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Keymed Biosciences Inc.
康諾亞生物醫藥科技有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2162)

SUPPLEMENTAL ANNOUNCEMENT TO DISCLOSEABLE TRANSACTION DISPOSAL OF EQUITY INTEREST IN OURO MEDICINES

Reference is made to the Company's announcement dated March 24, 2026 in relation to the disposal of the Company's minority interest in Ouro Medicines (the "Announcement"). The Board would like to provide the following information in connection with the Announcement. Unless otherwise stated, all the capitalized terms used herein shall have the same meaning as those adopted in the Announcement.

Conditions Precedent and Closing

The Closing is subject to a number of customary conditions, including the obtainment of applicable regulatory clearances. The upfront payment in connection with the Merger will be paid to Ouro Medicines's shareholders upon the occurrence of Closing, which is currently expected to take place within 2026. The long stop date under the Merger Agreement is September 22, 2026 and may be extended to March 22, 2027 by agreement of the parties in accordance with the Merger Agreement. If the conditions precedent are not fulfilled or waived on or prior to the long stop date, the Merger Agreement will lapse by the long stop date. The Company will make further announcement upon receipt of the upfront payment.

The contingent milestone payments are subject to certain clinical and regulatory milestones, and are expected to be paid out (if the applicable milestone is satisfied) over the course of the next several years.

Based on the information currently available, the Group expects to recognize an estimated pre-tax net gain on disposal of approximately US\$240 million upon Closing (when the upfront payment will be made to Ouro Medicines's shareholders), reflecting the difference between the upfront consideration of approximately US\$250 million payable to the Group less the current carrying value of the Group's equity interest in Ouro Medicines of approximately US\$10 million. To the extent that the contingent milestone payments of up to approximately US\$70 million are achieved in full, the total pre-tax gain expected to accrue to the Group would be approximately US\$310 million.

Basis of Determination of the Consideration

The Directors considered that the consideration of the Merger is fair and reasonable, on normal commercial terms and in the interest of the Company as a whole and the Shareholders, as (i) the Group is expected to record a significant pre-tax gain from the Merger, these expected gains represented a very substantial premium over the value of the Group's equity interest; and (ii) the consideration was determined through arm's length negotiations between Ouro Medicines and the Purchaser (being a large, independently listed global pharmaceutical company, which further supports the robustness of the pricing process).

Intended Use of Proceeds from the Merger and Expected Timeline for Utilization

As disclosed in the Announcement, the proceeds from the Merger paid to the Company will be used to further strengthen the Company's cash reserves to rapidly advance the commercialization of core products and subsequent research and development of potential pipelines. Subject to the development status of the Company's drug candidates, prevailing market conditions and the Company's cash and liquidity requirements at the relevant time, the Company intends to apply the proceeds received under the Merger Agreement as follows: (i) approximately 30% of such proceeds towards the commercialization of its core products within approximately 3 years from the date of receipt; and (ii) the remaining 70% towards the research and development of CM512, CM518D1, CM313, CM336 pipelines within approximately 3 years from the date of receipt.

By order of the Board
Keymed Biosciences Inc.
Dr. Bo CHEN
Chairman

Hong Kong, April 15, 2026

As at the date of this announcement, the Board of Directors of the Company comprises Dr. Bo CHEN, Dr. Changyu WANG and Dr. Gang XU as executive Directors; Mr. Qi CHEN, Dr. Min Chuan WANG and Mr. Yilun LIU as non-executive Directors; Prof. Xiao-Fan WANG, Prof. Yang KE and Mr. Cheuk Kin Stephen LAW as independent non-executive Directors.