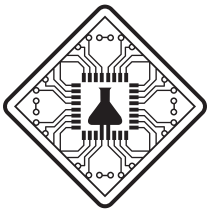


INSILICO MEDICINE

InSilico Medicine Cayman TopCo
英矽智能

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3696)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

The Board of InSilico Medicine Cayman TopCo (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the consolidated annual results of the Group for the year ended December 31, 2025 (the "**Reporting Period**"), together with comparative figures for the year ended December 31, 2024, as follows.

In this announcement, "we" 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. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding issues.

BUSINESS HIGHLIGHTS

During the Reporting Period and as of the Latest Practicable Date, we have made significant progress with respect to our generative AI platform, pipeline development and business development.

Pharma.AI Platform

We executed comprehensive upgrades and introduced new capabilities across Biology42, Chemistry42, and Science42 to accelerate our trajectory toward pharmaceutical superintelligence.

Biology42: We delivered substantial improvements in PandaOmics, by introducing four new scoring metrics: confidence, commercial tractability, draggability, and mechanism clarity, designed to generate a more balanced, clinically relevant selection. Complementing this, TargetPro, a disease-specific predictive model, and TargetBench 1.0, the industry's first standardized benchmarking suite for drug target discovery were launched this year. On Generative Biologics, it introduced multiple innovations, including template-based peptide screening, improved 3D-augmented models, a new diffusion-based antibody design engine, and PDB structure integration.

Chemistry42 & Nach01: Chemistry42 had major functional enhancements in generative design, physics-based prediction, ADMET and off-target prediction powers. Alongside this, Nach01, a multimodal foundation model for chemistry and drug discovery trained on billions of molecular and textual data points were launched on AWS Marketplace. It combines language understanding and chemical intelligence for property prediction, molecular design, and scientific reasoning extending Pharma.AI's capabilities into foundation-model workflows.

Science42: DORA integrates intelligent planning and high-quality source retrieval to transform simple prompts into structured, traceable research summaries within minutes. Furthermore, to address the limitations of general-purpose artificial intelligence, particularly foundation models, in pharmaceutical research, we developed Science MMAI Gym (Multi-Modal AI Gym), a domain-specific AI training environment designed to systematically adapt foundation models for drug discovery and development.

Pipeline Development

Leveraging our generative AI platform, we have developed a robust pipeline covering fibrosis, oncology, immunology, metabolic, anti-pain and other therapeutic areas, including following milestones achieved during the Reporting Period and as of the Latest Practicable Date:

New PCC nomination: We continued to expand our pipeline, by adding six AI-empowered PCC with clearly differentiated profiles bringing our total PCC count to 28. This demonstrates the power of our AI platform and fuels our future out-licensing potential.

Clinical advancements:

- ISM001-055 (Rentosertib) is being developed for the treatment of idiopathic pulmonary fibrosis (IPF) and progressed to a comparatively more advanced stage among peer companies. In 2025, we published promising full Phase IIa trial results in Nature Medicine and presented the data at the American Thoracic Society International Conference and the Chicago PFF Summit 2025.

- ISM5411 (Garutadustat), an oral gut restricted prolyl hydroxylase (PHD) 1 and 2 inhibitor for Inflammatory Bowel Disease (IBD), dosed the first patient in a Phase IIa trial in China.

- ISM6331 is novel and potent pan TEAD inhibitor. We announced the dosing of the first patient in a global multicenter Phase I trial in China and the United States for the treatment of mesothelioma and other solid tumors.

- ISM3412, a potentially best-in-class, AI-empowered MAT2A inhibitor with a novel structure in patients with locally advanced and metastatic solid tumors, had its first patient dosed in a global multicenter Phase I trial.

- IND application of ISM001-055 (Inhalation) for a Phase I clinical trial in China was submitted in January 2026.

- ISM4808, a novel oral small molecule inhibitor of PHD targeting the HIF-α pathway for the treatment of anemia of Chronic Kidney Disease (CKD), successfully completed the dosing of the first subject in Phase I clinical trial by our partner TaiGen Biotechnology.

- ISM9682, a highly differentiated oral small molecule inhibitor of kinesin KIF18A motor protein, completed the dosing of the first patient in Phase I clinical trial by our partner Stemline Therapeutics Inc.

- ISM8969, an oral brain penetrant small molecule inhibitor of NLRP3 under co-development agreement with Hygtia Therapeutics, received IND approval from the FDA.

Strategic Business Development

Our dual-engine model of "AI + Drug Discovery" delivered robust results in business development in 2025 and early 2026. We established high-value partnerships with leading multinational pharmaceutical companies and top Chinese biopharmaceutical firms, with newly signed business development deals totaling over US$1.3 billion.

In our out-licensing efforts, we secured a significant agreement with TaiGen Biotechnology, granting them exclusive rights to develop and commercialize ISM4808 in Greater China. We also executed several landmark collaborations that further validated the strength of our platform. Notably, we reached research collaborations with Eli Lilly, Servier, Tenacia Biotechnology, China Medical System Holdings Limited, and Qilu Pharmaceutical Group, spanning multiple therapeutic areas. To accelerate our promising candidate, we also entered into strategic co-development agreement with Hygtia Therapeutics, to advance ISM8969, our AI-empowered, brain-penetrant NLRP3 inhibitor for Parkinson's disease.

Just two months after launching the Science MMAI Gym business, we successfully announced our first strategic partnership in this area with Liquid AI. Together, we delivered lightweight scientific foundation models specifically designed for drug discovery, demonstrating the strong business potential and innovative capabilities of Science MMAI Gym.

FINANCIAL HIGHLIGHTS

- Bank balances and cash was US$393.3 million as of December 31, 2025.

- Revenue generated by the Company for the year ended December 31, 2025 was US$56.2 million, consisted of US$25.0 million from drug discovery, US$23.9 million from pipeline development, US$4.9 million from software solution and US$2.5 million from other discovery.

- Research and development expenses for the year ended December 31, 2025 was US$81.4 million, decreased by US$10.5 million as compared with the year ended December 31, 2024, which was primarily attributable to the decrease in third-party CRO costs.

- Loss from changes in fair value of financial liabilities at fair value through profit or loss ("**FVTPL**") for the year ended December 31, 2025 was US$296.7 million, which was primarily attributable to the significant losses incurred in the conversion of preferred shares issued in previous financing series into ordinary shares based on the share price upon our Listing.

- For the year ended December 31, 2025, loss for the year increased by US$335.2 million as compared with the year ended December 31, 2024, to US$352.3 million, which was primarily attributable to the decrease in revenue and the loss from changes in fair value of financial liabilities at FVTPL.

- For the year ended December 31, 2025, adjusted loss (non-IFRS measure) increased by US$21.2 million as compared with the year ended December 31, 2024, to US$43.8 million, which was primarily attributable to the decline in revenue and partially offset by the decrease in research and development expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

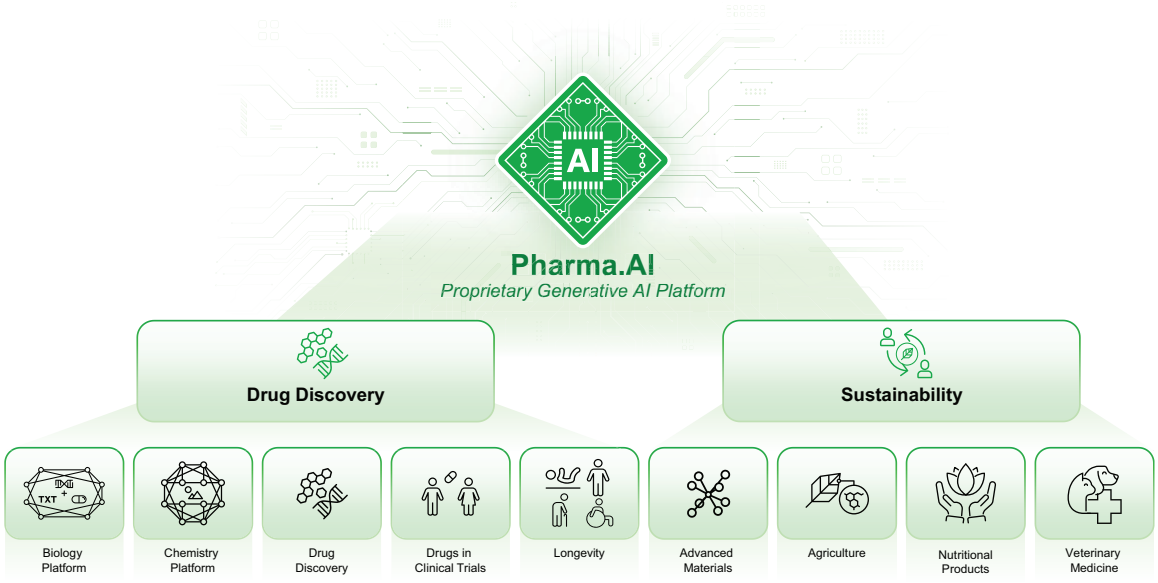
Founded in 2014, we are a reputable and global AI-driven drug discovery and development company. As of the Latest Practicable Date, we have generated more than 20 clinical or IND-enabling stage assets using Pharma.AI, our proprietary generative AI platform, with seven of these assets out-licensed to or collaborated with pharmaceutical and healthcare companies with the maximum total contract value of up to US$2,174.8 million, including a total upfront payment of up to US$130.3 million and milestone payment of up to US$2,044.5 million. Since 2021, the aggregate contract value of our significant out-licensing, co-development, and research collaboration agreements has exceeded US$4.6 billion. ISM001-055 (Rentosertib) has completed Phase IIa trial in China, and progressed to a comparatively more advanced stage among peer companies.

We operate under a project-based business model, deriving revenue primarily from out-licensing and collaboration arrangements, with no guarantee or clear visibility on future revenue generation. Under our drug discovery & pipeline development segment, we (i) self-develop drug candidates, (ii) co-develop and partially retain certain IP rights for out-licensed drugs, and (iii) collaborate with other pharmaceutical companies without retaining any IP rights.

Our unique dual-engine business model, combining a generative AI platform with deep in-house drug discovery capabilities, enables continuous reinforcement learning that strengthens Pharma.AI and drives scientific innovation. Leveraging Pharma.AI, on average, our drug candidates progress from target discovery to PCC[(1)] confirmation within 12-18 months, significantly shorter than the average of 4.5 years required by traditional methods. We are also extending the reach of Pharma.AI across diverse industries, such as advanced materials, agriculture, nutritional products, and veterinary medicine.

BUSINESS REVIEW

Pharma.AI Platform



Pharma.AI is an AI-powered drug discovery and development platform offering end-to-end services: from new target identification to small molecule generation and clinical outcome prediction. Pharma.AI consisting of Biology42, Chemistry42, Medicine42, and Science42, designed to operate across the entire drug discovery and development continuum. Pharma.AI enables the identification of new drug targets, the *de novo* design of molecules against both new and established targets, and the optimization of clinical development of drug candidates, and streamlining the process of drafting academic papers and other related documents.

What sets Pharma.AI apart is its full integration with our biology teams and chemistry teams, allowing for real-time feedback loops that enhance the platform's learning and performance. The platform receives data inputs from our pipeline development progress and strategic collaborations, creating a flywheel effect that enhances its machine learning capabilities and drives continuous improvement of our end-to-end capabilities. Additionally, Pharma.AI can integrate with external tools to leverage the latest technological breakthroughs and create customized solutions for different customer needs.

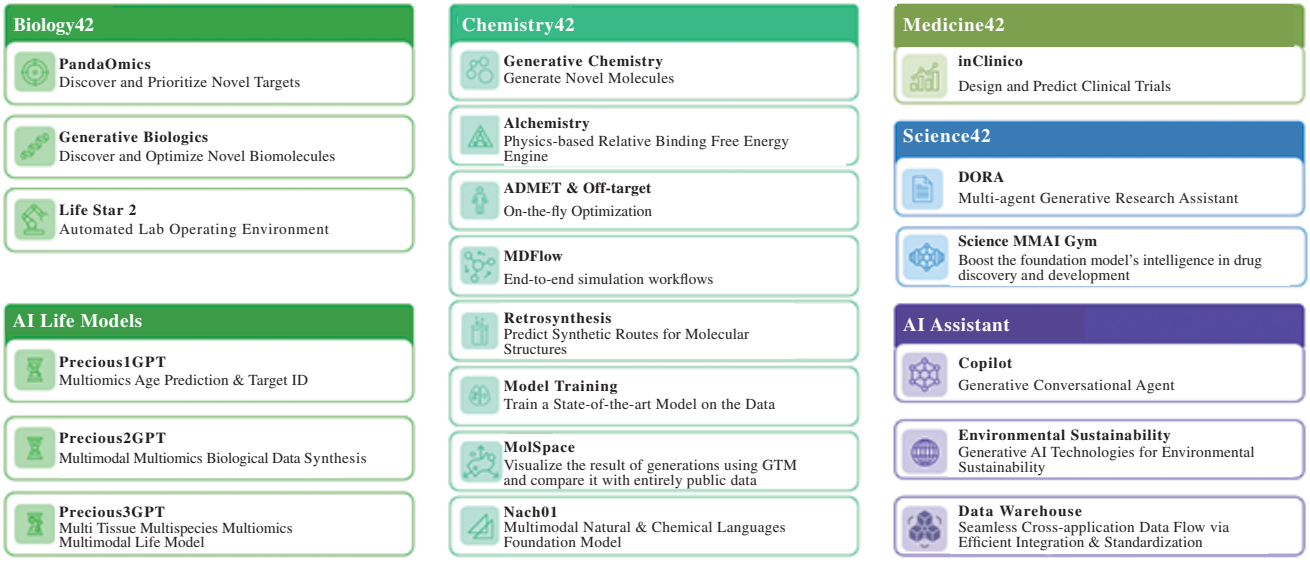
(1) PCC refers to the point at which a molecule has completed target validation, hit identification, lead generation, and lead optimization, and is selected as the optimized drug candidate to advance into IND-enabling studies based on a comprehensive assessment of potency, selectivity, pharmacokinetics, safety margins, and developability. Because PCC is an industry-standard milestone that captures the full discovery and optimization phase directly influenced by our AI-driven design process, the time required to reach PCC is a widely accepted benchmark for measuring discovery efficiency.

In 2025, Pharma.AI platform continued to solidify its position as a leading end-to-end generative AI engine for drug discovery, delivering breakthrough capabilities across biology, chemistry, and science. Throughout the year, we implemented comprehensive upgrades across Biology42, Chemistry42, and Science42, advancing toward its vision of pharmaceutical superintelligence.

Biology42: Biology42 delivered substantial progress across target discovery and generative protein design. PandaOmics, our AI platform for disease target and biomarker discovery, had substantial upgrades in 2025. It introduced four new scoring metrics: confidence, commercial tractability, druggability, and mechanism clarity, designed to generate a more balanced, clinically relevant selection. These refinements strengthen PandaOmics as a cornerstone tool for identifying high-value targets across therapeutic areas. Complementing this, TargetPro, a disease-specific predictive model, and TargetBench 1.0, the industry's first standardized benchmarking suite for drug target discovery were launched this year. TargetPro delivered a 71.6% retrieval rate of known clinical targets, outperforming public platforms such as Open Targets by two – to three-fold. TargetPro's predicted novel targets demonstrated 95.7% structure availability, 86.5% druggability, and 46% repurposing potential, outperforming competing systems on all measures. Furthermore, Generative Biologics introduced multiple innovations, including template-based peptide screening, improved 3D-augmented models, a new diffusion-based antibody design engine, and PDB structure integration.

Chemistry42 & Nach01: Chemistry42 had major functional enhancements in generative design, physics-based prediction, ADMET and off-target prediction powers. Generative Chemistry incorporated protein-based pharmacophore points, enabling diverse, protein-informed pharmacophore-guided generation. Alchemistry 2.0 introduced a two-stage RBFE engine combining equilibrium MD and non-equilibrium switching, achieving industry-level accuracy with a two to four times speed-up compared to prior versions. Meanwhile, MDFlow added configurable MD simulations, richer trajectory analytics, and multi-format export. ADMET Profiling improved key regression endpoints and off-target safety assessment, thereby extending Chemistry42's predictive power into more complex pharmacological spaces. Alongside this, Nach01, a multimodal foundation model for chemistry and drug discovery trained on billions of molecular and textual data points were launched on AWS Marketplace. It combines language understanding and chemical intelligence for property prediction, molecular design, and scientific reasoning extending Pharma. AI's capabilities into foundation-model workflows.

Science42: Science42 continued to enhance scientific content generation through upgrades to the DORA research assistant. The new Deep Research module integrates intelligent planning and high-quality source retrieval to transform simple prompts into structured, traceable research summaries within minutes. To address the limitations of general-purpose artificial intelligence, particularly foundation models, in pharmaceutical research, we developed Science MMAI Gym (Multi-Modal AI Gym), a domain-specific AI training environment designed to systematically adapt foundation models for drug discovery and development. We apply structured training programs that combine proprietary scientific datasets, multi-modal tasks, fine-tuning, reinforcement learning, and rigorous benchmarking to enhance models' chemical, biological, and clinical reasoning capabilities.



Pipeline Development

Leveraging our generative AI platform, we have developed a robust pipeline that covering fibrosis, oncology, immunology, metabolic, anti-pain and other therapeutic areas. We chose these disease areas because they have highly unmet medical needs and a high amount of available patient omics data, allowing us to fully utilize Pharma.AI to identify potentially new targets and rapidly progress new drug candidates to IND enabling stage.

The following chart summarizes the development status of selected clinical and pre-clinical stage drug candidates as of the Latest Practicable Date:

Program	Target	Mechanism	Indication(s)	Stage of Development[1][2]	Insilico Rights	Partners
				Pre-Clinical Stage: Target Identification[3] / Target-to-hit[4] / Hit-to-lead[5] / Lead Optimization[6] / IND-enabling; Clinical Stage: Phase 1 / Phase 2 / Pivot/Phase 3		
ISM001-055[7] (Rentosertib)	TNIK	EMT, FMT, fibroblast macrophage activation	Idiopathic Pulmonary Fibrosis	China (NMPA)[8]	Global	
				US (FDA)[8]		
			Idiopathic Pulmonary Fibrosis (Inhalable)	China (NMPA)[8]	Global	
ISM5411 (Garutadustat)	PHD1/2	Epithelial integrity & anti-inflammation	Inflammatory Bowel Disease	China (NMPA)[8]	Global	
ISM4808		EPO induction and iron utilization	Anemia of Chronic Kidney Disease	China (NMPA)[8]	ex-Greater China	TaiGen Biotechnology
ISM3091	USP1	Synthetic lethality	BRCA-mutant Cancer	US (FDA)[8]	/	EXELIXIS
ISM8207	QPCTL	Immune modulation	Immuno-Oncology	China (NMPA)[8]	50% Global	FOSUN PHARMA 复星医药
ISM5043	KAT6	Epigenetics	ER+/HER2- Breast Cancer	US (FDA)[8]	/	MENARINI group
ISM3412	MAT2A	Synthetic lethality	MTAP^{-} Cancer	US (FDA) & China (NMPA)[8][10]	Global	
ISM6331[7]	TEAD	Cell proliferation and survival	Mesotheliorna & Solid Turmors	US (FDA) & China (NMPA)[8][10]	Global	
ISM9682	KIF18A	Tumor cell proliferation	Solid Tumors	US (FDA)[8]	/	MENARINI group
ISM5939	ENPP1	Inhibition of ENPP1- mediated cGAMP degradation	Solid Tumors	US (FDA)[8]	Global	
ISM8969	NLRP3	Sterile inflammation	Parkinson's Disease, etc.	US (FDA)[8]	50% Global	Hygtia Therapeutics
ISM5059		Sterile inflammation	Inflammatory Diseases		Global	
Undisclosed	GLP-1R	Long half-life agonist for once-weekly administration	Metabolic Diseases		Global	
Undisclosed	Nav1.8	Highly selective Nav1.8 inhibitor	Acute Pain and Chronic Pain		ex-Greater China	Undisclosed partner
ISM3830	CBLB	Immune modulation	Immuno-Oncology		Global	
ISM0676	GIPR	Selective GIPR Antagonist	Obesity & Metabolic Diseases		Global	
ISM6166	Pan-KRAS	Tumor cell proliferation	Solid Tumors with KRAS Aberrations		Global	
Undisclosed	Lp(a)	Prevent formation of Lp(a)	Metabolic Diseases		Global	
Undisclosed	VAV1	VAV1 degradation, anti-inflammation	Inflammatory Diseases		Global	
Undisclosed	APJ	G protein biased agonist	Obesity and Metabolic Diseases		Global	
Undisclosed	CDK4	Cell cycle	HR+/HER2- Breast Cancer		Global	
Undisclosed	NR3C1	Selective glucocorticoid receptor antagonist	Cushing Syndrome and Other Metabolic Diseases; Oncology		Global	

Fibrosis Oncology Immunology Others

Notes:

1. All programs are designed for oral administration unless otherwise indicated.

2. All pipeline is entirely the product of internal generation, and no targets or compounds in-licensed from pharmaceutical companies.

3. Target Identification: The process of identifying and validating a biological target (e.g., protein, RNA) that plays a key role in a disease pathway. The target must be capable of binding to a drug molecule to modulate its activity.

4. Target-to-hit: Screening molecules that show measurable activity against the target (e.g., binding affinity), these compounds are called "hits".

5. Hit-to-lead: Optimizing "hits" to improve their potency, selectivity, and pharmacokinetic properties, yielding "lead" compounds.

6. Lead Optimization: Further refining "leads" to select a clinical candidate with optimal efficacy, safety, and manufacturability.

7. FDA granted ISM001-055 the orphan drug designation for IPF indication and granted ISM6331 for Mesothelioma.

8. Regulatory authorities with IND submitted.

9. Out-licensed drug candidates' clinical progress is subject to partners' development plan.

10. Global multi-regional clinical trial (MRCT).

During the year ended December 31, 2025, and as of the Latest Practicable Date, we continue to expand our pipeline, by adding six AI-empowered PCC with clearly differentiated profiles bringing our total PCC count to 28. Among them, ISM6166, an oral broad-spectrum pan-KRAS ON/OFF inhibitor, designed to cover multiple KRAS alterations and has the potential to overcome drug resistance associated with current KRAS therapies. ISM6166 showed not only tumor growth inhibition but also pronounced tumor regression, along with strong selectivity and favorable PK profiles in preclinical study. ISM5059, an AI-empowered, peripherally restricted small molecule inhibitor targeting NLRP3 was nominated PCC in February 2026. In preclinical studies, ISM5059 has demonstrated high potency and selectivity, favorable safety profiles and excellent in vivo efficacy across animal disease models, supporting broad indication potential expanding into autoimmune and inflammatory diseases, metabolic diseases, cardiovascular diseases and ophthalmology diseases. Moreover, ISM5059 is predicted to be efficacious at a low dose in humans, providing a high safety margin for future validation. Additionally, we nominated ISM0676, a novel, oral available GIPR antagonist with both monotherapy and combination potential. Preclinical studies have highlighted up to 31.3% body weight loss in diet-induced obese (DIO) humanized GIPR mice when co-administered with semaglutide. ISM0676 also demonstrated excellent in vivo metabolic stability, low drug-drug interaction risk, favorable safety profiles, and low predicted human efficacious dose, supporting future development.

ISM001-055 (Rentosertib): A Small Molecule Inhibitor of TNIK for the Potential Treatment of IPF

ISM001-055 (Rentosertib) is an effective and selective small molecule inhibitor of TNIK with high affinity as a potential treatment of IPF, which is a fatal lung disease characterized by distorted lung architecture and progressive loss of respiratory function. In May 2025, ISM001-055 received the breakthrough therapy designation from the CDE for the treatment of IPF. This regulatory momentum was supported by the landmark publication of our Phase IIa results in Nature Medicine, providing definitive clinical evidence of the efficacy of our AI-driven approach. Data from the GENESIS-IPF trial demonstrated that patients treated with a 60 mg QD dose of Rentosertib experienced a significant mean improvement in lung function, achieving a +98.4 mL change in forced vital capacity (FVC) compared to a 20.3 mL decline in the placebo group. Those exciting data were presented at the American Thoracic Society International Conference and the PFF Summit 2025.

ISM001-055 (Inhalation)

Compared to oral administration, inhaled ISM001-055 can achieve higher lung exposure with lower systemic exposure (AUC lung/plasma 50). Therefore, inhalation may deliver ISM001-055 directly into the deep lung, which offers a more targeted approach that may reduce the amount of drug required and thus reduce potential side effects while achieving fast and effective local therapeutic effects.

Inhalation delivery of ISM001-055 is considered one route of drug delivery to the targeted area of the lungs. In addition, the inhalation route of administration is a complex drug delivery technology that requires a combination of formulations and devices and thus presents higher technical barriers for generics. The effects of lung function improvement, anti-fibrosis and anti-inflammatory effects of inhaled ISM001-055 were validated in the bleomycin-induced lung fibrosis rat model. We submitted the IND application to CDE for a Phase I clinical trial of inhaled ISM001-055 in January 2026.

ISM5411 (Garutadustat): A Small Molecule Inhibitor of PHD1/2 as Potential Treatments of Inflammatory Bowel Disease (IBD)

ISM5411 (Garutadustat) is a wholly-owned small molecule inhibitor of prolyl hydroxylase (PHD) 1 and 2. The identification of the compound was achieved within 12 months and the compound received an official preclinical candidate nomination in November 2021 as a potential treatment for patients with IBD. ISM5411 could stabilize HIFα and promote intestinal barrier protection. The mechanism of action of ISM5411 enables potential combination therapies with available anti-inflammatory drugs. We complete a Phase I clinical trial in Australia and another Phase I clinical trial in China in December 2024 and January 2025 respectively. We initiated a Phase IIa clinical trial in China for the treatment of ulcerative colitis in November 2025, and dosed the first patient in December 2025.

ISM4808: A Small Molecule Inhibitor of PHD as a Potential Treatment of Anemia of Chronic Kidney Disease (CKD)

ISM4808 is a novel oral small molecule inhibitor of prolyl hydroxylase (PHD) targeting the HIF-α pathway for the treatment of CKD-related anemia. By inhibiting PHD, it stabilizes HIF-α to induce endogenous erythropoietin (EPO) and improve iron utilization for red blood cell production. Preclinical studies demonstrated potent efficacy in CKD models, favorable oral PK/ADME profiles, and broad safety margins. In December 2025, the Company granted the exclusive rights of ISM4808 in Greater China area to TaiGen Biotechnology. Our partner TaiGen Biotechnology announced in March 2026, it has successfully completed the enrollment and dosing of the first subject in the Phase I clinical trial. The Phase I clinical study is a randomized, double-blind, placebo-controlled trial comprising both single-ascending-dose (SAD) and multiple-ascending-dose (MAD) cohorts, designed to evaluate the safety, tolerability, and pharmacokinetic profile of ISM4808 in healthy adults.

ISM3412: A Small Molecule Inhibitor of MAT2A as a Potential Treatment of MTAP-deleted Cancers

ISM3412 is an orally available effective and selective small molecule inhibitor of MAT2A, a synthetic lethal target in MTAP-deleted cancers. ISM3412 functions through the suppression of S-adenosylmethionine ("SAM") production, leading to the loss of methylation function of the major SAM-utilizing type II arginine methyltransferase (also known as protein arginine methyltransferase 5, the "PRMT5"). Following FDA IND approval in April 2024, we advanced ISM3412 into clinical validation and successfully completed the first-in-patient dosing and announced such achievement in June 2025 as part of a global multicenter Phase I trial. The Phase I study aiming to evaluate the safety, tolerability, PK/PD profiles and preliminary efficacy in patients.

ISM6331: A Small Molecule TEAD Inhibitor for the Treatment of Mesothelioma and Other Solid Tumor

ISM6331 is a small molecule pan-TEAD1/2/3/4 inhibitor that blocks the transcriptional activity of the TEAD-YAP/TAZ complex for the treatment of Hippo pathway dysregulated solid tumors. ISM6331 has demonstrated equipotent inhibition against TEAD1/2/3/4, along with a favorable safety profile and effective anti-tumor activity in preclinical studies. In January 2025, we announced the global multicenter Phase I trial of ISM6331 that is enrolling patients in China and the United States had advanced with the dosing of the first patient in this study for the treatment of mesothelioma and other solid tumors. The Phase I trial was designed to evaluate the safety, tolerability, pharmacokinetics, pharmacodynamics and preliminary anti-tumor activity of ISM6331 as a single agent in patients with advanced or metastatic malignant mesothelioma or other solid tumors.

ISM9682: A Small Molecule KIF18A Inhibitor for the Treatment of Chromosomally Unstable Solid Tumors

ISM9682 is a highly differentiated oral small molecule inhibitor of kinesin KIF18A motor protein, empowered by our generative AI engine for the treatment of solid tumors with chromosomal instability. Preclinical studies demonstrated its potent activity against KIF18A and favorable drug-like properties. We have out-licensed ISM9682 to Stemline Therapeutics Inc.. Following IND approval, the molecule advanced into Phase I clinical trial and we received the first-in-patient milestone payment.

ISM8969: CNS-penetrant NLRP3 Inhibitor for Inflammatory Diseases

ISM8969 is an orally available, brain penetrant small molecule inhibitor of NLRP3 enabled by our generative AI platform – Chemistry42 for the treatment of neurodegenerative diseases such as Parkinson's disease. By inhibiting the NLRP3 inflammasome, a key driver of neuroinflammation, ISM8969 addresses a critical pathway in CNS pathology. Preclinical studies demonstrated robust anti-inflammatory activity, favorable safety, and desirable blood-brain barrier penetration across multiple disease models. We entered into a global co-development collaboration with Hygtia Therapeutics for ISM8969, under which both parties hold 50% worldwide rights and the Company is eligible for up to US$66 million in upfront and milestone payments. We received IND approval from the FDA in December 2025 and are advancing toward clinical trials.

Undisclosed: Nav1.8 Program

We are developing a highly selective Nav1.8 inhibitor for the treatment of both acute and chronic pain. Nav1.8 is predominantly expressed in peripheral nociceptors, particularly C-fibers and Aδ-fibers, which mediate pain signaling. It facilitates action potential propagation and contributes to neuronal hyperexcitability in pathological states. By specifically targeting Nav1.8, our drug candidate has the potential to treat both acute and chronic pain without abuse liability. Preclinical data demonstrated strong in vitro and in vivo efficacy, high selectivity, favorable ADME and safety profiles. We had nominated the PCC in December 2025. In 2025, exclusive Greater China rights of this program were out-licensed to an undisclosed partner.

Business Model

Our business model consists of drug discovery and pipeline development, software solutions and other discovery business related to non-pharma sectors. We have made significant investments in building our generative AI-based drug discovery and development platform and have generated a rich pipeline targeting areas of unmet needs in oncology, immunology, fibrosis and other therapeutic areas. As our pipeline candidates mature and grow in potential value, we consider out-licensing them to pharmaceutical companies. We also enter into strategic drug discovery and development collaborations with pharmaceutical companies to explore potential targets and drug candidates that have the potential to become part of our drug development pipeline. We currently collaborate with 13 of the top 20 largest global pharmaceutical companies in terms of reported sales in 2024. These collaborations typically leverage our technology and development capabilities to accelerate drug discovery efforts, with deal structures including upfront payments, success-based development milestones, regulatory and commercial milestones, and royalties. Our software licensing activities involve out-licensing one or more components of the entire Pharma. AI platform (Biology42, Chemistry42, Medicine42 and Science42) for target discovery, small molecule and biologics generation, clinical trial prediction and optimization and streamlining the process of drafting academic papers and other related documents. While primarily focused on the pharmaceutical industry, our generative AI platform has broad potential applications, such as advanced materials, agriculture, nutritional products, and veterinary medicine.

Drug discovery and development

During the Reporting Period and as of the Latest Practicable Date, we achieved several landmark co-development and research collaboration deals that validate the industry's profound confidence in our generative AI platform while creating sustainable, diversified revenue streams.

In our out-licensing efforts, we reached a significant agreement with TaiGen Biotechnology, granting them exclusive rights to develop and commercialize ISM4808 in Greater China. This AI-empowered, potentially best-in-class oral PHD inhibitor is targeted at treating anemia associated with CKD. Under the terms of the deal, we are eligible for payments including one-time upfront, development and sales-based milestone payments, as well as tiered royalties on net sales, with a total size of two-digit million dollars.

Our collaboration pipeline saw exceptional growth through high-value partnerships with global and domestic pharmaceutical leaders. We entered into a research collaboration with Eli Lilly, combining our Pharma.AI platform with their disease expertise in a deal eligible for receiving over $100 million including an upfront, milestone payments, and tiered royalties on net sales upon commercialization of any resulting drug products. Furthermore, we secured a multi-year oncology collaboration with Servier valued at up to US$888.0 million, focusing on the discovery of novel oncology therapies. On the collaboration with domestic pharmaceutical companies, we established a strategic partnership with Qilu Pharmaceutical to accelerate novel cardiometabolic therapies, and expanded our cooperation with China Medical System Holdings Limited (CMS) to advance multiple AI-enabled candidates in the fields in central nervous system and autoimmune diseases. We also in collaboration with Tenacia Biotechnology on novel Central Nervous System disease therapies, developing small molecule inhibitors from scratch to PCC nomination.

To accelerate our promising candidate, we also entered into strategic co-development agreement with Hygtia Therapeutics, to advance ISM8969, our AI-empowered, brain-penetrant NLRP3 inhibitor for Parkinson's disease. This 50/50 global rights-sharing collaboration allows both parties to leverage their respective strengths in clinical development and commercialization. We are eligible to receive up to US$66.0 million in upfront and milestone payments as part of this partnership, reflecting the high potential of this best-in-class candidate for neurodegenerative disorders.

Software solution

During the Reporting Period, we generated revenue by granting our customers access to four components of our Pharma.AI, namely Biology42, Chemistry42, Medicine42 and Science42. We entered into subscription agreements with our customers and collected subscription fees.

Our revenue from software solutions increased from US$4.0 million in 2024 to US$4.9 million in 2025, representing a 23.8% year-on-year growth and demonstrating strong and sustained momentum in the commercialization of our AI-driven drug discovery platform. This growth reflects rising global demand for our next-generation Pharma.AI platform and broader adoption of our modular software offerings. We provided two types of arrangements to our customers, for access to our Pharma.AI, or by granting right to use Chemistry42 and/or PandaOmics installed on the customer's premise. Our subscription customer base expanded from 153 in 2024 to 181 by 2025, underscoring the growing recognition of our platform's capabilities and the increasing integration of AI into global drug R&D workflows.

R&D collaboration in non-pharma sectors

We will continue expanding our strategic collaborations beyond the pharmaceutical sector to fully unlock the application potential and commercial opportunities of our Pharma.AI platform. By leveraging the versatility of our platform, we aim to address complex challenges and deliver innovative solutions across a broad spectrum of industries. This strategic shift not only diversifies our revenue streams but also enhances the adaptability and scalability of our technologies, allowing us to capitalize on emerging opportunities in both pharmaceutical and non-pharmaceutical markets.

Our current non-pharma partnerships extended to a diverse range of industries, such as advanced materials, agriculture, nutritional products, and veterinary medicine, showcasing the wide-reaching applicability of our platform. These collaborations have already demonstrated the value of our technologies in solving industry-specific problems and driving innovation. We have expanded our non-pharma collaborations across diverse sectors including nutraceuticals, sustainable fuels, materials science, and agriculture. As of Latest Practicable Date, we collaborated with 5 customers for other discovery. Moving forward, we plan to further expand into additional verticals, exploring untapped markets where our expertise and technology can create transformative impact. By broadening our reach and fostering cross-industry partnerships, we aim to establish Pharma.AI as a leading solution across multiple industries, driving long-term growth and value creation.

CAUTIONARY STATEMENT: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP OR MARKET THE RELEVANT PRODUCTS, OR ANY OF OUR PIPELINE PRODUCTS, SUCCESSFULLY.

FINANCIAL REVIEW

The following discussion is based on, and should be read in conjunction with, the financial information and notes included elsewhere in this announcement.

Revenue

During the Reporting Period, we generated revenue from drug discovery and pipeline development, software solution and other discovery. The following table sets forth a breakdown of our revenue in absolute amount and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,			
	2025		2024	
	US$'000	***%***	*US$'000*	*%*
Drug discovery	**24,952**	**44.4**	3,144	3.7
Pipeline development	**23,885**	**42.5**	76,589	89.2
Software solution	**4,913**	**8.7**	3,970	4.6
Other discovery	**2,489**	**4.4**	2,131	2.5
Total	**56,239**	**100.0**	85,834	100.0

Our revenue decreased by US$29.6 million or 34.5% from US$85.8 million in 2024 to US$56.2 million in 2025. Such decrease was primarily attributable to the decline in revenue generated from pipeline development and was partially offset by the increase in revenue generated from drug discovery. The pipeline development revenue from upfront payments in 2025 was US$15.3 million, which was comparably lower than that in 2024 (2024: US$58.0 million) due to the influence caused by the progress of new deal negotiation and the research and development progress of licensed-out pipelines at customers' end.

Cost of Revenue

During the Reporting Period, our cost of revenue mainly consisted of third-party CRO costs and labor costs in relation to pipeline development business, drug discovery and other discovery. Our cost of revenue increased by US$2.1 million or 25.8% from US$8.3 million in 2024 to US$10.4 million in 2025, which was primarily attributable to the change in revenue composition during the Reporting Period as more third-party CRO costs and labor costs incurred under drug discovery business.

Gross Profit and Gross Profit Margin

Our gross profit decreased by US$31.7 million or 40.9% from US$77.6 million in 2024 to US$45.8 million in 2025, which was primarily attributable to the decreased revenue and increased cost of revenue due to the change in revenue composition.

Our gross profit margin decreased by 8.9% from 90.4% in 2024 to 81.5% in 2025, which was primary attributable to a higher proportion of revenue contributed by the drug discovery business, which has a lower gross profit margin compared to our pipeline development business.

Other Income

During the Reporting Period, our other income consisted of bank interest income, subsidy income and others. Bank interest income includes interests generated from our bank deposits. Subsidy income includes expense reimbursement and project-related funding. Our subsidy income is all non-recurring in nature.

Our other income decreased by US$2.6 million or 24.8% from US$10.6 million in 2024 to US$8.0 million in 2025, which was primarily attributable to a decrease in bank interest income resulting from lower deposit rates, as well as a decrease in subsidy income due to the absence of one-time government subsidies recorded in the first half of 2024 and the completion of the Gates Foundation grant project in Canada in 2024.

Selling and Marketing Expenses

During the Reporting Period, our selling and marketing expenses consisted of labor costs, marketing costs, share-based compensation expenses and others. Our labor costs primarily consist of salaries, welfare and other benefits for our selling and marketing staff. Marketing costs primarily consist of marketing related expenses. Others include depreciation and amortization, travel expenses, information technology and office supplies expenses, and rental and utilities expenses. The table below sets forth a breakdown of our selling and marketing expenses for the periods indicated:

	Year ended December 31,	
	2025	2024
	US$'000	*US$'000*
Labor costs	**3,837**	4,488
Marketing costs	**649**	200
Share-based compensation expenses	**702**	20
Others	**1,140**	824
Total	**6,328**	5,532

Our selling and marketing expenses increased by US$0.8 million or 14.4% from US$5.5 million in 2024 to US$6.3 million in 2025, which was primarily attributable to the increase in share-based compensation expense derived from the option and RSU granted to our business development team for motivation and retention.

Research and Development Expenses

During the Reporting Period, our research and development expenses were incurred in connection with carrying out the research and development activities of our product candidates and continuously upgrading and training our Pharma.AI. Our research and development expenses consist of third-party contracting costs for discovery and development business and clinical trial related services provided by CROs and CDMOs, labor costs, share-based compensation expenses and others. The table below sets forth a breakdown of our research and development expenses for the periods indicated:

	Year ended December 31,	
	2025	2024
	US$'000	*US$'000*
Third-party contracting costs	**47,130**	57,123
Labor costs	**26,293**	27,239
Share-based compensation expenses	**3,200**	1,284
Others	**4,756**	6,249
Total	**81,379**	91,895

Our research and development expenses decreased by US$10.5 million or 11.4% from US$91.9 million in 2024 to US$81.4 million in 2025, which was primarily attributable to a decrease in third-party CRO expense, resulting from enhanced efficiency in resource allocation for internal pipelines, higher CRO discounts obtained in 2024 and lower clinical costs for the ISM001-055 project following the completion of its Phase IIa trial in 2024.

Administrative Expenses

During the Reporting Period, our administrative expenses consisted of labor costs, professional and consultation fees, share-based compensation expenses and others. Our labor costs primarily consist of salaries, welfare and other benefits for our administrative staff. Our professional and consultation fees primarily represent the fees paid to professionals, such as legal advisors, intellectual property agents, accounting firm and other professional services. Others include depreciation and amortization, travel expenses, information technology and office supplies expenses, rental and utilities expenses. The table below sets forth a breakdown of our administrative expenses for the periods indicated:

	Year ended December 31,	
	2025	2024
	US$'000	*US$'000*
Labor costs	**7,937**	6,751
Professional and consultation fees	**2,426**	5,551
Share-based compensation expenses	**2,605**	1,955
Others	**4,448**	3,230
Total	**17,416**	17,487

Our administrative expenses decreased by US$0.1 million or 0.4% from US$17.5 million in 2024 to US$17.4 million in 2025. Such decrease was primarily attributable to the decrease in professional and consultation fees, and partly offset by the increase in share-based compensation expenses and rental and utilities fees.

Other Gains and Losses, Net

Our other gains and losses, net increased by US$0.9 million or 86.6% from other gains, net at US$1.0 million in 2024 to other gains, net at US$1.9 million in 2025, which was primarily attributable to the increase in gain from changes in fair value of financial assets at FVTPL.

Finance Costs

Our financial costs increased by US$0.1 million from US$0.1 million in 2024 to US$0.2 million in 2025, which was primarily attributable to the increase in lease interests due to the renew and expansion of lease contracts.

(Loss) Gain from Changes in Fair Value of Financial Liabilities at FVTPL

We recorded a loss of US$296.7 million from changes in the fair value of financial liabilities at FVTPL in 2025, compared to a gain of US$9.0 million in 2024, which was primarily attributable to the significant losses incurred in the conversion of preferred shares issued in previous financing series into ordinary shares based on the share price upon our Listing.

Impairment Losses (Including Reversals of Impairment Losses or Impairment Gains) on Financial Assets

Our impairment losses on financial assets was US$0.7 million in 2025, compared to US$7,000 reversals of impairment or impairment gains in 2024. The change was primarily attributable to the increase in trade receivables from third-party customers.

Loss Before Tax

Our loss before tax increased by US$335.3 million from loss before tax at US$16.9 million in 2024 to US$352.3 million in 2025, which was primarily attributable to increase in loss from changes in fair value of financial liabilities at FVTPL and decrease in revenue.

Income Tax Expense

Our income tax expenses decrease by US$0.1 million from US$0.2 million in 2024 to US$0.1 million in 2025, which was primarily attributable to the decrease in taxable income.

Loss for the Reporting Period

Our loss for the Reporting Period increased by US$335.2 million from loss for the Reporting Period at US$17.1 million in 2024 to US$352.3 million in 2025, which was primarily attributable to decrease in revenue and the loss from changes in fair value of financial liabilities at FVTPL.

Financial Position

As of December 31, 2025, our Company recorded net assets of US$452.0 million, compared to net liabilities of US$663.9 million as of December 31, 2024. The change was mainly attributable to the Group's Listing on December 30, 2025, which increased the balance of bank balances and cash as well as share capital and share premium and reserves, while the conversion of preferred shares from previous financing series into ordinary shares based on the share price caused a significant decrease in financial liabilities at FVTPL.

As of December 31, 2025, our Company has recorded net current assets of US$440.4 million, compared to net current liabilities of US$673.5 million as of December 31, 2024, for the reasons stated above.

Trade and Other Receivables

Our trade and other receivables increased from US$7.5 million as of December 31, 2024 to US$27.0 million as of December 31, 2025. In particular, our trade receivables primarily represent the balances due from certain customers. Our trade receivables from contracts with customers increased from US$0.9 million as of December 31, 2024 to US$21.3 million as of December 31, 2025, which was primarily attributable to the revenue we recognized at year-end but for which the payment has not been due yet.

Trade and Other Payables

Our trade and other payables primarily consist of trade payables for research and development expenses, payroll and related liabilities, professional service fees and share issue costs and accrued office expenses. Trade payables mainly consist of balances due to our trade payables for research and development expenses, payroll and related liabilities, and professional service fees and share issue costs.

Our trade and other payables increased from US$28.0 million as of December 31, 2024 to US$29.7 million as of December 31, 2025, which was primarily attributable to the increase in listing expenses.

Liquidity and Financial Resource

During the Reporting Period, we relied on capital contributions by our Shareholders and operating revenues as the major sources of liquidity. As our business develops and expands, we expect to generate more net cash from our operating activities, namely drug discovery, pipeline development, software solutions, and sales of other discovery services, as a result of the accumulation of our self-developed pipeline, broader market acceptance of our existing services and our continued efforts in marketing and expansion, improving cost control and operating efficiency and accelerating the turnover of trade receivables by tightening our credit policy.

With respect to cash management, our objective is to optimize liquidity to secure a stable return for Shareholders in a risk-averse manner. Specifically, we have policies in place to monitor and manage the settlement of trade receivables. When determining the credit term of a customer, we consider a number of factors, including its cash flow conditions and creditworthiness. To monitor the settlement of our trade receivables and avoid credit losses, we conduct annual review of each customer's financial performance, which is primarily based on the amount and aging of the trade receivables due from such customer in the respective period.

During the Reporting Period, our Company recorded net operating cash outflows of US$76.8 million in 2025, representing an increase of US$19.4 million as compared to US$57.4 million in 2024, which was mainly attributable to the decrease in cash received from customers.

Bank Balances and Cash

Our bank balances and cash primarily consisted of time deposits with original maturity of less than one year when acquired. Our bank balances and cash increased by US$267.4 million in 2025 from US$125.9 million in 2024 to US$393.3 million in 2025, which was primarily attributable to the completion of the Global Offering in December 2025.

Funding and Treasury Policy

The Group adopts a prudent funding and treasury policy, aiming to maintain an optimal financial position and minimal financial risks. We have formulated internal control measures to control our process of investment in wealth management products. Prior to making an investment, we ensure that there remains sufficient working capital for our business needs, operating activities, research and development and capital expenditures. In 2025, we funded our operations primarily through equity financing and cash collection from customers. With the continuing expansion of our business and development of new drug candidates, we will use the net proceeds raised from the Global Offering and may require further funding through public or private equity offerings, debt financing and other sources.

Lease Liabilities

Our lease liabilities increased by US$3.4 million or 132.7% from US$2.6 million in 2024 to US$6.0 million in 2025, which was primarily attributable to the renewal and expansion of lease agreement.

Financial Liabilities at FVTPL

Our financial liabilities at FVTPL decreased by 100.0% from US$766.1 million in 2024 to nil in 2025, which was primarily attributable to the fact that all preferred shares issued in previous financing series have been converted into ordinary shares based on the share price upon our Listing.

Contract Liabilities

Our contract liabilities decreased by US$4.8 million or 69.3% from US$6.9 million in 2024 to US$2.1 million in 2025, which was primarily attributable to the Group having satisfied most of the performance obligations for services prepaid by customers.

Current ratio

Current ratio (calculated by current assets divided by current liabilities) of the Group as of December 31, 2025, was 1,399.3% (December 31, 2024: 16.5%).

Gearing ratio

Gearing ratio is calculated as total debt divided by total assets. As of December 31, 2025, the Group had no bank borrowings (December 31, 2024: nil), the Group's gearing ratio was 0% (December 31, 2024: 0%).

Foreign Currency Risk

Certain financial assets and liabilities are denominated in foreign currency of respective group entities which are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Contingent Liabilities

As of December 31, 2025, we did not have any material contingent liabilities.

Pledge of Assets

As of December 31, 2025, we did not pledge any of our assets.

Non-IFRS Measure

We adopt the adjusted loss for the year (non-IFRS measure), which is not required by or presented in accordance with IFRS as an additional financial measure to supplement our consolidated financial statements. We believe that the non-IFRS measure facilitates comparisons of operating performance from period to period and company to company. We believe that the non-IFRS measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

We recorded adjusted loss (non-IFRS measure) of US$43.8 million for the year ended December 31, 2025 and US$22.7 million for the year ended December 31, 2024. We define adjusted loss (non-IFRS measure) as loss for the year adjusted by adding back (gain)/loss from changes in fair value of financial liabilities at FVTPL, share-based compensation expenses and listing expenses. The following table reconciles our adjusted loss (non-IFRS measure) for the years presented in accordance with IFRSs, which is loss for the periods indicated:

	Year ended December 31,	
	2025	2024
	US$000	*US$000*
Loss for the year	**(352,316)**	(17,096)
Add:		
(Gain) loss from changes in fair value of financial liabilities at FVTPL	**296,701**	(9,004)
Share-based compensation expenses	**6,507**	3,259
Listing expenses	**5,274**	176
Adjusted loss (non-IFRS measure)	**(43,834)**	(22,665)

(Gain)/loss from changes in fair value of financial liabilities at FVTPL represent the fair value changes of convertible redeemable preferred shares we issued. The convertible redeemable preferred shares have automatically converted into ordinary shares upon the completion of the Global Offering, which are non-cash in nature, and no further loss or gain on fair value changes is expected to be recognized afterwards. Our share-based compensation expenses represent expenses associated with equity compensation to retain and reward people performing services to us, which are non-cash in nature. Listing expenses relate to Global Offering of the Company. We therefore believe that these items should be adjusted for when calculating our adjusted loss (non-IFRS measure). However, our presentation of such non-IFRS measure may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and Shareholders and potential investors should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS.

Employees and Remuneration Policies

As of December 31, 2025, the Group had 317 employees and consultants, including a total of 247 professionals. The total employee benefit expenses during the Reporting Period, including share-based payment expenses, were US$43.4 million, as compared to US$41.7 million for 2024.

Our employees' remuneration comprises salaries, bonuses, provident funds, social security contributions, and other welfare payments. We have made contributions and benefits to our employees pursuant to applicable laws and regulations. During the Reporting Period, we did not experience any strikes, work stoppages, labor disputes or other actions which had a material adverse effect on our business and operations. We also provided external and internal training programs to our employees.

We adopted the Pre-IPO Equity Incentive Plans, which include: (i) the 2019 Share Plan; (ii) the 2019 Equity Incentive Plan; (iii) the 2021 Equity Incentive Plan; and (iv) the 2022 Equity Incentive Plan. The terms of the Pre-IPO Equity Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules, given none of them involves any grant of options or awards by the Company after the Listing.

We also adopted the Post-IPO Equity Incentive Plans, which include: (i) the Post-IPO RSU Scheme; and (ii) the Post-IPO Share Option Scheme. Each of the schemes constitutes a share scheme governed by Chapter 17 of the Listing Rules.

Material Acquisitions and Disposals

During the Reporting Period, the Group did not have any material acquisition or disposal of its subsidiaries, associates and joint ventures.

Use of Net Proceeds from the Global Offering

On December 30, 2025, 94,690,500 Shares were issued at a price of HK$24.05 per share in connection with the Global Offering.

Reference is made to the announcement of the Company dated January 16, 2026, in relation to the full exercise of the Over-allotment Option. The Over-allotment Option, in respect of an aggregate of 14,203,500 Shares, representing approximately 15% of the total number of the offer shares initially available under the Global Offering (before any exercise of the Over-allotment Option) has been fully exercised. The Over-allotment Shares were issued and allotted by the Company at HK$24.05 per Share, being the offer price per Share under the Global Offering.

Due to the exercise of the Over-allotment Option, the Net Proceeds have increased from HK$2,025.8 million to HK$2,350.3 million. The net proceeds (“**Net Proceeds**”) raised from the Global Offering will be utilized in accordance with the plans disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus, namely:

Intended use of Net Proceeds	**Net Proceeds from the Global Offering** *(HK$ million)*	**Approximate % of total Net Proceeds**	**Utilized Net Proceeds during the Reporting Period** *(HK$ million)*	**Unutilized Net Proceeds from the Global Offering as of December 31, 2025** *(HK$ million)*	**Expected timeline of full utilization of the unutilized Net Proceeds**[1]
(1) Funding for further clinical research and development of our key clinical-stage pipeline drug candidates	1,128.14	48.0%	–	1,128.14	Within the next three to four years
(a) Funding for research and development	940.12	40.0%	–	940.12	Within the next three to four years
i. Funding for the Phase IIb/III clinical trial of ISM001-055 for IPF in China	390.15	16.6%	–	390.15	Within the next three to four years
ii. Funding for the research and development of Phase IIb/III clinical trial of ISM001-055 in the U.S.	493.56	21.0%	–	493.56	Within the next three to four years
iii. Funding for the research and development of IPF inhalable	56.41	2.4%	–	56.41	Within the next three to four years
(b) Funding for the research and development of clinical trials of our pipeline products	188.02	8.0%	–	188.02	Within the next three to four years

Intended use of Net Proceeds	Net Proceeds from the Global Offering *(HK$ million)*	Approximate % of total Net Proceeds	Utilized Net Proceeds during the Reporting Period *(HK$ million)*	Unutilized Net Proceeds from the Global Offering as of December 31, 2025 *(HK$ million)*	Expected timeline of full utilization of the unutilized Net Proceeds[(1)]
(2) Development of new generative AI models and the associated validation research work	352.55	15.0%	–	352.55	Within the next two to three years
(3) Further development and expansion of our automated lab	282.04	12.0%	–	282.04	Within the next three to four years
(4) Funding for the research and development, for early-stage drug discovery and development, including preclinical and clinical of our other pipeline drug candidates	470.06	20.0%	–	470.06	Within the next two to three years
(5) Working capital and other general corporate purposes	117.52	5.0%	–	117.52	Within the next three to four years
Total	**2,350.30**	**100%**	**–**	**2,350.30**	

Note:

(1) The expected timeline is based on the best estimation made by the Group on future market condition and may change with the future market condition and future development.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025
(Expressed in US$)

	NOTES	Year ended December 31, 2025 USD'000	2024 USD'000
Revenue	4	**56,239**	85,834
Cost of revenue		**(10,391)**	(8,257)
Gross profit		**45,848**	77,577
Selling and marketing expenses		**(6,328)**	(5,532)
Research and development expenses		**(81,379)**	(91,895)
Administrative expenses		**(17,416)**	(17,487)
Listing expenses		**(5,274)**	(176)
Other income	6	**8,001**	10,633
Other gains and losses, net	7	**1,913**	1,025
Finance costs		**(209)**	(91)
(Loss) gain from changes in fair value of financial liabilities at fair value through profit or loss ("FVTPL")	16	**(296,701)**	9,004
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets		**(711)**	7
Loss before tax	8	**(352,256)**	(16,935)
Income tax expense	9	**(60)**	(161)
Loss for the year		**(352,316)**	(17,096)
Other comprehensive income (expense)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**780**	(333)
Total comprehensive expense for the year		**(351,536)**	(17,429)
Loss per share	10		
– Basic and diluted (USD)		**(4.48)**	(0.24)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2025
(Expressed in US$)

	NOTES	As at December 31, 2025 USD'000	2024 USD'000
Non-current assets			
Property and equipment		**7,402**	6,979
Right-of-use assets		**5,766**	2,459
Other intangible assets		**267**	274
Financial assets at FVTPL	*12*	**718**	246
Other non-current assets		**1,552**	635
		15,705	10,593
Current assets			
Financial assets at FVTPL	*12*	**53,933**	–
Trade and other receivables	*13*	**27,007**	7,467
Bank balances and cash	*14*	**393,338**	125,942
		474,278	133,409
Current liabilities			
Trade and other payables	*15*	**29,686**	28,002
Amount due to a related party		**–**	4,176
Lease liabilities		**1,895**	1,503
Financial liabilities at FVTPL	*16*	**–**	766,107
Contract liabilities		**2,109**	6,864
Deferred income		**203**	215
		33,893	806,867
Net current assets (liabilities)		**440,385**	(673,458)
Total assets less current liabilities		**456,090**	(662,865)
Non-current liability			
Lease liabilities		**4,064**	1,058
Net assets (liabilities)		**452,026**	(663,923)
Capital and reserves			
Share capital	*17*	**–***	–*
Treasury shares	*18*	**–**	(2,047)
Share premium and reserves		**452,026**	(661,876)
Total equity (deficits)		**452,026**	(663,923)

* Amount is less than USD1,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

InSilico Medicine Cayman TopCo (the "Company") is a public limited liability company incorporated in Cayman and its shares are listed on Main Board The Stock Exchange of Hong Kong Limited since December, 30 2025 (stock code: 03696.HK). The founder of the Company is Dr. Aleksandrs Zavoronkovs, who is the chairman of the Board, executive Director, CEO and CBO. The addresses of the registered office and principal place of business of the Company is 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands.

The principal activity of the Company and its subsidiaries (collectively referred to as "Group") are primarily engaged in applying innovative artificial intelligence (AI) solutions to drug discovery and development by leveraging its proprietary platforms.

The consolidated financial statements are presented in US dollar ("USD"), which is also the functional currency of the Company.

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 International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the Group's annual periods 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 that have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency (Note iii)
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments (Note ii)
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-Dependent Electricity (Note ii)
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Note i)
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 (Note ii)
IFRS 18	Presentation and Disclosure in Financial Statements (Note iii)

Notes:

i: Effective for annual periods beginning on or after a date to be determined.

ii: Effective for annual periods beginning on or after January 1, 2026.

iii: Effective for annual periods beginning on or after January 1, 2027.

Except for IFRS 18, the directors of the Company anticipate that application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

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 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 1 January 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

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. 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 applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (referred to as the "Listing Rules") and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

4. REVENUE

Disaggregation of revenue from contracts with the customers of the Group:

	Year ended December 31,	
	2025	2024
	USD'000	*USD'000*
Types of revenue		
Drug discovery	**24,952**	3,144
Pipeline development	**23,885**	76,589
Software solution	**4,913**	3,970
Other discovery	**2,489**	2,131
	56,239	85,834

	Year ended December 31,	
	2025	2024
	USD'000	*USD'000*
Geographical market (Note i)		
United States	**31,572**	79,383
Chinese Mainland	**17,529**	2,140
Kingdom of Saudi Arabia	**1,822**	1,901
France	**1,540**	–
Hong Kong	**1,053**	28
Japan	**620**	699
United Kingdom	**483**	151
Denmark	**360**	600
United Arab Emirates	**276**	–
Korea	**222**	284
Germany	**77**	32
Switzerland	**54**	242
Taiwan	**13**	112
Others (Note ii)	**618**	262
	56,239	85,834
Timing of revenue recognition		
Over time	**55,134**	85,261
At a point in time	**1,105**	573
	56,239	85,834

Notes:

i The Group is divided into geographic markets based on the country/region where each client is located.

ii Other geographical markets include Italy, Belgium, Poland, Netherlands, Finland, Canada, Turkey, Chile, Estonia, India, Ireland, Kazakhstan, Kyrgyzstan, Latvia, Romania, Spain, Sweden, Austria, Brazil, Portugal, Singapore, Croatia, Australia, Georgia, Indonesia, Israel, Mexico, Czechia and Slovakia.

5. SEGMENTS INFORMATION

Operating segments are identified on the basis of the Group's internal reports that are regularly reviewed by the chief operating decision maker ("CODM"), which is also identified as the chief executive officers of the Group, in order to allocate resources to segments and to assess their performance.

During the year, the CODM reviews the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single segment and no further analysis of the single segment is presented.

6. OTHER INCOME

	Year ended December 31,	
	2025	2024
	USD'000	*USD'000*
Bank interest income	**5,545**	6,528
Subsidy income (Note)	**2,503**	4,117
Other expense	**(47)**	(12)
	8,001	10,633

Note:

The Group's subsidies primarily comprise government grants related to capital expenditures for the acquisition of plant and equipment, which are recognised in other income over the estimated useful lives of the related assets, as well as various forms of support for research and development (R&D) activities and one-off grants awarded to high-tech enterprises, which are recognised in other income either when the relevant conditions are met or immediately upon receipt if no conditions apply.

7. OTHER GAINS AND LOSSES, NET

	Year ended December 31,	
	2025	2024
	USD'000	*USD'000*
Net foreign exchange (losses) gains	**(257)**	466
Loss on disposal of property and equipment	**(117)**	–
Loss on disposal of intangible assets	**(11)**	–
Gain from changes in fair value of financial assets at FVTPL	**2,298**	559
	1,913	1,025

8. LOSS BEFORE TAX

	Year ended December 31,	
	2025	2024
	USD'000	*USD'000*
Loss before tax for the year has been arrived at after charging:		
Depreciation of property and equipment	**2,579**	4,285
Depreciation of right-of-use assets	**2,073**	1,579
Amortization of other intangible assets	**122**	181
Total depreciation and amortization	**4,774**	6,045
Listing expenses	**5,274**	176
Directors' emoluments	**5,423**	4,074
Other staff costs:		
– salaries and other benefits	**25,569**	24,379
– discretionary bonuses (Note)	**5,013**	7,977
– retirement benefit scheme contributions	**4,094**	3,954
– share-based payments	**3,310**	1,281
Total other staff costs:	**37,986**	37,591
	43,409	41,665

Note:

Discretionary bonuses are determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

9. INCOME TAX EXPENSE

	Year ended December 31,	
	2025	2024
	USD'000	*USD'000*
Income tax expense	**60**	161

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

	Year ended December 31,	
	2025	2024
	USD'000	*USD'000*
Loss before tax	**(352,256)**	(16,935)
Tax at the applicable tax rate of 16.5% (Note i)	**(58,122)**	(2,794)
Tax effect of expenses that are not deductible for tax purpose	**1,209**	664
Tax effect of non-taxable income	**(465)**	(266)
Tax effect of super deduction on research and development expenses (Note ii)	**(3,096)**	(5,936)
Tax effect of tax losses not recognized	**60,374**	8,297
Tax effect of deductible temporary differences not recognized	**118**	1
Withholding tax on license fee income	**(92)**	(90)
Utilisation of tax losses not recognized in prior years	**(17)**	–
Adjust provision in prior years	**31**	(37)
Income tax expense	**(60)**	(161)

Notes:

i. The domestic tax rate in the jurisdiction where the operation of the Company is substantially based (which is Hong Kong) is used.

ii. Pursuant to Caishui [2023] circular No. 7, InSilico SH and InSilico SZ enjoy super deduction of 200% on qualified research and development expenditures for the years ended December 31, 2025 and 2024.

10. LOSS PER SHARE

Pursuant to the written resolutions of the shareholders of the Company passed on December 15, 2025, the shareholders resolved to, among other things, conduct the share split pursuant to which each share in the Company's then issued and unissued share capital with a par value of US$0.00001 was split into 20 shares of the corresponding class with a par value of US$0.0000005 each effective upon the conditions of the Hong Kong public offering and the international offering being fulfilled ("Share Split").

All conditions have been satisfied, and the share split became effective on December 30, 2025. The number of shares has been retrospectively adjusted accordingly. The share split did not affect the aggregate par value of the share capital but resulted in a proportional increase in the number of shares outstanding and a corresponding reduction in the par value per share.

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

	Year ended December 31,	
	2025	2024
Loss for the purpose of calculating basic and diluted loss per share:		
Loss for the year attributable to the owners of the Company (USD'000)	**(352,316)**	(17,096)
Effect of dilutive potential ordinary shares (USD'000)	**–**	(9,004)
Loss for the purpose of calculating diluted loss per share (USD'000)	**(352,316)**	(26,100)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic loss per share ('000) (Note)	**78,705**	71,845
Effect of dilutive potential ordinary shares	**–**	16,795
Weighted average number of ordinary shares for the purpose of diluted loss per share (Note)	**78,705**	88,640
Basic loss per share (USD)	**(4.48)**	(0.24)
Diluted loss per share (USD)	**(4.48)**	(0.24)

Note:

The effects of all outstanding Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares, Series C+ Preferred Shares, Series D Preferred Shares, Series E Preferred Shares have been exclude from the computation of diluted loss per share for the year end December 31, 2024 as their effects would be anti-dilutive. All preferred shares are converted into ordinary shares upon listing. The effects of all share options and unvested restricted shares have been excluded from the computation of diluted loss per share for the year ended December 31, 2025 as their effects would be anti-dilutive. Accordingly, diluted loss per share are the same as basic loss per share for the years ended December 31, 2025.

11. DIVIDENDS

No dividend was declared or paid by the Company during the year.

12. FINANCIAL ASSETS AT FVTPL

	As at December 31,	
	2025	2024
	USD'000	*USD'000*
Current asset		
Financial assets measured at FVTPL:		
Financial products (Note ii)	**53,933**	–
Non-current asset		
Financial assets measured at FVTPL		
Equity Investments with Readily Determinable Fair Value:		
Regent Pacific Group Limited (formerly known as Endurance RP Limited) (Note i)	**718**	246

Note:

i. Regent Pacific (formerly known as Endurance RP Limited, "Regent Pacific") is an investment company focusing on investment in the healthcare, wellness and life sciences sectors. The Group does not have the ability to significantly influence the operations of the investee and records the investment in Regent Pacific using fair value method of accounting. The Group recognized gains and loss from fair value changes amounting to USD472,000 gain for the years ended December 31, 2025 (2024: USD168,000 loss).

ii. During the year ended December 31, 2025, the Group entered into several contracts of money market funds with reputable banks. These investments are classified as financial assets at FVTPL. The money market funds are redeemed on demand or within 3 business days. The profit and loss of this money market fund is linked to the changes in the net asset value of the funds, and Group shall bear the risk of net asset value fluctuation on their own.

13. TRADE AND OTHER RECEIVABLES

	As at December 31,	
	2025	2024
	USD'000	*USD'000*
Trade receivables from contracts with customers		
– third parties	**22,026**	883
Less: Allowance for credit losses	**(742)**	(31)
	21,284	852
Other receivables	**97**	27
Value added tax recoverable	**3,370**	3,484
Interest receivables	**176**	331
Prepayments	**2,080**	1,699
Deferred issue costs and deferred share issue costs	**–**	1,074
	5,626	6,588
	27,007	7,467

As at January 1, 2024, trade receivables from contracts with customers amounted to USD1,115,000.

The following is an aged analysis of trade receivable net of allowance for credit losses presented based on the date of completion of service at the end of each reporting period:

	As at December 31,	
	2025	2024
	USD'000	*USD'000*
0-90 days	**21,255**	792
91-180 days	**16**	20
Over 180 days	**13**	40
	21,284	852

The Group normally grants a credit period of 30 days to 60 days effective from the date when the services have been completed and billed to the customer.

14. BANK BALANCES AND CASH

	As at December 31,	
	2025	2024
	USD'000	*USD'000*
Cash at bank and in hand	**393,338**	125,942
Cash and cash equivalents	**393,338**	125,942

The carrying amounts of the Group's bank balances and cash denominated in currencies other than functional currencies of the relevant group entities are as follows:

	As at December 31,	
	2025	2024
	USD'000	*USD'000*
USD	**30,427**	359
RMB	**225**	142
HK$	**278,042**	13
EUR	**7**	–

Bank balances held by the Group and the Company carry interests at market rates which ranged from 0.001% to 4.41% at December 31, 2025(2024: from 0.001% to 4.41%).

15. TRADE AND OTHER PAYABLES

	As at December 31,	
	2025	2024
	USD'000	*USD'000*
Trade payables for research and development expenses	**13,616**	13,842
Payroll and related liabilities	**9,522**	8,910
Professional service fees and share issue costs (Note a)	**1,770**	3,192
Accrued issue costs	**444**	86
Accrued listing expenses	**3,171**	596
Accrued office expenses	**628**	685
Other taxes and surcharge	**291**	229
Other payables	**244**	462
	29,686	28,002

Note:

a. The share issue costs were related to a financing activity in other capital market.

The following is an aged analysis of trade payables presented based on the invoice dates, for the trade payables having not received invoice at the end of each reporting period, the aging is within 0-30 days:

	As at December 31,	
	2025	2024
	USD'000	*USD'000*
0 – 30 days	**12,693**	11,997
31 – 90 days	**923**	1,618
91 – 180 days	**–**	227
	13,616	13,842

The average credit period on purchases of goods/services of the Group is 45 days.

16. FINANCIAL LIABILITIES AT FVTPL

16.1 Convertible Redeemable Preferred Shares of the Company

In June 2018, InSilico Inc. issued 904,888 shares of Series A convertible redeemable preferred shares with par value of USD0.00001 per share ("Series A Preferred Shares") to investors ("Series A Preferred Shareholders") with total proceeds of USD6,000,000 at the price of USD6.6306 per share ("Series A Issued Price"). On March 15, 2019, in connection with 2019 Restructuring, the Series A Preferred Shareholders obtained preferred shares in the Company with shareholding ratio and shareholder rights identical to the Series A Preferred Shares issued by InSilico Inc..

On August 12, 2019, the Company issued 4,403,933 shares of Series B convertible redeemable preferred shares with par value of USD0.00001 ("Series B Preferred Shares") for a total cash proceed of USD36,762,000 at USD8.3476 per share ("Series B Issue Price"). In connection with the Series C equity financing, 196,329 Series B Preferred Shares were repurchased and re-designated to Series C Preferred Shares in June 2021.

In June 2021, the Company issued 8,909,665 shares of Series C convertible redeemable preferred shares with par value of USD0.00001 ("Series C Preferred Shares") for a total cash proceeds of USD255,023,000 at USD28.6232 per share ("Series C Issue Price"). The total cash proceeds were fully received in July 2021.

As part of the round C financing arrangements, in order to avoid further dilution, the Company repurchased 2,631,231 ordinary shares, 173,805 Series A Preferred Shares and 196,329 Series B Preferred Shares from the respective shareholders (including Founder and certain employees) and re-designate all these shares to Series C Preferred Shares through retirement of repurchased shares accompanied with issuance of same number of Series C preferred shares. The repurchase price was USD22.1322, USD25.2939, and USD28.4557 per share for ordinary share, Series A and Series B preferred share, respectively. Out of total repurchase price, USD12,625,000 was paid by InSilico Inc. using the proceeds received as a result of redemption of the One Preferred Share of Subco, remaining USD47,310,000 was paid by the Company. The share repurchase price paid by the Company of USD8,282,000 approximated the fair value of Series A and Series B preferred share on the repurchase date. The repurchase and redemption payments were fully settled in July 2021.

In January 2022, the Company issued 524,051 shares of Series C+ convertible redeemable preferred shares with par value of USD0.00001 ("Series C+ Preferred Shares") for a total cash proceeds of USD15,000,000 at USD28.6232 per share ("Series C+ Issue Price") to Fosun Industrial Co., Limited ("Fosun"), of which the major terms are consistent with those of Series C convertible redeemable preferred shares. The total cash proceeds were fully received in January 2022.

In 2022, the Topco issued 2,421,692 shares of Series D convertible redeemable preferred shares with par value of US$0.0001 ("Series D Preferred Shares") for a total cash proceed of US$94,204,000 at US$39.1204 per share ("Series D Issue price"). The total cash proceeds were fully received in July 2022.

In 2025, the Topco issued 2,376,830 shares of Series E convertible redeemable preferred shares with par value of US$0.0001 ("Series E Preferred Shares") for a total cash proceed of US$122,773,000 at US$51.6542 per share ("Series E Issue price"). The total cash proceeds were fully received in May 2025.

In connection with the issuance of Series E Preferred Shares, the Company and other Series A, B, C, C+ and D Preferred Shareholders agreed to modify certain terms related to shareholders' rights, including the Series B Preferred Shareholders' liquidation price, the updated redemption events, and the definition of a Qualified IPO. The Company deemed the modification did not result in any accounting consequence as it was mainly a transfer of wealth amongst different classes of preferred shareholders and the value transferred between preferred shareholders and ordinary shareholders was not material.

16.2 Presentation and Classification

The Company recognized the Convertible Redeemable Preferred Shares of Company as financial liabilities at FVTPL and classified as current liabilities, because not all triggering payment events mentioned in the key terms above were within the control of the Company and these financial instruments did not meet the definition of equity for the Company. Financial liabilities are measured at fair value and any changes in the fair value of the financial liabilities were recorded in "loss on changes in fair value of financial liabilities at FVTPL" in the consolidated statement of profit or loss and other comprehensive income. The directors of the Company considered that the changes in the fair value of the preferred shares attributable to the change in credit risk of the Group is minimal.

The movements of the financial liabilities at FVTPL are set out below:

	Series A *USD'000*	**Series B** *USD'000*	**Series C** *USD'000*	**Series C+** *USD'000*	**Series D** *USD'000*	**Series E** *USD'000*	**Total** *USD'000*
As at January 1, 2024	30,206	176,986	420,177	24,598	123,144	–	775,111
Changes in fair value	784	3,097	(11,080)	(602)	(1,203)	–	(9,004)
As at December 31, 2024	30,990	180,083	409,097	23,996	121,941	–	766,107
Issuance	–	–	–	–	–	122,773	122,773
Changes in fair value	14,223	80,127	141,900	8,413	27,822	24,216	296,701
Reclassification of financial liabilities issued to investors to equity	(45,213)	(260,210)	(550,997)	(32,409)	(149,763)	(146,989)	(1,185,581)
As at December 31, 2025	–	–	–	–	–	–	–

As at December 31, 2024, financial liabilities of USD766,107,000 were recognized for the Company's obligation under the preferential rights granted to certain investors, which entitle such investors to require the Company to repurchase its own shares upon occurrence of specified events. These contingent payment obligations are automatically terminated upon the completion of an IPO.

Following the listing of the Company's Ordinary Shares on the Stock Exchange on December 30, 2025, the contingent payment obligation lapsed and this financial liabilities of USD1,185,581,000 recognized for the preferential rights were reclassified to equity.

17. SHARE CAPITAL

	Number of shares	Nominal value of shares *USD'000*
Ordinary shares of USD0.0000005 each (before Share Split: USD0.00001 each)		
Authorised		
As at December 31, 2024	45,293,280	–*
Increase in authorised ordinary shares	1,224,706,720	–*
As at December 31, 2025	1,270,000,000	–*
Issued and fully paid		
As at January 1, 2024	3,833,893	–*
Exercise of share options	110,791	–*
As at December 31, 2024	3,944,684	–*
Exercise of share options	20,791	–*
Issuance of financial instruments to investors	19,170,925	–*
As at December 15, 2025	23,136,400	–*
Increase in issued ordinary shares upon Share Split	439,591,600	–*
Issuance of ordinary shares in connection with the IPO	94,690,500	–*
As at December 31, 2025	557,418,500	–*
Vested restricted shares (not issued)	1,802,240	–*
As at December 31, 2025	559,220,740	–*

* Amount is less than USD1,000.

18. TREASURY SHARES

	Number of shares	Treasury shares *USD'000*
As at January 1, 2024	9,095,400	11,346
Restricted shares vested	(7,440,000)	(9,299)
As at December 31, 2024	1,655,400	2,047
Restricted shares vested	(1,655,400)	(2,047)
As at December 31, 2025	–	–

Treasury shares represented unvested restricted shares granted to the directors, employees and consultants of the Group which are from the ordinary shares contributed by Founder. The restricted shares have fully vested upon the completion of the IPO.

19. SUBSEQUENT EVENTS

Saved as disclosed in this Announcement, subsequent to December 31, 2025, the following significant events took place:

(i) The Company exercised the over-allotment option ("OAO") in connection with its IPO on January 16, 2026. Accordingly, an additional 14,203,500 shares were issued and listed on the Main Board of the Stock Exchange on January 21, 2026 and gross proceeds of approximately HK$341,594,175 were raised. The proceeds will be used for the development of the Company's core business and to supplement working capital.

FUTURE DEVELOPMENT

Following our successful listing, we entered 2026 with sustained momentum and a clear strategic roadmap centered on three core pillars: (i) business development; (ii) clinical execution; and (iii) AI platform commercialization.

- **Business Development:** We will build on the robust early-year deal flow, continuing to secure out-licensing and collaboration agreements with global and domestic partners. In parallel, we expect to continuously receive milestone payments from our out-licensed and collaborative projects, thereby diversifying and strengthening our revenue streams.

- **Clinical Execution:** We plan to initiate the Phase III clinical trial of ISM001-055 for IPF in China in 2026 – a watershed milestone for one of the most advanced AI-enabled drug candidates in clinical development globally. We also anticipate data readouts from the Phase I clinical trials of ISM6331, and plan to initiate Phase I clinical trials of ISM8969 (NLRP3) in Australia and China. Additionally, we anticipate receiving IND approval of Rentosertib (Inhalable) for the treatment of IPF in China. We will continue to nominate new PCC throughout 2026 to complement our existing pipeline.

- **AI Platform Commercialization:** By leveraging Science MMAI Gym – our first-of-its-kind, membership-based training and benchmarking environment – we aim to create recurring revenue through strategic collaborations with frontier foundation models.

CORPORATE GOVERNANCE RELATED INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Board has committed to maintaining good corporate governance standards. The Board believes that good corporate governance standards are essential in providing framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

During the period from the Listing Date and up to the date of this announcement, the Company has applied the principles of and complied with all the applicable code provisions set out from time to time in the CG Code, save and except for code provision C.2.1 of the CG Code as explained below.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Currently Mr. Aleksandrs Zavoronkovs, Ph.D., the Chairman of the Board, also performs as the Chief Executive Officer (CEO). The Board believes that, in view of his experience, personal profile and his roles in the Company as mentioned above, Mr. Aleksandrs Zavoronkovs, Ph.D. is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as the founder and the CEO. The Board also believes that the combined role of Chairman of the Board and the CEO can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. The Board will continue to review and consider splitting the roles of Chairman of the Board and the CEO at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct regarding the Directors' dealings in the securities of the Company. Having made specific enquiry of all the Directors, all Directors confirmed that they have complied with the provisions of the Model Code during the period from the Listing Date and up to the date of this announcement.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, May 28, 2026 to Tuesday, June 2, 2026, both days inclusive. During such period, no transfer of Shares will be registered. The record date will be Tuesday, June 2, 2026. For the purpose of ascertaining the members' entitlement to attend and vote at the forthcoming AGM of the Company to be held on Tuesday, June 2, 2026, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, May 27, 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Shares were listed on the Main Board of the Stock Exchange on December 30, 2025. During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any securities of the Company (including sale or transfer of treasury shares as defined under the Listing Rules). As of December 31, 2025, the Company did not hold any treasury Shares.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 and Rule 3.22 of the Listing Rules and code provision D.3.3 of the CG Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board. The Audit Committee currently consists of three independent non-executive Directors being Mr. Roman Kyrychynskyi, Ms. Denitsa Milanova, Ph.D., and Mr. Jingsong Wang, Ph.D., and one non-executive Director being Mr. Chuen Yan Leung, Ph.D. The chairperson of the Audit Committee is Mr. Roman Kyrychynskyi. Mr. Roman Kyrychynskyi holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee had reviewed, together with the management, the accounting principles and policies adopted by the Group and discussed internal controls and financial reporting matters including a review of the consolidated financial statements and annual results of the Group for the Reporting Period.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

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 the preliminary announcement have been agreed by the Group'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 of Directors 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 the preliminary announcement.

EVENTS AFTER THE REPORTING PERIOD

On January 16, 2026, the Over-allotment Option was fully exercised, in respect of an aggregate of 14,203,500 Shares, representing approximately 15% of the total number of the offer shares initially available under the Global Offering (before any exercise of the Over-allotment Option). The Over-allotment Shares were issued and allotted by the Company at HK$24.05 per Share being the offer price per Share under the Global Offering.

Save as disclosed above, there were no material subsequent events from December 31, 2025 to the date of this announcement.

FINAL DIVIDEND

The Board does not declare the payment of any final dividend for the year ended December 31, 2025 (2024: nil).

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at insilico.com. The annual report of the Company for the Reporting Period containing all the information required by the Listing Rules will be published on the same websites and dispatched (if requested) to the Shareholders in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

"2019 Equity Incentive Plan"	the 2019 Equity Incentive Plan adopted by the Company and effective on December 31, 2019
"2019 Share Plan"	the 2019 Share Plan adopted by the Company and effective on March 15, 2019 as amended and restated on December 31, 2019
"2021 Equity Incentive Plan"	the 2021 Equity Incentive Plan adopted by the Company and effective on June 30, 2021
"2022 Equity Incentive Plan"	the 2022 Equity Incentive Plan adopted by the Company and effective on November 25, 2022 as amended on February 21, 2025
"ADME"	absorption, distribution, metabolism, and excretion, four key processes to describe the disposition of a pharmaceutical compound within an organism
"ADMET"	absorption, distribution, metabolism, excretion and toxicity
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AGM"	annual general meeting
"AI"	artificial intelligence, the simulation of human intelligence processes by machines, especially computer systems
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"AUC"	area under curve, a parameter of systemic exposure
"Audit Committee"	the audit committee of the Board
"Board", "Board of Directors" or "our Board"	the board of Directors of our Company
"BRCA"	includes tumor suppressor genes BRCA1 and BRCA2
"CBO"	chief business officer of our Company
"CDE"	the Center for Drug Evaluation under the NMPA
"CDMO(s)"	contract development and manufacturing organization, a company in the pharmaceutical industry to provide drug development and manufacturing services

"CEO"	chief executive officer of our Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, excluding Hong Kong, the Macao Special Administrative Region and the Taiwan region
"clinical trial/study"	a research study for validating or finding the therapeutic effects and side effects of test drugs in order to determine the therapeutic value and safety of such drugs
"CNS"	central nervous system, the part of the nervous system consisting of the brain and spinal cord
"Company", "our Company", or "the Company"	InSilico Medicine Cayman TopCo (英矽智能), an exempted company with limited liability incorporated under the laws of the Cayman Islands on November 19, 2018
"CRO"	contract research organization, a company that provides outsourced research services to pharmaceutical, biotechnology, and medical device companies, including support for preclinical research, clinical trials, regulatory affairs, and other activities related to the development and approval of new products
"CSO"	chief scientific officer of our Company
"Director(s)" or "our Director(s)"	the directors of our Company, including all executive, non-executive and independent non-executive Directors
"ER+/HER2- breast cancer"	a subtype of breast cancer characterized by the presence of estrogen receptors (ER+) and the absence of overexpressed human epidermal growth factor receptor 2 (HER2-)
"FDA"	the Food and Drug Administration of the U.S.
"Fosun" or "Fosun Industrial"	Fosun Industrial Co., Limited, a company incorporated in Hong Kong, which is an Independent Third Party (or its affiliates as depending on the context)
"Global Offering"	the Hong Kong public offering and the international offering, the details of which are set out in the Prospectus
"Greater China"	for the purposes of this announcement and for geographical reference only, includes PRC, Hong Kong, the Macao Special Administrative Region, and the Taiwan Region

"Group", "Insilico Medicine", "our Group", "our", "we" or "us"	our Company and our subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"HER2"	receptor tyrosine-protein kinase erbB-2
"HK$" or "Hong Kong Dollars" or "HK Dollars" and "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS"	International Financial Reporting Standards, amendments, and interpretations, as issued from time to time by the IASB
"IND"	investigational new drug, the application for which is the first step in the drug review process by regulatory authorities to decide whether to permit clinical trials; also known as clinical trial application, or CTA, in China
"indication"	a valid reason to use a specific test, drug, device, procedure or surgery
"*in vitro*"	studies that are performed with microorganisms, cells, or biological molecules outside their normal biological context
"IP"	Intellectual property
"IPF" or "idiopathic pulmonary fibrosis"	a condition in which the lungs become scarred and breathing becomes increasingly difficult
"KAT6"	K (lysine) acetyltransferase 6, a family of histone acetyltransferases that regulate gene expression through chromatin remodeling, associated with developmental disorders and cancer
"Listing"	the listing of our Shares on the Main Board of the Stock Exchange
"Listing Date"	December 30, 2025
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Latest Practicable Date"	March 13, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this announcement prior to its publication

"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"NLRP3"	NOD-like receptor protein 3, an intracellular sensor that triggers inflammasome formation and drives inflammatory responses, linked to autoimmune and inflammatory conditions
"NMPA"	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
"NOD"	nucleotide-binding oligomerization domain, a class of intracellular pattern recognition receptors that detect microbial molecules and activate innate immune responses, linked to infectious and inflammatory diseases
"Ordinary Share(s)"	common share(s) in the share capital of our Company with a par value of US$0.0000005 each
"Over-allotment Option"	the option granted by our Company to the international underwriters, exercisable by the joint global coordinators and the overall coordinators on behalf of the international underwriters, to require our Company to allot and issue additional Shares to the international underwriters to, among other things, cover over-allocations in the international offering, as disclosed in the Prospectus and the announcement of the Company dated January 16, 2026
"Over-allotment Shares"	14,203,500 Shares issued and allotted by the Company pursuant to the exercise of the Over-allotment Option
"PCC"	pre-clinical candidate
"PD"	pharmacodynamics, the branch of pharmacology concerned with the effects of drugs and the mechanism of their action
"Pharma.AI"	the Company's artificial intelligence platform consisting of Biology42, Chemistry42, Medicine42 and Science42, for new target discovery, small molecule and biologics generation, clinical trial prediction and optimization, scientific document drafting and non-pharmaceutical applications
"Phase I clinical trial(s)"	study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness

"Phase III clinical trial(s)"	study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product
"PK"	pharmacokinetics, the study of the bodily absorption, distribution, metabolism, and excretion of drugs, which, together with pharmacodynamics, influences dosing, benefit, and adverse effects of the drug
"preclinical studies"	preclinical studies testing a drug on non-human subjects, to gather efficacy, toxicity, pharmacokinetic and safety information and to decide whether the drug is ready for clinical trials
"Pre-IPO Equity Incentive Plans"	collectively, the 2019 Share Plan, the 2019 Equity Incentive Plan, the 2021 Equity Incentive Plan and the 2022 Equity Incentive Plan
"Post-IPO Equity Incentive Plans"	collectively, the Post-IPO RSU Scheme and the Post-IPO Share Option Scheme
"Post-IPO RSU Scheme"	the Post-IPO RSU Scheme adopted by the Company on December 15, 2025 and effective on the Listing Date
"Post-IPO Share Option Scheme"	the Post-IPO Share Option Scheme adopted by the Company on December 15, 2025 and effective on the Listing Date
"Prospectus"	the prospectus of the Company dated December 18, 2025
"QPCTL"	glutaminyl-peptide cyclotransferase-like protein, an enzyme that modifies proteins such as CD47 by forming N-terminal pyroglutamate, and a target for enhancing anti-tumor immune responses
"Reporting Period"	the year ended December 31, 2025
"RMB"	the lawful currency of the PRC
"R&D"	research and development
"RSU"	restricted stock unit
"Share(s)"	shares in the share capital of our Company
"Share Split"	the split of each Share in the issued and unissued share capital of our Company with a par value of US$0.00001 each into 20 Shares of the corresponding class with a par value of US$0.0000005 each
"Shareholder(s)"	holder(s) of Shares

"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"TNIK"	TRAF2 and NCK-interacting protein kinase, an enzyme that regulates Wnt signaling and cytoskeletal organization, and a potential target for fibrosis and cancer
"treasury shares"	has the meaning ascribed thereto under the Listing Rules
"United States," "US," "USA" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "USD"	the lawful currency of the U.S.
"USP1"	ubiquitin-specific peptidase 1, a deubiquitinating enzyme that regulates DNA repair and protein stability, implicated in cancer and drug resistance
"%"	per cent

By order of the Board
InSilico Medicine Cayman TopCo
Mr. Aleksandrs Zavoronkovs, Ph.D.
Chairman, Executive Director, CEO and CBO

Hong Kong, March 27, 2026

As at the date of this announcement, the Board of directors of the Company comprises Mr. Aleksandrs Zavoronkovs, Ph.D. and Mr. Feng Ren, Ph.D. as executive Directors; Mr. Kan Chen, Ph.D., Mr. Chuen Yan Leung, Ph.D., and Mr. Long Shi as non-executive Directors; and Mr. Jingsong Wang, Ph.D., Ms. Denitsa Milanova, Ph.D. and Mr. Roman Kyrychynskyi as independent non-executive Directors.