week 1 gain occurred on Day 1, underscoring rademikibart's suitability for acute intervention in the ER, urgent care, and inpatient settings. Connect Biopharma Holdings Ltd (Nasdaq: CNTB) trades on the Nasdaq Global Market in the form of American Depositary Shares (ADSs), each of which is equivalent to one ordinary share; the Company is incorporated in the Cayman Islands and is registered as a domestic filer with the U.S. Securities and Exchange Commission. On July 21, 2025, the Company announced plans to terminate its ADR program and commence direct listing of its ordinary shares on Nasdaq, effective on or about September 2, 2025, under the same ticker symbol, "CNTB."

Valuation

We derive our price target using a discount present value (DPF) methodology, assuming peak sales of $5 billion, a 5x multiple on sales, 35% discount, 10.5 years-to-peak, applied to projected fully diluted shares outstanding.

Risks to the achievement of price target

Risks – an investment in CNBT involves risks, including, but not limited to the following:

Regulatory and Clinical Risk – Connect Biopharma's ability to achieve our target price depends on the successful clinical development and regulatory approval of its lead candidate, rademikibart. Rademikibart is subject to ongoing and future clinical trials and regulatory review by authorities including the FDA, NMPA (China), and EMA. Any failure to demonstrate safety or efficacy, or delays in regulatory decision-making or reclassification of product categories, represent risks to product advancement and our price target.

Market and Competitive Risk – Connect Biopharma operates in highly competitive therapeutic areas. Larger companies with approved products, greater resources, and established commercial infrastructure may limit the Company's ability to gain market share. Competitive dynamics represent a risk.

Reimbursement and Payor Risk – Connect Biopharma or its partners must secure reimbursement from public and private payors, including national health systems, insurance providers, and government-funded programs in the U.S., China, and other markets. The inability to obtain adequate reimbursement or pricing approvals could materially limit market access and adoption, representing a risk to achieving our target price.

Safety Risk – Any safety concerns associated with rademikibart or other pipeline candidates, whether observed in clinical trials or post-approval (if approved), could materially affect development timelines, regulatory outcomes, and commercial viability. Emerging safety signals or adverse events represent a risk to performance and our ability to attain the target price.

Sales, Marketing, and Distribution – Connect Biopharma is a clinical-stage company without an established commercial infrastructure. Its success is predicated on the regulatory approval and subsequent commercialization of rademikibart, as well as its ability to either build internal distribution capabilities or partner with entities that possess them. In China and other licensed territories, success will depend on the execution and commercial capabilities of its partners, including Simcere. Any shortcomings in commercialization, market education, or distribution—whether internal or through partners—represent risks to product uptake and our price target.

Partners – Connect Biopharma's commercial success in licensed territories depends on the performance of its partners. In China, Simcere must obtain regulatory approval and successfully commercialize rademikibart. Similarly, any future partnership agreements—whether regional or global—

must secure approvals, execute on commercialization strategies, and deliver on contractual obligations. Underperformance by existing or future partners could materially impact revenue potential and our target price.

Manufacturing and Supply Chain – Connect Biopharma relies on third-party manufacturers for clinical supply and would require scale-up for commercialization. Any disruption—due to quality, regulatory, capacity, or logistics issues—could delay development or impair future launch readiness, posing a risk to execution and our target price.

Funding and Liquidity Risk – Connect Biopharma may require additional capital to fund operations beyond current cash reserves. Its ability to procure funding—through partnerships, licensing, or financing—represents a risk.

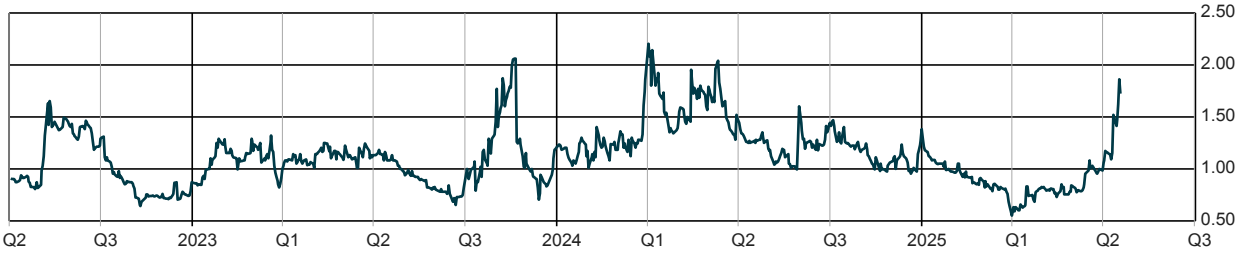
Intellectual Property and Legal Risk – Connect Biopharma's ability to protect its product candidates depends on the strength and duration of its patent portfolio and regulatory exclusivities. Challenges to its IP or failure to defend against infringement or litigation represent a risk.

Analyst Certification

I, Carl Byrnes, certify that (1) the views expressed in this report accurately reflect my personal views about all of the subject companies and securities and (2) no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

Important disclosures

Rating and Price Target History for: Connect Biopharma Holdings Limited (CNTB) as of 07-18-2025



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Explanation of Ratings:

Outperform (BUY) – Outperform the S&P 500 by at least 10%.
Market Perform (HOLD) – Perform within 10% above or below the S&P 500.
Underperform (SELL) – Underperform the S&P 500 by at least 10%.

Rating Distribution Breakdown as of 07/22/2025

			IB Serv./ Past 12Mos.	
Rating Category	Count	Percent	Count	Percent
Buy [OP]	160	78.43%	29	18.12%
Hold [MP]	44	21.57%	5	11.36%
Sell [UP]	0	0.00%	0	0.00%

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