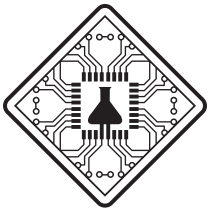

INSILICO MEDICINE

InSilico Medicine Cayman TopCo
英矽智能

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3696)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

The board of directors (the "**Board**") of InSilico Medicine Cayman TopCo (the "**Company**", together with its subsidiaries, the "**Group**") hereby announces the unaudited interim results of the Company and its subsidiaries for the six months ended June 30, 2026.

This announcement, containing the full text of the 2026 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of interim results. The Company's 2026 interim report will be dispatched to the shareholders of the Company in the manner in which the shareholders of the Company have elected to receive corporate communications and available for viewing on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and of the Company at insilico.com.

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

Hong Kong, August 26, 2026

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

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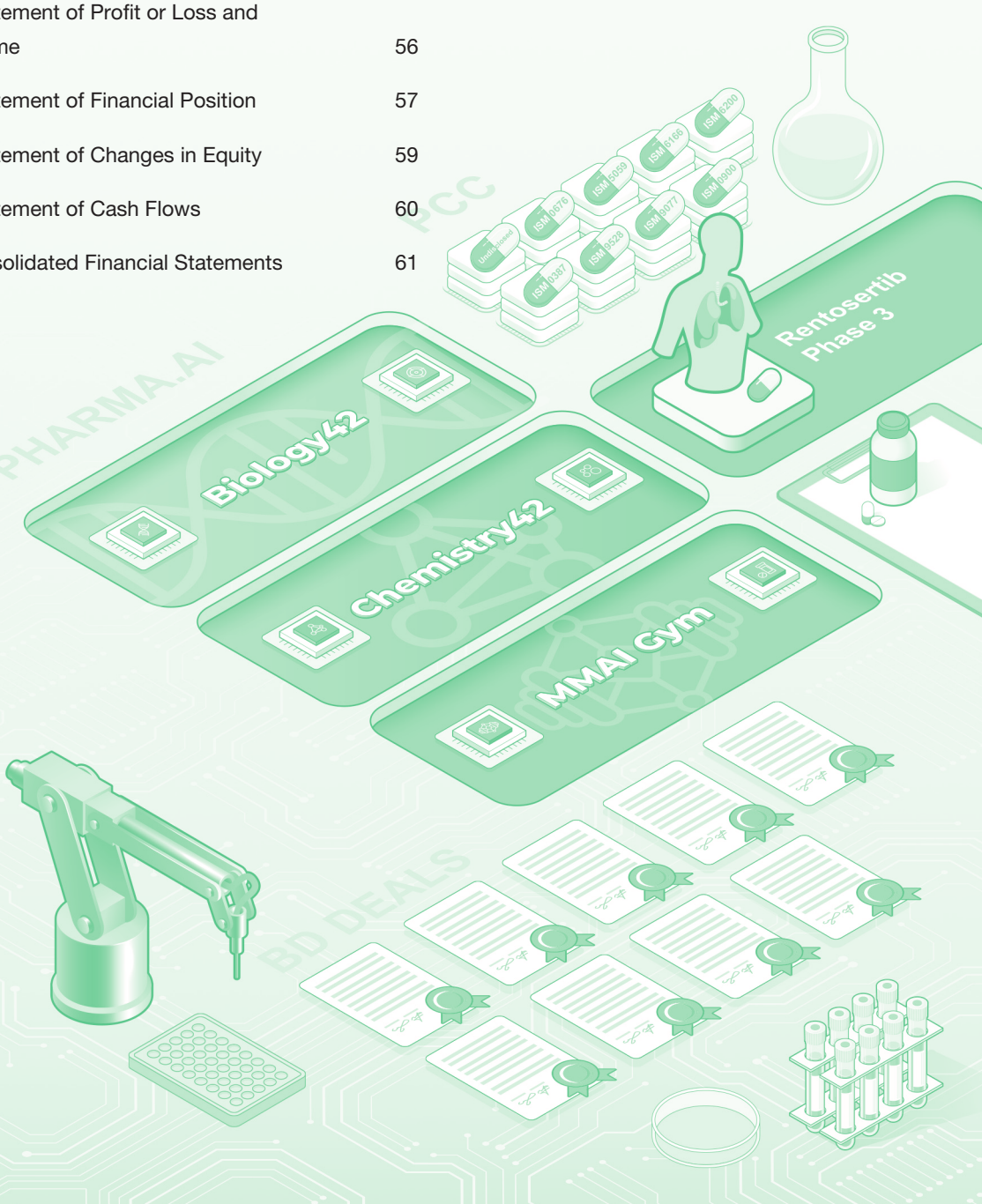


DEFINITIONS

In this interim report, 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
"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
"AI"	artificial intelligence, the simulation of human intelligence processes by machines, especially computer systems
"Articles of Association" or "Articles"	the eighth amended and restated articles of association of our Company adopted on December 15, 2025, as amended from time to time
"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 of the NMPA (國家藥品監督管理局藥品審評中心)
"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 set out in Appendix C1 to the Listing Rules
"China", "PRC" or "Chinese Mainland"	the People's Republic of China, but for the purpose of this interim report and for geographical reference only and except where the context requires, excluding the Hong Kong Special Administrative Region, 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
"CMS"	China Medical System Holdings Limited (HKEX stock code: 867; SGX stock code: 8A8) (or its affiliates, as depending on the context)
"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, the Shares of which are listed on the Main Board of the Stock Exchange on December 30, 2025
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"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

DEFINITIONS

"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-)
"ESG"	environmental, social and governance
"ESG Committee"	the ESG committee of the Board
"FDA"	the Food and Drug Administration of the U.S.
"Global Offering"	the Hong Kong public offering and the international offering, the details of which are set out in the Prospectus
"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
"Greater China"	for the purposes of this report and for geographical reference only, includes PRC, Hong Kong, the Macao Special Administrative Region, and the Taiwan Region
"GTM"	generative topographic mapping
"HER2"	receptor tyrosine-protein kinase erbB-2
"HK$" or "Hong Kong Dollars" or "HK Dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Share Registrar"	Tricor Investor Services Limited
"Hygtia Therapeutics"	Hygtia Therapeutics Co., Ltd. (深圳衡泰生物科技有限公司)

"IFRS"	International Financial Reporting Standards, amendments, and interpretations, as issued from time to time by the IASB
"immunotherapy"	use of the immune system to treat disease
"in vitro"	studies that are performed with microorganisms, cells, or biological molecules outside their normal biological context
"in vivo"	studies in which the effects of various biological entities are tested on whole, living organisms or cells, usually animals, including humans, and plants, as opposed to a tissue extract or dead organism
"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
"indication"	a valid reason to use a specific test, drug, device, procedure or surgery
"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
"Latest Practicable Date"	August 14, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this interim report prior to its publication
"Lilly" or "Eli Lilly"	Eli Lilly and Company (or its affiliates, as depending on the context)
"Listing"	the listing of our Shares on the Main Board
"Listing Date"	December 30, 2025
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Mr. Alex Zhavoronkov, Ph.D."	Mr. Aleksandrs Zavoronkovs (also known as Alex Zhavoronkov) Ph.D., our founder, chairman of the Board, executive Director, CEO and CBO
"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), or CFDA
"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
"Nomination Committee"	the nomination committee of the Board
"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 full exercise of the Over-allotment Option
"PCC"	pre-clinical candidate

"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 II clinical trial(s)"	study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
"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
"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
"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

DEFINITIONS

"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
"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
"Remuneration Committee"	the remuneration committee of the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reporting Period"	the six months ended June 30, 2026
"R&D"	research and development
"RSU"	restricted stock unit
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"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 our Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"TaiGen Biotechnology"	TaiGen Biopharmaceuticals Holdings Limited (stock code: 4157.TWO) and its subsidiaries (or its affiliates, as depending on the context)
"Tenacia Biotechnology"	Tenacia Biotechnology (Hongkong) Co., Limited
"TNIK"	TRAF2 and NCK-interacting protein kinase, an enzyme that regulates Wnt signaling and cytoskeletal organization, and a potential target for fibrosis and cancer
"United States," "US," "USA" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$," "USD" or "U.S. dollars"	the lawful currency of the U.S.
"%"	per cent

In this interim report, unless otherwise indicated, the terms "associate(s)", "associated corporation(s)", "close associate(s)", "connected person(s)", "controlling shareholder(s)", "subsidiary(ies)", "substantial shareholder(s)" and "treasury shares" shall have the meanings given to such terms under the Listing Rules.

CORPORATE INFORMATION

COMPANY NAME

InSilico Medicine Cayman TopCo (英矽智能)

DIRECTORS

Executive Directors

Mr. Aleksandrs Zavoronkovs, Ph.D.
(Chairman, CEO and CBO)
Mr. Feng Ren, Ph.D. (任峰) *(CEO and CSO)*

Non-executive Directors

Mr. Chuen Yan Leung, Ph.D. (梁傳昕)
Mr. Kan Chen, Ph.D. (陳侃) *(resigned on July 15, 2026)*
Mr. Long Shi (施瓏) *(resigned on July 15, 2026)*

Independent Non-executive Directors

Ms. Denitsa Milanova, Ph.D.
Mr. Jingsong Wang, Ph.D. (王勁松)
Mr. Roman Kyrychynskyi

AUDIT COMMITTEE

Mr. Roman Kyrychynskyi *(Chairman)*
Mr. Chuen Yan Leung, Ph.D.
Ms. Denitsa Milanova, Ph.D.
Mr. Jingsong Wang, Ph.D.

REMUNERATION COMMITTEE

Mr. Jingsong Wang, Ph.D. *(Chairman)*
Ms. Denitsa Milanova, Ph.D.
Mr. Feng Ren, Ph.D.
Mr. Long Shi *(resigned on July 15, 2026)*
Mr. Roman Kyrychynskyi

NOMINATION COMMITTEE

Mr. Alex Zhavoronkov, Ph.D. *(Chairman)*
Ms. Denitsa Milanova, Ph.D.
Mr. Jingsong Wang, Ph.D.
Mr. Kan Chen, Ph.D. *(resigned on July 15, 2026)*
Mr. Roman Kyrychynskyi

ESG COMMITTEE

Mr. Feng Ren, Ph.D. *(Chairman)*
Mr. Alex Zhavoronkov, Ph.D.
Ms. Denitsa Milanova, Ph.D.
Mr. Jingsong Wang, Ph.D.
Mr. Roman Kyrychynskyi

COMPANY SECRETARY

Ms. Leung Kwan Wai (梁君慧)

AUTHORIZED REPRESENTATIVES

Mr. Alex Zhavoronkov, Ph.D.
Ms. Leung Kwan Wai

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants and Registered Public Interest Entity Auditor
35/F One Pacific Place
88 Queensway
Hong Kong

LEGAL ADVISER

As to Hong Kong law:
Davis Polk & Wardwell
10th Floor
The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

CORPORATE INFORMATION

REGISTERED OFFICE

190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 310, 3/F, Building 8W, Phase 2
Hong Kong Science Park
Pak Shek Kok
New Territories, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

COMPLIANCE ADVISER

Guotai Junan Capital Limited
27/F., Low Block, Grand Millennium Plaza
181 Queen's Road Central
Central
Hong Kong

STOCK CODE

3696

COMPANY WEBSITE

insilico.com

PRINCIPAL BANKS

The Hong Kong and Shanghai Banking Corporation Limited
HSBC Main Building
1 Queen's Road Central
Hong Kong

JP Morgan Chase Bank N.A., Hong Kong Branch
Chater House
8 Connaught Road Central
Hong Kong

FINANCIAL HIGHLIGHTS

	Six months ended June 30,	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Audited)
Revenue	106,303	27,456
Gross Profit	95,965	23,019
Profit (loss) for the period	35,537	(19,215)
Adjusted profit (loss) (non-IFRS measure)*	51,227	(15,409)

* Adjusted profit (loss) is defined as profit (loss) for the period adjusted by adding back (i) loss or gain from changes in fair value of financial liabilities at fair value through profit or loss, (ii) share-based compensation expenses and (iii) listing expenses.

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 33 PCC assets using Pharma.AI, our proprietary generative AI platform. Since 2021, the aggregate contract value of our significant out-licensing, co-development, and research collaboration agreements is approximately US$11 billion. In July 2026, we initiated the Phase III clinical trial in China for ISM001-055 (Rentosertib) for the treatment of idiopathic pulmonary fibrosis (IPF), with Rentosertib having progressed to a comparatively more advanced stage among peer companies.

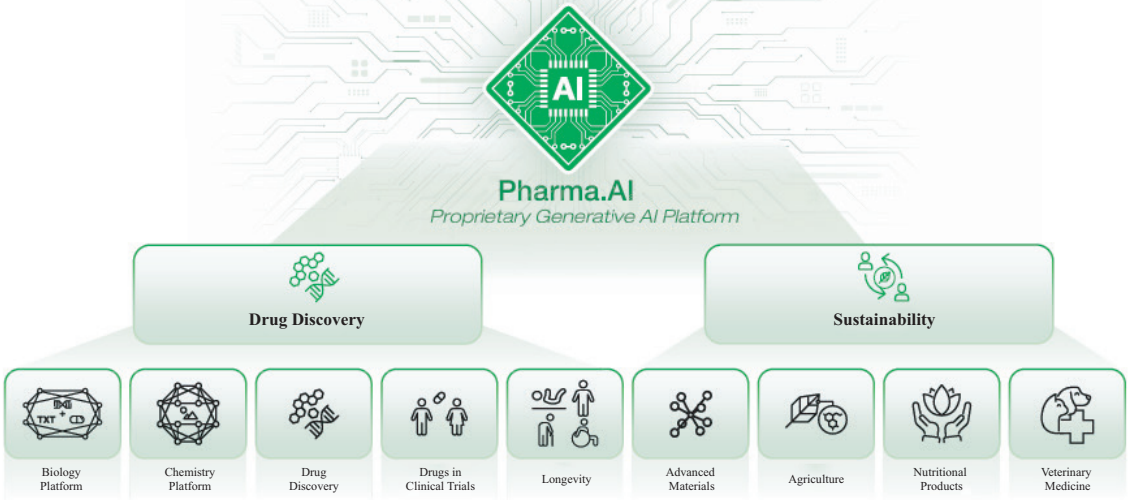
We operate under a project-based business model, deriving revenue primarily from out-licensing and collaboration arrangements, with no guarantee or clear visibility on future revenue generation. Under our drug discovery & pipeline development segment, we (i) self-develop drug candidates, (ii) co-develop 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.

(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.

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 consists of Biology42, Chemistry42, Medicine42, and Science42, and is 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.

In the first half of 2026, the Pharma.AI platform continued to upgrade, solidifying its position as a leading end-to-end generative AI engine for drug discovery and delivering breakthrough capabilities across Biology42, Chemistry42, and Science42. During this period, we aggressively pioneered AI Agents, fast-tracking the deployment of our vision toward 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 further improved its precision and automation of target identification in the first half of 2026. In the field of omics research, PandaOmics has transitioned from tissue-bulk to single-cell resolution, supporting over 1,400 single-cell datasets across more than 100 indications, enabling researchers to pinpoint differentially expressed genes at the cell-type level. Our new AI Agent, PandaClaw, is a conversational AI agent equipped with nine specialized bioinformatics skills designed to replace manual data wrangling with immediate, context-rich biological insights. The latest release also strengthens

early-stage discovery with Target Evaluation reports that synthesize genetics, structure, patents, safety, and competitive insights. Building on this foundation, Target Claw applies machine learning to rank clinically validated and novel targets into prioritized tiers, while Longevity Lobster extends discovery workflows to disease and aging biology. In parallel, the expanded Signatures Module links transcriptomic signatures to genetic evidence, regulators, and drug-gene interactions. In addition, Generative Biologics introduced a new Cyclic Peptide design workflow that supports head-to-tail cyclization and disulphide-bonded architectures. We further upgraded the Generative Biologics platform to transition biologics design from empirical trial-and-error to a predictable, rational engineering ecosystem through three key enhancements, including Batch MDFlow, Interactive Optimization Workspace and Co-folding Scoring Function.

Chemistry42 & Nach01: Nach01 evolved into Nach01 MMAI through MMAI Gym training, enabling prompt-driven multi-objective 3D molecular optimization across ADMET, Protein-Ligand Interaction (PLI), and pocket occupancy. Trained on 14 million molecular pairs and 1 million ligand-protein environments, it achieved a 5x improvement over previous models. In Generative Chemistry, key improvements include multi-conformational docking, dynamic SMILES Arbitrary Target Specification (SMARTS)-based ionization, and more flexible structure data file export options. Structure-based Apps now support native.mmcif conversion and direct PDB cloud mirroring, reducing data-handling friction. Alchemistry adds three transparent free-energy estimation modes, while MDFlow improves metalloprotein simulations with more realistic zinc coordination modeling. The Profiling module also expands its predictive power with 67 new models and confidence and uncertainty indicators across all models. In the second quarter of 2026, we launched Chemistry 42+, a Model Context Protocol (MCP)-based AI orchestrator that turns natural language requests into automated computational chemistry workflows. Available natively or via third-party tools (Cursor, VS Code, Claude Code), it supports tasks such as dataset standardization, Structure-Activity Relationship Analysis (SAR) analysis, activity cliff detection, and protein-ligand protonation, making Chemistry42 an interactive scientific teammate.

Science42: The platform featured with DORA (Draft Outline Research Assistant), an advanced AI-driven tool designed to streamline the process of drafting academic papers and other related documents.

Pharmaceutical Superintelligence Frontier (PSI Frontier)

We are pioneering the transition from classic Pharma.AI platform to a unified, agentic ecosystem that defines the PSI Frontier. To unlock the full potential of SOTA frontier foundation models, we developed Science MMAI Gym (Multi-Model 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. MMAI Gym includes diverse benchmark tasks spanning drug discovery, biology, chemistry, and broader scientific domains. In April 2026, Insilico Medicine launched benchmark leaderboard portals structured around three flagship categories: ScienceAI Bench, Drug Discovery Benchmark and Insilico Bench. Later in July 2026, Insilico launched the industry's first Drug Discovery and Development (DDD) Benchmarks as a Service (BaaS).

One of the recent achievements of MMAI Gym was the development of LFM2-2.6B-MMAI, a lightweight Liquid Foundation Model (LFM) jointly trained by Insilico Medicine and Liquid AI for end-to-end drug discovery. For retrosynthesis, the model was trained using domain-specific supervised fine-tuning and reinforcement learning on chemistry reasoning datasets, enabling it to generate chemically plausible synthetic routes rather than relying on exact reaction memorization. Despite containing only 2.6 billion parameters, the MMAI-trained model achieved state-of-the-art (SOTA) or competitive performance across retrosynthesis and other molecular reasoning benchmarks, with reported improvements of up to an order of magnitude on selected chemistry tasks compared with the base model. These results demonstrate that domain-specialized multimodal training can substantially enhance retrosynthetic planning while maintaining a compact, deployable model suitable for on-premise pharmaceutical research environments. Moreover, we introduced LFM2-24B-InsilicoMMAI-Chem-MT, a unified multitask model that improved performance across 78 drug design tasks and matched or exceeded multiple SOTA domain specialists while outperforming generic foundation models.

We are also developing validated Pharma.AI tools to form a foundation model-compatible agentic layer. MCPs expose standardized functions from platforms such as PandaOmics, Chemistry42, and Generative Biologics. Skills package validated procedures into reusable workflows, while agents orchestrate these components to complete complex drug-discovery tasks. Together, they enable foundation models to call, combine, and coordinate validated scientific engines.

Longevity AI

Building on the biological data and multi-omics conditional generation foundation established by the PreciousGPT series (including Precious1GPT, Precious2GPT, and Precious3GPT), Insilico Medicine presented the industry's first multi-agent Virtual Aging Cell (VAC) platform with biological age as a core condition. The platform utilizes a multi-agent AI architecture to perform collaborative reasoning across six biological scales – molecular, intracellular, intercellular, tissue, organ, and organism/population. It aims to dynamically simulate cellular differentiation, reprogramming and aging, offering robust computational support for target identification, cellular fate intervention, novel drug discovery, and geroscience research.

Pipeline Development

Leveraging our generative AI platform, we have developed a robust pipeline 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]	Territory	Partners
ISM001-055[7][9][11] (Rentosertib)	TNIK	EMT, FMT, fibroblast macrophage activation	Idiopathic Pulmonary Fibrosis	China (NMPA)	Global	
			Idiopathic Pulmonary Fibrosis (Inhalable)	China (NMPA)	Global	
ISM5411 (Garutadustat)	PHD1/2	Epithelial integrity & anti-inflammation	Inflammatory Bowel Disease	China (NMPA)	Global	
ISM4808		EPO induction and iron utilization	Anemia of Chronic Kidney Disease	China (NMPA)	ex-Greater China	TaiGen Biotechnology
ISM3091	USP1	Synthetic lethality	BRCA-mutant Cancer	US (FDA)	—	EXELIXIS
ISM8207	QPCTL	Immune modulation	Immuno-Oncology	China (NMPA)	50% Global	FOSUN PHARMA 复星医药
ISM5043	KAT6	Epigenetics	ER+/HER2− Breast Cancer	US (FDA)	—	MENARINI group
ISM3412	MAT2A	Synthetic lethality	MTAP-/- Cancer	US (FDA) & China (NMPA)[10]	Global	
ISM6331[7][10]	TEAD	Cell proliferation and survival	Mesothelioma & Solid Tumors	US (FDA) & China (NMPA)[10]	Global	
ISM9682	KIF18A	Tumor cell proliferation	Solid Tumors	US (FDA)	—	MENARINI group
ISM8969	NLRP3	Sterile inflammation	Parkinson's Disease, etc.	US (FDA) & China (NMPA)[10]	50% Global	Hygtia Therapeutics
ISM5059		Sterile inflammation	Inflammatory Diseases		Global	
ISM5939	ENPP1	Inhibition of ENPP1-mediated cGAMP degradation	Solid Tumors	US (FDA)	Global	
Undisclosed	Nav1.8	Highly selective Nav1.8 inhibitor	Acute Pain and Chronic Pain		ex-Greater China	Undisclosed Partner
Undisclosed	GLP-1R	Long half-life agonist for once-weekly administration	Metabolic Diseases		—	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	
ISM6200	NR3C1	Selective glucocorticoid receptor antagonist	Cushing Syndrome and Other Metabolic Diseases; Oncology		Global	
ISM0387	PRMT5	Synthetic lethality	MTAP-/- cancers including glioblastoma		Global	
ISM9528	Target Z	Undisclosed	Pain		Global	
ISM9077	Target Y	Undisclosed	Eye diseases		Global	
ISM0900	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	

Stage of Development[1][2]: Pre-Clinical Stage (Target Identification[3], Target-to-hit[4], Hit-to-lead[3], Lead Optimization[4]); Clinical Stage (IND-enabling, Phase 1, Phase 2, Phase 3)

Fibrosis; Oncology; Others; Immunology; Metabolic

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. Orphan Drug Designation: FDA granted ISM001-055 the orphan drug designation for IPF indication and granted ISM6331 for Mesothelioma.
8. Fast Track Designation: FDA granted ISM6331 the fast track designation for the treatment of adult patients with unresectable malignant pleural mesothelioma whose disease has progressed on or after prior treatment with anti-PD-1 antibody therapy, with or without anti-CTLA-4 antibody therapy, and platinum-based chemotherapy.
9. Breakthrough Therapy Designation: CDE granted ISM001-055 the breakthrough therapy designation for the treatment of IPF.
10. Global multi-regional clinical trial (MRCT).
11. The IND of ISM001-055/Rentosertib (Oral) submitted to FDA was placed on inactive status by us due to changes in our R&D strategies.

During the Reporting Period, and as of the Latest Practicable Date, we continue to expand our pipeline, announced the nomination of 9 AI-empowered PCCs with clearly differentiated profiles bringing our total PCC count to 33.

- ISM0676, a novel, oral available Glucose-dependent Insulinotropic Polypeptide Receptor (GIPR) antagonist, as a PCC with both monotherapy and combination potential. ISM0676 is designed for the treatment of obesity and associated diseases, including Type 2 diabetes, with broad potential expanding into obesity-associated cardiovascular diseases, such as heart failure. The process from project initiation to PCC took 14 months, with less than 200 molecules synthesized and tested.
- ISM0387, an MTA-cooperative PRMT5 inhibitor, is the first preclinical candidate discovered and developed in the UAE, nominated in April 2026. ISM0387 showed improved in vitro activity and selectivity, enhanced brain penetrant properties, and robust, dose-dependent efficacy in disease models.
- ISM6200 is a potent selective NR3C1 inhibitor with low drug-drug interaction risk, strong efficacy across multiple animal models, favorable ADME/PK properties, and a low predicted efficacious human dose. ISM6200 also showed dose-dependent anti-tumor activity in combination settings and demonstrated superior efficacy in Cushing's syndrome, hypercortisolism-associated obesity, and glaucoma in preclinical models.
- ISM6166, an oral broad-spectrum pan-KRAS ON/OFF inhibitor, is 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 good 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.

- ISM9528, an AI-empowered, brain-penetrant, orally available inhibitor targeting an undisclosed novel mechanism (Target Z) identified by PandaOmics, was nominated PCC in July 2026. In preclinical studies, ISM9528 demonstrated superior efficacy compared to standard of care in validated models of acute postsurgical pain and neuropathic pain, along with a favorable safety profile as an oral treatment.

- ISM9077, an AI-empowered small-molecule inhibitor targeting an undisclosed novel mechanism (Target Y) was nominated PCC in July 2026. ISM9077 demonstrates potent inhibition with translational consistency across species, robust efficacy in multiple ocular disease models, including dry AMD, uveitis and dry eye disease. ISM9077 also demonstrates excellent retinal exposure after oral or ophthalmic dosing, favorable safety profile, and practical formulation feasibility.

- ISM0900, an AI-empowered oral small-molecule Lp(a) inhibitor, was nominated as a PCC in August 2026. ISM0900 demonstrates potent and selective inhibition of Lp(a) assembly, superior efficacy and PK/PD efficiency versus muvalaplin in non-human primates. The compound further shows excellent oral pharmacokinetics, wide safety margins, strong intellectual property protection, and a projected lower efficacious human dose, positioning it as a potentially differentiated oral therapy for cardiovascular risk reduction in patients with elevated Lp(a).

- We also nominated a highly selective Nav1.8 inhibitor as a PCC 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. In 2025, exclusive Greater China rights of this program were out-licensed to an undisclosed partner.

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

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. In July 2026, we initiated Phase III clinical trial in China for ISM001-055 for the IPF indication.

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. In April 2026, we received IND clearance from CDE for inhaled ISM001-055.

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 completed 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 clinical trial. The Phase I study aims 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 Tumors

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 clinical 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 clinical 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. In July 2026, we received Fast Track Designation from FDA.

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 Neurological Disorders, Metabolic Diseases and Acute 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 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. In June 2026, we completed first-in-human dosing in a Phase I trial in Australia, marking the first clinical milestone in this collaboration. The single-center, Phase I, randomized, double-blind, placebo-controlled trial, including both SAD and MAD cohorts, will evaluate the safety, tolerability, PK and PD of orally administered ISM8969 in healthy participants and in obese adult participants at risk of cardiovascular disease. In July 2026, we received IND clearance from CDE for ISM8969.

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. As of the Latest Practicable Date, we collaborated with 14 of the top 20 largest global pharmaceutical companies in terms of reported sales in 2025. 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, scientific document drafting and foundation model training through Science MMAI Gym. We further expanded our software and platform-based offerings through Chemistry42+, an MCP-based AI orchestrator that converts natural language requests into automated computational chemistry workflows, and the Drug Discovery and Development (DDD) Benchmark as a Service (BaaS), a standardized evaluation framework designed to assess frontier AI and foundation models on real-world drug discovery and development tasks. 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 pipeline development

Business development momentum has been exceptionally strong this year, supported by multiple out-licensing and research collaboration deals with global multinational and Asia-based pharmaceutical companies. As of the Latest Practicable Date, the total contract value of deals announced in 2026 was approximately US$7.3 billion. Revenue generated from our drug discovery and pipeline development business for the six months ended June 30, 2026 were US$103.1 million, increased by 331.3% compared with US$23.9 million for the six months ended June 30, 2025. These major collaborations not only validate the capabilities of Insilico's AI platform in empowering the global biopharmaceutical industry, but also serve as a key driver of the Company's revenue growth.

Insilico Medicine announced Global R&D Collaboration with Lilly in March 2026. The agreement of this collaboration grants Lilly an exclusive worldwide license for the development, manufacturing, and commercialization of potentially best-in-class, novel oral therapeutics in preclinical development for certain indications. In addition, we and Lilly will collaborate on multiple R&D programs focused on targets selected by Lilly, by combining Insilico's state-of-the-art Pharma.AI platforms with Lilly's development capabilities and deep disease-area expertise. We are eligible to receive an upfront payment of US$115 million, with the total potential deal value up to approximately US$2.75 billion. This partnership underscores the strong and growing confidence of leading global pharmaceutical companies in the scalability and commercial relevance of our AI-driven drug discovery platform. Additionally, 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.

In research collaborations, we secured a multi-year oncology collaboration with Servier valued at up to US$888.0 million, focused on the discovery of novel oncology therapies. At the BIO 2026 International Convention, we also announced an R&D collaboration with SK Biopharmaceuticals to discover AI-enabled innovative drug candidates for neuroimmune disorders within the CNS. Under this collaboration, Insilico is eligible to receive up to US$18 million in upfront and near-term milestone payments, followed by single-digit royalties on net sales. The total potential deal value exceeds US$2.5 billion in development, regulatory and commercial milestones, making it Insilico's largest partnership with an APAC-based collaborator to date. In July 2026, we announced a collaboration with Takeda, which brought approximately US$60 million in project initiation fees, near-term payments and milestones, with total potential deal value of approximately US$600 million. In domestic collaborations, we established research collaboration deals with Qilu Pharmaceutical to accelerate novel cardiometabolic therapies, entered into multiple collaborations with CMS in CNS and autoimmune diseases, and partnered with Tenacia Biotechnology to explore several potential CNS therapeutic targets. Notably, repeated collaborations with partners such as Lilly and CMS demonstrate continued customer trust and further validate the strength and scalability of our platform.

Beyond securing new strategic transactions, we also successfully unlocked multiple milestones within our existing partnerships, bolstering both the predictability of our revenue and the resilience of our long-term alliances. In the first half of 2026 and as of the Latest Practicable Date, Insilico and our partner reached a series of key milestones in collaborated programs. Under our collaboration with Hisun Pharmaceutical Co., Ltd., we successfully nominated a PCC just eight months after entering into the collaboration, demonstrating the speed and productivity of our AI-enabled discovery engine. Our partner Stemline Therapeutics Inc. completed the first-in-patient dosing in a Phase I trial of ISM9682, a highly differentiated small molecule KIF18A inhibitor designed using Insilico's generative AI engine. Following the licensing agreement entered into with TaiGen Biotechnology in December 2025, our partner TaiGen Biotechnology announced completion of the enrollment and dosing of the first subject in the Phase I clinical trial of ISM4808 in March 2026. In addition, Insilico completed first-in-human dosing in the Phase I clinical study of ISM8969, an AI-driven NLRP3 inhibitor, achieving the first clinical milestone under our collaboration with Hygtia Therapeutics.

Software solution

Our revenue from software solutions was US$2.7 million for the Reporting Period. 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. In addition to platform subscriptions, we began monetizing our Science MMAI Gym as a new software-based offering business by granting customers membership access to MMAI Gym and collecting training fees.

This new revenue model is supported by the underlying capabilities of Science MMAI Gym, a domain-specific AI training environment that we developed to address the limitations of general-purpose artificial intelligence, particularly foundation models, in pharmaceutical research. Science MMAI Gym is designed to systematically adapt foundation models for drug discovery and development through structured training programs that combine proprietary scientific datasets, multi-modal tasks, fine-tuning, reinforcement learning and rigorous benchmarking. We have already established collaborations with Human Longevity and Liquid AI on Science MMAI Gym business during the Reporting Period. Our collaboration with Human Longevity focuses on the co-development of an industry-first AI foundation model for longevity science, while our collaboration with Liquid AI has yielded LFM2-2.6B-MMAI, a jointly trained lightweight LFM for retrosynthesis. Despite containing only 2.6 billion parameters, the model demonstrated SOTA performance and exceeds both dedicated domain models and generalist foundation models on single-step retrosynthesis, and was presented as a featured poster at ICML 2026. LFM2-2.6B-MMAI is available for on-premise deployment and through the Microsoft Marketplace, supporting broader adoption by pharmaceutical research organizations. In July 2026, we entered into a strategic collaboration with Tencent Health, to advance the application of our Science MMAI Gym in life sciences. Under this collaboration, the parties will jointly train, optimize and deploy life-science-specialized models, broadening access to AI-enabled drug discovery capabilities.

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. Under the collaboration with Saudi Aramco, a new highly porous metal-organic framework (MOF) material to capture CO_2 directly from air has been developed and tested. Results from testing showed increased CO_2 capture compared to the best available MOF, and now developing six new MOFs to further test and capture of CO_2 directly from air and other CO_2 emission sources. This collaboration validates the applicability of our AI platform beyond pharmaceutical vertical and demonstrates its potential to address complex challenges across different industries. Moving forward, we plan to further expand into additional verticals, exploring untapped markets where our expertise and technology can create transformative impact.

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 interim report.

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:

	Six months ended June 30,			
	2026		2025	
	US$'000 (Unaudited)	%	US$'000 (Audited)	%
Drug discovery and pipeline development	103,131	97.0	23,909	87.1
Software solution	2,697	2.5	2,018	7.3
Other discovery	475	0.5	1,529	5.6
Total	106,303	100.0	27,456	100.0

Our revenue increased by US$78.8 million or 287.2% from US$27.5 million for the six months ended June 30, 2025 to US$106.3 million for the six months ended June 30, 2026, which was primarily attributable to the increase in revenue from drug discovery and pipeline development mainly driven by upfront payments. Revenue from upfront payments is affected by the progress of new deal negotiations and the handover progress of out-licensed pipelines.

Cost of Revenue

During the Reporting Period, our cost of revenue mainly consisted of third-party CRO costs and labor costs in relation to drug discovery and pipeline development business and other discovery services. Our cost of revenue increased by US$5.9 million or 133.0% from US$4.4 million for the six months ended June 30, 2025 to US$10.3 million for the six months ended June 30, 2026, which was primarily attributable to the increase of higher volume of projects delivered during the Reporting Period, which consequently necessitated additional staffing and increased synthetic and testing costs.

Gross Profit and Gross Profit Margin

Our gross profit increased by US$72.9 million or 316.9% from US$23.0 million for the six months ended June 30, 2025 to US$96.0 million for the six months ended June 30, 2026, which was primarily attributable to the increased revenue from drug discovery and pipeline development.

Our gross profit margin increased from 83.8% for the six months ended June 30, 2025 to 90.3% for the six months ended June 30, 2026, which was primarily attributable to the change in revenue composition during the Reporting Period, as the profit margin of pipeline development business is higher than that of drug discovery services.

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 increased by US$4.5 million or 101.3% from US$4.4 million for the six months ended June 30, 2025 to US$8.9 million for the six months ended June 30, 2026, which was primarily attributable to the increase in bank interest income resulting from higher deposit principal.

Selling and Marketing Expenses

During the Reporting Period, our selling and marketing expenses consisted of labor costs, share-based compensation expenses, marketing costs 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:

	Six months ended June 30,	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Audited)
Labor costs	3,012	1,842
Share-based compensation expenses	2,270	59
Marketing costs	445	257
Others	638	475
Total	6,365	2,633

Our selling and marketing expenses increased by US$3.7 million or 141.7% from US$2.6 million for the six months ended June 30, 2025 to US$6.4 million for the six months ended June 30, 2026, which was primarily attributable to (i) the increase in share-based compensation expense derived from the option and RSU granted to our business development team for motivation and retention, and (ii) higher performance-based bonuses paid to our business development team as a result of a significant rise in transaction volumes during the first half of 2026.

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:

	Six months ended June 30,	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Audited)
Third-party contracting costs	24,430	20,841
Labor costs	14,238	11,772
Share-based compensation expenses	8,453	524
Others	2,207	2,434
Total	49,328	35,571

Our research and development expenses increased by US$13.8 million or 38.7% from US$35.6 million for the six months ended June 30, 2025 to US$49.3 million for the six months ended June 30, 2026, which was primarily attributable to (i) increased CRO expenses for our expanded clinical pipeline and additional early-stage development programs, (ii) higher labor costs from an increased headcount and performance bonuses resulting from successful progress delivery of our projects, and (iii) higher share-based compensation expense derived from options and RSUs granted to our R&D team for motivation and retention.

Administrative Expenses

During the Reporting Period, our administrative expenses consisted of labor costs, share-based compensation expenses, professional and consultation fees 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:

	Six months ended June 30,	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Audited)
Labor costs	4,466	3,098
Share-based compensation expenses	4,967	884
Professional and consultation fees	812	823
Others	2,332	2,202
Total	12,577	7,007

Our administrative expenses increased by US$5.6 million or 79.5% from US$7.0 million for the six months ended June 30, 2025 to US$12.6 million for the six months ended June 30, 2026, which was primarily attributable to (i) the increase in labor cost, driven by headcount increase and higher incentive payouts, and (ii) the increase in share-based compensation expense derived from the option and RSU granted to our management team and administrative staff for motivation and retention.

Other Gains and Losses, Net

Our other gains and losses, net turned from a gain of US$1.2 million for the six months ended June 30, 2025 to a loss of US$1.2 million for the six months ended June 30, 2026, which was primarily attributable to the increase in foreign exchange loss from foreign exchange fluctuations.

Finance Costs

Our finance costs increased by US$0.1 million from US$0.1 million for the six months ended June 30, 2025 to US$0.2 million for the six months ended June 30, 2026, which was primarily attributable to the interest expenses arising from bank borrowings for daily operations during the six months ended June 30, 2026.

Loss from Changes in Fair Value of Financial Liabilities at FVTPL

We recorded a loss of US$0.3 million from changes in the fair value of financial liabilities at FVTPL for the six months ended June 30, 2025 and nil for the six months ended June 30, 2026, 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, resulting in no further gain/loss from changes in the fair value of financial liabilities.

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

Our reversals of impairment losses on financial assets was US$0.6 million for the six months ended June 30, 2026, compared to losses on financial assets at US$0.2 million for the six months ended June 30, 2025. The change was primarily attributable to the decrease of trade receivables balances from third-party customers.

Profit (Loss) Before Tax

Driven by our continued business expansion and strong revenue growth, with the systematic improvement of operating efficiency, we achieved a turnaround to profitability, from a loss before tax of US$19.2 million for the six months ended June 30, 2025 to a profit before tax of US$35.8 million for the six months ended June 30, 2026.

Income Tax Expense

Our income tax expenses increased by US$238 thousand from US$41 thousand for the six months ended June 30, 2025 to US$279 thousand for the six months ended June 30, 2026, which was primarily attributable to current tax expenses accrued for subsidiaries that have assessable profit.

Profit (Loss) for the Period

Driven by our continued business expansion and strong revenue growth, with the systematic improvement of operating efficiency, we achieved a turnaround to profitability, from a net loss of US$19.2 million for the six months ended June 30, 2025 to a net profit of US$35.5 million for the six months ended June 30, 2026.

Financial Position

As of June 30, 2026, our Company has recorded net assets of US$547.1 million, compared to net assets of US$452.0 million as of December 31, 2025. The increase was mainly attributable to the proceeds received from the full exercise of Over-allotment Option and cash collections from customers.

As of June 30, 2026, our Company has recorded net current assets of US$532.0 million, compared to net current assets of US$440.4 million as of December 31, 2025, for the reasons stated above.

Trade and Other Receivables

Our trade and other receivables decreased from US$27.0 million as of December 31, 2025 to US$16.2 million as of June 30, 2026. In particular, our trade receivables primarily represent the balances due from certain customers. Our trade receivables from contracts with customers decreased from US$21.3 million as of December 31, 2025 to US$4.5 million as of June 30, 2026, which was primarily attributable to the receipt of payments for revenue recognized at 2025 year-end for which payment was not yet due as of December 31, 2025.

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.

Our trade and other payables decreased from US$29.7 million as of December 31, 2025 to US$23.6 million as of June 30, 2026, which was primarily attributable to the full settlement of all 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 inflows of US$79.0 million for the six months ended June 30, 2026, as compared to the net operating cash outflows of US$36.8 million for the six months ended June 30, 2025, which was mainly attributable to the strong profit growth during the Reporting Period, together with effective and healthy working capital management.

Bank and Other Borrowings

As at June 30, 2026, the Group's outstanding borrowings were US$14.7 million (December 31, 2025: nil). The loans carry interest at fixed market rates ranging from 2.11% to 2.15% and are repayable in instalments within one year. The proceeds were used for daily business operations. The Group's bank and other borrowings are denominated in RMB.

Bank Balances and Cash

Our bank balances and cash primarily consisted of time deposits with original maturity of three months or less from the date of acquisition. Our bank balances and cash decreased by US$35.7 million from US$393.3 million as of December 31, 2025 to US$357.6 million as of June 30, 2026, which was primarily attributable to our placement of US$109.0 million in term deposits with an original maturity of over three months to generate higher interest income while maintaining a healthy financial position. As of June 30, 2026, the Group's bank balances and cash are mainly denominated in USD and RMB.

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 the first half of 2026, 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 decreased by US$1.0 million or 16.5% from US$6.0 million as of December 31, 2025 to US$5.0 million as of June 30, 2026, which was primarily attributable to our renewal and expansion of the lease agreement in 2025, while no similar events occurred in the six months ended June 30, 2026.

Contract Liabilities

Our contract liabilities increased by US$27.1 million or 1,283.8% from US$2.1 million as of December 31, 2025 to US$29.2 million as of June 30, 2026, which was primarily attributable to the increase in advance payments received for projects with performance obligations that are yet to be fulfilled.

Current Ratio

Current ratio (calculated by current assets divided by current liabilities) of the Group as of June 30, 2026, was 870.5% (December 31, 2025: 1,399.3%).

Gearing Ratio

Gearing ratio is calculated as total debt divided by total assets. As of June 30, 2026, the Group's gearing ratio was 2.4% (December 31, 2025: 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 monitors foreign exchange exposure and may, subject to internal approval, implement appropriate hedging measures for significant foreign currency exposures and when required.

Contingent Liabilities

As of June 30, 2026, we did not have any material contingent liabilities.

Significant Investments Held

As of June 30, 2026, save as disclosed in this report, we did not hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of June 30, 2026).

Wealth management products

The financial assets that we invested mainly include investments in wealth management products.

During the Reporting Period, the Group subscribed for certain wealth management products. The exact returns on all these wealth management products are not guaranteed; hence their contractual cash flow does not qualify for solely payments of principal and interests. Therefore, they are measured at fair value through profit or loss. As of June 30, 2026, the aggregated outstanding principal amount of the Group's wealth management products was USD108.3 million, and the wealth management products (measured at fair value through profit or loss) as a percentage to the Group's total asset was 17.5%. As of June 30, 2026, the outstanding principal amount of certain wealth management product subscribed by the Group from CMB International Asset Management Limited

was USD50.0 million, and the fair value of which was USD50.3 million, which accounted for 8.1% of the Group's total assets, the expected return rate for the product subscribed from CMB International Asset Management Limited was 3.99%. As of June 30, 2026, the outstanding principal amount of certain wealth management product subscribed by JPMorgan Asset Management (Europe) S.a.r.l was USD47.0 million, and the fair value of which was USD47.3 million, which accounted for 7.6% of the Group's total assets, the expected return rate for the product subscribed from JPMorgan Asset Management (Europe) S.a.r.l was 3.85%. As of June 30, 2026, there were no other outstanding wealth management products (in aggregate) subscribed from any single financial institution that exceeded 5% of the Group's total assets.

The following outstanding wealth management products (in aggregate) subscribed from each respective financial institution had a percentage of over 5% of the Group's total assets as of June 30, 2026.

Subscription Date	Maturity Date	Name of Product	Name of Manager	Principal amount of subscription	Type of product and risk rating	Expected annualized return rate	Investment scope of product	Fair value and relative size to the Group's total assets as of June 30, 2026
2026-04-29	Redeem at any business day	CMB International USD Money Market Fund	CMB International Asset Management Limited	USD50.0 million	Non-principal guaranteed with variable return	3.99%	Invests primarily in USD-denominated short-term deposits and high-quality money market instruments, with an emphasis on liquidity, capital preservation and low risk	USD50.3 million; 8.1%
2026-04-29	Redeem at any business day	USD Standard Money Market VNAV Fund	JPMorgan Asset Management (Europe) S.a.r.l	USD47.0 million	Non-principal guaranteed with variable return	3.85%	Invests primarily in USD-denominated short-term deposits and high-quality money market instruments, with an emphasis on liquidity, capital preservation and low risk	USD47.3 million; 7.6%

The Group's investment strategy with respect to these wealth management products focuses on preserving capital, maintaining sufficient liquidity to meet anticipated operational funding requirements, and enhancing returns on idle cash. To effectively manage the Group's idle cash resources, the Group invests in highly liquid money market funds managed by reputable financial institutions. These products carry a low risk profile and generally comprise underlying assets with high liquidity and strong market credit ratings. All money market funds are redeemable on demand or within three business days, enabling the Group to maintain a prudent balance among capital preservation, liquidity and investment returns.

During the Reporting Period, all the products subscribed by the Group aligned with the Group's investment policy which was approved by the Board. The Group established a comprehensive set of investment policies to monitor and control the investment risks associated with these wealth management products. The Company

primarily invests in wealth management products issued and/or guaranteed by reputable licensed banks or financial institutions that exhibit relatively low risk profiles. The finance department, led by the Head of Finance, is responsible for overseeing the Group's investment portfolio. Its duties include: (i) assessing the eligibility and credit quality of investment products and counterparties; (ii) monitoring portfolio concentration, liquidity and investment performance; and (iii) obtaining periodic reports from financial institutions to verify holdings and monitor investment returns.

The Company makes investment decisions regarding wealth management products on a case-by-case basis, following a thorough assessment of multiple factors, including but not limited to the macro-economic environment, prevailing market conditions, the risk control and credit rating of the issuer, the Company's own working capital position, the expected cash collection or financing funds, and the expected profit or potential loss of the investment.

Specifically, the finance department identifies potential investment targets based on, among other considerations: (i) the amount of the Company's cash surplus, (ii) short – to medium-term working capital requirements, and (iii) available investment opportunities offered by reputable financial institutions. The Group may early-redeem an investment or decide not to renew it in the event of concentration risk or where the investment no longer meets the Group's liquidity, risk management or return objectives.

Pledge of Assets

As of June 30, 2026, we did not pledge any of our assets.

Non-IFRS Measure

We adopt the adjusted profit (loss) for the period (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 profit (non-IFRS measure) of US$51.2 million for the six months ended June 30, 2026, while we recorded adjusted loss of (non-IFRS measure) US$15.4 million for the six months ended June 30, 2025. We define adjusted profit (loss) (non-IFRS measure) as profit (loss) for the period adjusted by adding back loss from changes in fair value of financial liabilities at FVTPL, share-based compensation expenses and listing expenses. The following table reconciles our adjusted profit (loss) (non-IFRS measure) for the periods presented in accordance with IFRSs, which is profit (loss) for the periods indicated:

	Six months ended June 30,	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Audited)
Profit (loss) for the period	35,537	(19,215)
Add:		
Loss from changes in fair value of financial liabilities at FVTPL	–	266
Share-based compensation expenses	15,690	1,467
Listing expenses	–	2,073
Adjusted profit (loss) (non-IFRS measure)	51,227	(15,409)

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 profit (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 June 30, 2026, the Group had 333 employees and consultants, including a total of 260 professionals. The total employee benefit expenses during the Reporting Period, including share-based payment expenses, were US$38.2 million, as compared to US$19.1 million for the six months ended June 30, 2025.

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.

Future Plans for Material Investments or Capital Assets

The Group did not have detailed future plans for material investments or capital assets as of June 30, 2026.

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 have been and 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 June 30, 2026 (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%	43.83	1,084.31	Within the next three to four years
(a) Funding for research and development	940.12	40.0%	10.71	929.41	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%	8.70	381.45	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.[2]	493.56	21.0%	0	493.56	Within the next three to four years
iii. Funding for the research and development of IPF inhalable	56.41	2.4%	2.01	54.40	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%	33.12	154.90	Within the next two to three years
(2) Development of new generative AI models and the associated validation research work	352.55	15.0%	60.69	291.86	Within the next two to three years
(3) Further development and expansion of our automated lab	282.04	12.0%	12.77	269.27	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%	115.46	354.60	Within the next two to three 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 June 30, 2026 (HK$ million)	Expected timeline of full utilization of the unutilized Net Proceeds[1]
(5) Working capital and other general corporate purposes[3]	117.52	5.0%	22.35	95.17	Within the next three to four years
Total	2,350.30	100%	255.10	2,095.20	

Notes:

(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.

(2) While the IND of ISM001-055/Rentosertib (Oral) submitted to FDA was placed on inactive status by us, we expect that the Net Proceeds allocated for the research and development of Phase IIb/III clinical trial of ISM001-055 in the U.S. will remain unchanged, subject to the review of our R&D plan from time to time.

(3) The use of proceeds for working capital and other general corporate purposes mainly comprises expenses for public relations, recruitment, office supplies and daily operations, rental and utilities, and employee benefits.

(4) The sum of the data may be inconsistent with the total due to rounding.

FUTURE DEVELOPMENT

Following sustained momentum in the first half of 2026, we entered the second half of 2026 with 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 continue progressing the Phase III clinical trial of ISM001-055/Rentosertib for IPF in China, anticipating first patient enrollment in 2026. For ISM6331 (Pan-TEAD), we expect a rapid oral presentation of its Phase I data at ESMO Congress 2026, followed by the enrollment completion of Phase I Part 1 (dose escalation) in 2026. We anticipate ISM3412 (MAT2A) to complete its Phase I Part 1 (dose escalation) in 2026 as well. 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 achieve more collaborations with frontier foundation models as well as expanding current collaboration.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As far as the Company is aware, as of June 30, 2026, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Position	Nature of Interest	Number of Shares[1]	Approximate percentage of interest in our Company[2]
Mr. Alex Zhavoronkov, Ph.D.	Chairman of the Board, executive Director, founder, CEO and CBO	Beneficial owner	42,583,500 (L)	7.40%
		Interest held through voting powers entrusted by other persons[3]	4,060,000 (L)	0.71%
Mr. Feng Ren, Ph.D.[4]	Executive Director, CEO and CSO	Beneficial owner	8,740,820 (L)	1.52%

Notes:

(1) "L" denotes long positions.

(2) The calculation is based on the total number of 575,837,982 Shares in issue as of June 30, 2026.

(3) Pursuant to proxies and powers of attorney dated May 5, 2025 and with effect from April 15, 2025, Mr. Alex Zhavoronkov Ph.D. is entitled to exercise the voting rights of 4,060,000 shares held by Mr. Aleksandr Aliper, Ph.D., Mr. Ivan Ozerov and Mr. Eugene Lane. So, Mr. Alex Zhavoronkov Ph.D. is deemed to be interested in the shares held by Mr. Aleksandr Aliper, Ph.D., Mr. Ivan Ozerov and Mr. Eugene Lane under the SFO.

(4) This includes (i) 475,400 Shares held by Mr. Feng Ren, Ph.D. through his wholly-owned company; (ii) 5,065,420 Shares to be subscribed upon full exercise of options granted under Pre-IPO Equity Incentive Plans; and (iii) 3,200,000 underlying Shares to be issued upon vesting of share awards granted under Pre-IPO Equity Incentive Plans.

Save as disclosed above and to the best knowledge of our Directors, as of June 30, 2026, none of the Directors or chief executive of our Company had the interests and short positions in the Shares, underlying Shares and debentures of our Company or any of its associated corporation (within the meaning of Part XV of the SFO) which shall be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which shall be recorded in the register required to be kept by our Company under Section 352 of the SFO, or which shall be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As of June 30, 2026, to the best of the knowledge of the Company and the Directors or chief executive of our Company, the followings are the persons, other than the Directors or chief executive of the Company, who had interests or short positions in the Shares and underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO.

Name of Shareholder	Capacity/Nature of Interest	Number of Shares[1]	Approximate percentage of interests in our Company[2]
Mesolite[3]	Beneficial interest	46,383,400 (L)	8.05%
Temasek Holdings (Private) Limited ("**Temasek**")[4]	Interest in controlled corporations	29,907,720 (L)	5.19%

Notes:

(1) "L" denotes long positions.

(2) The calculation is based on the total number of 575,837,982 Shares in issue as of June 30, 2026.

(3) Mesolite Gem Investments Ltd ("Mesolite") is an exempted company incorporated under the laws of the Cayman Islands with limited liability on March 12, 2021. Mesolite is wholly owned by certain investment funds managed by their fund manager, Warburg Pincus LLC, among which, approximately 52.10% of Mesolite is owned by Warburg Pincus China-Southeast Asia II (Cayman), L.P. ("WPC-SEA II Cayman"). The general partner of WPC-SEA II Cayman is Warburg Pincus (Cayman) China-Southeast Asia II GP, L.P. ("WPC-SEA II Cayman GP"), the general partner of which is Warburg Pincus (Cayman) China-Southeast Asia II GP LLC ("WPC-SEA II Cayman GP LLC"). The managing member of WPC-SEA II Cayman GP LLC is Warburg Pincus Partners II (Cayman), L.P. ("WPP II Cayman"), which is 90% owned by Warburg Pincus Partners II Holdings (Cayman), L.P. ("WPP II Holdings"). WPP II Holdings is wholly owned by Warburg Pincus (Cayman) Private Equity, L.P ("WP Cayman PE"), the general partner of which is Warburg Pincus (Bermuda) Private Equity GP Ltd ("WP Bermuda GP"). The general partner of WPP II Holdings is WPP II Administrative (Cayman), LLC ("WPP II Administrative"), which is in turn wholly owned by WP Bermuda GP. Based on the above, under the SFO, each of WPC-SEA II Cayman, WPC-SEA II Cayman GP, WPC-SEA II Cayman GP LLC, WPP II Cayman and WP Bermuda GP is deemed interested in the 46,383,400 Shares held by Mesolite Gem, WPP II Holdings, WP Cayman PE, WPP II Administrative.

(4) This includes the (i) Shares held by Palace Investments Pte. Ltd. ("Palace Investments") as an existing Shareholder, and (ii) Shares subscribed by Taibai Investments Pte. Ltd. ("Taibai Investments") through its investment as a cornerstone investor. Palace Investments is a direct wholly-owned subsidiary of PavCap Fund I, which is in turn wholly-owned by PavCap I Feeder No. 1 LP. PavCap I Feeder No. 1 LP. is directly wholly-owned by Pavilion Capital Holdings Pte. Ltd., which is in turn wholly-owned by Seviora Holdings Pte. Ltd.. Seviora Holdings Pte. Ltd. is directly wholly-owned by Pilatus Investments Pte. Ltd., which is in turn wholly-owned by Tembusu Capital Pte. Ltd.. Tembusu Capital Pte. Ltd. is directly wholly-owned by Temasek. Taibai Investments is an indirect wholly-owned subsidiary of Temasek.

Save as disclosed above and to the best knowledge of our Directors, as of June 30, 2026, no person (other than the Directors and chief executive of the Company) had or was deemed to have any interests or short positions in the shares, underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company or the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

RIGHTS OF DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, during the Reporting Period and up to the date of this interim report, none of the Company or any of its subsidiaries was a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 was granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

SHARE INCENTIVE PLANS

Pre-IPO Equity Incentive Plans

We adopted the Pre-IPO Equity Incentive Plans, which include:

(i) 2019 Share Plan (as amended and restated on December 31, 2019) adopted on March 15, 2019;

(ii) 2019 Equity Incentive Plan adopted on December 31, 2019;

(iii) 2021 Equity Incentive Plan adopted on June 30, 2021; and

(iv) 2022 Equity Incentive Plan adopted on November 25, 2022, as amended on February 21, 2025.

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 our Company after the Listing.

1. Terms of the 2019 Share Plan

The purpose of the 2019 Share Plan is to advance the interest of our Group and the Shareholders by providing an incentive to attract, retain and reward persons performing services for our Group and by motivating such persons to contribute to the growth and profitability of our Group. The Board, in accordance with all questions of interpretations of the 2019 Share Plan, may at its absolute discretion, grant options under the 2019 Share Plan to any eligible employee, consultants and Directors.

The options granted under the 2019 Share Plan shall be terminated 10 years after the effective date of the grant of the options, unless earlier terminated in accordance with its provisions in the award agreement evidencing such grant. The options shall be exercisable at such times, or upon the occurrence of such events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Board and set forth in the award agreement evidencing such grant, however, that (a) no option shall be exercisable after the expiration of 10 years after the effective date of grant of such option, (b) no incentive option (as defined in the 2019 Share Plan) granted to a 10% Shareholder shall be exercisable after the expiration of five years after the effective date of grant of such option, and (c) no option granted to an employee who is a non-exempt employee for purposes of the relevant laws and regulations, as amended, shall be first exercisable until at least six months following the date of grant of such option (except in the event of such employee's death, disability or retirement, upon a change in control, or as otherwise permitted by the relevant laws and regulations).

The exercise price for each option shall be established in the discretion of the Board and (a) the exercise price per Share shall be not less than the fair market value of a Share on the effective date of grant; or (b) no incentive share option granted to a 10% Shareholder shall have an exercise price per Share less than 110% of the fair market value of a Share on the effective date of grant.

2. **Terms of the 2019 Equity Incentive Plan**

The purpose of the 2019 Equity Incentive Plan is to promote the success of our Company and the interests of our Shareholders by providing a means through which our Company may grant equity-based incentives to attract, motivate, retain and reward the certain officers, employees, directors, consultants and other eligible persons and to further link the interests of award recipients with those of our Shareholders generally. The eligible participants under the 2019 Equity Incentive Plan include any person who qualifies as one of the following at the time of grant of the respective award: (a) an officer (whether or not a director) or employee of our Company or any of our affiliates; (b) any member of the Board; or (c) any director of one of our Company's affiliates, or any individual consultant or advisor who renders or has rendered bona fide services to our Company or one of our affiliates.

The 2019 Equity Incentive Plan is administered by the administer, being (a) the Board, or (b) one or more committees appointed by the Board or another committee (within its delegated authority). The administrator will determine and impose the terms, provisions or restrictions on the options or any Ordinary Shares as applicable under the 2019 Equity Incentive Plan.

Each option shall expire not more than 10 years after its date of grant. The administrator will determine the purchase price per share of the Ordinary Shares covered by each option (the "exercise price" of the option) at the time of the grant of the option, which exercise price will be set forth in the applicable award agreement. In no case will the exercise price of an option be less than the greatest of: (a) the par value of an Ordinary Share; (b) subject to clause (c) below, 100% of the fair market value of an Ordinary Share on the date of grant; or (c) in the case of an incentive stock option granted to a participant, 110% of the fair market value of an ordinary Share on the date of grant.

The vesting conditions applicable to each RSU are based on performance criteria, passage of time or other factors or any combination thereof as set forth in the applicable award agreement.

3. **Terms of the 2021 Equity Incentive Plan**

The purpose of the 2021 Equity Incentive Plan is to attract and retain the best available personnel for positions of substantial responsibility, to promote the success of our Company's business, and to provide additional incentive to the eligible participants, including employees, directors and consultants of the Group.

The 2021 Equity Incentive Plan is administered by the administer, being (a) the Board or (b) a committee, which will be constituted to satisfy the Articles of Association and applicable laws.

The options granted will expire in 10 years from the date of grant. The per Share exercise price for the Shares to be issued pursuant to the exercise of an option will be determined by the administrator, and will be no less than 100% of the fair market value per Share on the date of grant save for exceptions provided in the 2021 Equity Incentive Plan. In the case of an incentive share option granted to an employee who owns shares representing more than 10% of the Shares, the per Share exercise price will be no less than 110% of the fair market value per Share on the date of grant.

RSUs may be granted at any time and from time to time as determined by the administrator. The administrator will advise the eligible participants the number of the RSUs to be granted, the terms, conditions and restrictions related to the grant and set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of RSUs that will be paid out to the participant. The vesting criteria will be based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the administrator in its discretion.

4. **Terms of the 2022 Equity Incentive Plan**

The purpose of the 2022 Equity Incentive Plan is to attract and retain the best available personnel for positions of substantial responsibility, to promote the success of our Company's business and to provide additional incentive to the eligible participants, including employees, directors and consultants of the Group.

The 2022 Equity Incentive Plan is administered by the administrator, being (a) the Board or (b) a committee, which will be constituted to satisfy the Articles of Association and applicable laws.

The options granted will expire in 10 years from the date of grant. In the case of an incentive share option granted to a participant who, at the time the incentive share option is granted, owns Shares representing more than 10% of the total combined voting power of all classes of Shares or any parent, subsidiary or affiliate, the term of the incentive share option will be five years from the date of grant or such shorter term as may be provided in the award agreement.

The per Share exercise price for the Shares to be issued pursuant to the exercise of an option will be determined by the administrator, and will be no less than 100% of the fair market value per Share on the date of grant save for exceptions provided in the 2022 Equity Incentive Plan.

RSUs may be granted at any time and from time to time as determined by the administrator. The administrator will advise the eligible participants the number of the RSUs to be granted, the terms, conditions and restrictions related to the grant and set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of RSUs that will be paid out to the participant. The vesting criteria will be based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the administrator in its discretion.

5. Outstanding Grants under the Pre-IPO Equity Incentive Plans

(i) Options

As of June 30, 2026, the outstanding options to subscribe for an aggregate of 25,314,297 Shares, representing approximately 4.34% of the total issued Shares (excluding treasury Shares) of the Company as of the Latest Practicable Date. During the Reporting Period, 3,155,658 outstanding options granted under the Pre-IPO Equity Incentive Plans have been exercised. Our Company will not grant further options under the Pre-IPO Equity Incentive Plans after the Listing.

The following table sets out the number of outstanding options under the Pre-IPO Equity Incentive Plans, as of January 1, 2026 and June 30, 2026, and the movement in such share during the Relevant Period:

Name or category of grantee	Position held at our Group	Number of Shares underlying the options outstanding as at January 1, 2026	Granted during the Relevant Period	Exercised during the Relevant Period	Cancelled during the Relevant Period	Lapsed during the Relevant Period	Number of Shares underlying the options outstanding as at June 30, 2026	Date of Grant	Exercise price (US$ per share)	Exercise period Vesting period	Weighted average closing price of the Shares immediately before the dates on which the options were exercised (HK$ per share)
Director											
Mr. Feng Ren, Ph.D.	Executive Director, CEO, CSO	5,065,420	–	–	–	–	5,065,420	February 14, 2021, February 21, 2022 and December 1, 2025	0.42 1.08 2.12	Note 1	NA
Senior Management											
Mr. Aleksandr Aliper, Ph.D.	President	3,000,000	–	1,599,920	–	–	1,400,080	September 1, 2016, May 18, 2018, April 18, 2020 and April 26, 2021	0.01 0.29 0.42 0.42	Note 2	41.38
Mr. Peng Dai	Head of Finance, Vice President	399,900	–	–	–	–	399,900	November 15, 2021 and December 1, 2025	1.08 2.12	Note 3	NA
Connected Persons	—	1,649,800	–	–	–	–	1,649,800	From August 18, 2020 to December 1, 2025	0.42 1.08 2.12	Note 4 or Note 5	NA

Name or category of grantee	Position held at our Group	Number of Shares underlying the options outstanding as at January 1, 2026	Granted during the Relevant Period	Exercised during the Relevant Period	Cancelled during the Relevant Period	Lapsed during the Relevant Period	Number of Shares underlying the options outstanding as at June 30, 2026	Date of Grant	Exercise price (US$ per share)	Exercise period Vesting period	Weighted average closing price of the Shares immediately before the dates on which the options were exercised (HK$ per share)
Employee and Consult-ants[13]	—	21,480,400	–	1,555,738	–	3,125,565	16,799,097	From April 28, 2014 to December 1, 2025	0.01 to 2.12	Fully vested upon grant, Note 4 or Note 5 or Note 6 or Note 7 or Note 8 or Note 9 or Note 10 or Note 11 or Note 12	51.07
Total		31,595,520	–	3,155,658	–	3,125,565	25,314,297				

Notes:

(1) The vesting schedules for these grants are: (i) vested upon one-year anniversary of the on-boarding date; (ii) 1/4 to be vested one year from the vesting commencement date and 1/48 to be vested every month thereafter; and (iii) 1/3 to be vested on the Listing Date after the vesting commencement date as stipulated in the respective grant notices, and the remaining 2/3 to be vested in 24 equal monthly installments from the Listing Date.

(2) The vesting schedules for these grants are: (i) 1/10 to be vested every year from the vesting commencement date; (ii) 1/36 to be vested every month from the vesting commencement date; (iii) 1/4 to be vested one year from the vesting commencement date and 1/48 to be vested every month thereafter; and (iv) 1/4 to be vested one year from the vesting commencement date and 1/48 to be vested every month thereafter.

(3) The vesting schedule for these grants are: (i) 1/4 to be vested one year from the vesting commencement date and 1/48 to be vested every month thereafter; and (ii) 1/3 to be vested on the Listing Date after the vesting commencement date as stipulated in the respective grant notices, and the remaining 2/3 to be vested in 24 equal monthly installments from the Listing Date.

(4) The vesting schedules for these grants are 1/4 to be vested one year from the vesting commencement date and 1/48 to be vested every month thereafter.

(5) The vesting schedule for these grants are 1/3 to be vested on the Listing Date after the vesting commencement date as stipulated in the respective grant notices, and the remaining 2/3 to be vested in 24 equal monthly installments from the Listing Date.

(6) The vesting schedule for these grants are 1/3 to be vested every year from the vesting commencement date.

(7) The vesting schedule for these grants are 1/6 to be vested every year from the vesting commencement date.

(8) The vesting schedule for these grants are 1/36 to be vested every month from the vesting commencement date.

(9) The vesting schedule for these grants are 1/3 to be vested one year from the vesting commencement date and 1/36 to be vested every month thereafter.

(10) The vesting schedule for these grants are 1/5 to be vested every year from the vesting commencement date.

(11) The vesting schedule for these grants are 1/5 to be vested one year from the vesting commencement date and 1/60 to be vested every month thereafter.

(12) The vesting schedule for these grants are 1/2 to be vested two years from the vesting commencement date and 1/48 to be vested every month thereafter.

(13) The consultants provide services to the Company related to drug development, computational chemistry, and advisory services in the field of AI, as well as business planning.

(14) All options listed in the table above were granted for nil consideration.

(15) Provided that the options have been vested according to their respective vesting periods, all options listed in the table may be exercised within 10 years after the date of grant, subject to certain customary exceptions for circumstances where the grantee no longer works at the Company as provided under the relevant grant letters.

The vesting criteria under the Pre-IPO Equity Incentive Plans may be established based on the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment or service), or any basis determined by the Administrators in its discretion.

The percentage of the number of Shares that may be issued in respect of the options granted under the Pre-IPO Equity Incentive Plans during the Reporting Period divided by the weighted average number of Shares of the relevant classes in issue (excluding treasury Shares) during the Reporting Period was approximately 4.43%.

(ii) RSUs

As of June 30, 2026, RSUs corresponding to 5,292,797 Shares have been granted under the Pre-IPO Equity Incentive Plans, representing 0.91% of the total issued Shares (excluding treasury Shares) of our Company as of the Latest Practicable Date. 1,802,023 RSUs were vested on the Listing Date. During the Reporting Period, 858,221 RSUs granted under the Pre-IPO Equity Incentive Plans have been vested. No further RSUs will be granted by the Company under the Pre-IPO Equity Incentive Plans after the Listing.

The following table sets out the number of unvested RSUs under the Pre-IPO Equity Incentive Plans, as of January 1, 2026 and June 30, 2026, and the movement in such share during the Relevant Period:

Name or category of grantee	Position held at our Group	Number of Shares underlying the RSUs unvested as at January 1, 2026	Granted during the Relevant Period	Vested during the Relevant Period	Cancelled during the Relevant Period	Lapsed during the Relevant Period	Number of Shares underlying the RSUs unvested as at June 30, 2026	Date of Grant	Purchase Price (US$ per share)	Vesting period	Weighted average closing price of the Shares immediately before the dates on which the RSUs were vested (HK$ per share)
Director											
Mr. Feng Ren, Ph.D.	Executive Director, CEO, CSO	2,133,440	–	533,360	–	–	1,600,080	Note 1	nil	Note 2	41.38
Senior Management											
Mr. Peng Dai	Head of Finance, Vice President	172,209	–	43,052	–	–	129,157	August 23, 2023 and December 1, 2025	nil	Note 2	41.38
Connected Persons	—	86,671	–	21,667	–	–	65,004	August 23, 2023 or December 1, 2025	nil	Note 2	41.38
Employee and Consultant[3]	—	1,212,377	–	260,142	–	113,923	838,312	August 23, 2023 or April 23, 2025 or December 1, 2025	nil	Note 2	41.38
Total		3,604,697	–	858,221	–	113,923	2,632,553				

Notes:

(1) The RSUs granted to Mr. Feng Ren, Ph.D. includes 800,000 RSUs as adjusted after the Share Split granted on November 25, 2022, 1,200,000 RSUs as adjusted after the Share Split granted on August 23, 2023, 600,000 RSUs as adjusted after the Share Split granted on December 1, 2023 and 600,000 RSUs as adjusted after the Share Split granted on August 26, 2024.

(2) The vesting schedule for these grants are 1/3 to be vested on the Listing Date after the vesting commencement date as stipulated in the respective grant notices, and the remaining 2/3 to be vested in 24 equal monthly installments from the Listing Date, subject to any applicable lock-up period restrictions.

(3) The consultant provides AI related technical development services to the Company.

The percentage of the number of Shares that may be issued in respect of the RSUs granted under the Pre-IPO Equity Incentive Plans during the Reporting Period divided by the weighted average number of Shares of the relevant classes in issue (excluding treasury Shares) during the Reporting Period was approximately 0.74%.

Post-IPO Equity Incentive Plans

We adopted the Post-IPO Equity Incentive Plans, which include:

(i) the Post-IPO RSU Scheme adopted on December 15, 2025; and

(ii) the Post-IPO Share Option Scheme adopted on December 15, 2025.

Each of the schemes constitutes a share scheme governed by Chapter 17 of the Listing Rules.

The Company shall not make any further grant of options or RSUs which will result in the aggregate number of Shares to be issued or transferred by the Company under the Post-IPO Equity Incentive Plans and any other share schemes adopted by the Company to exceed 5% of the total number of Shares in issue as of the Listing Date, being 27,870,925 Shares. Furthermore, the total number of new Shares which may be issued and/or transferred pursuant to the options or RSUs granted and to be granted to Service Providers under the Post-IPO Equity Incentive Plans and any other share schemes shall not exceed 0.5% of the total number of Shares in issue as of the Listing Date (the "**Service Provider Sublimit**"), being 2,787,092 Shares.

The number of Shares available for grant under the Post-IPO Equity Incentive Plans as at January 1, 2026 is 27,870,925, representing 4.78% of the total number of Shares in issue (excluding treasury Shares) of the Company as of the Latest Practicable Date. As at June 30, 2026, the number of Shares available for grant under the Post-IPO Equity Incentive Plans is 24,164,039, representing 4.15% of the total number of Shares in issue (excluding treasury Shares) of the Company as of the Latest Practicable Date.

The number of Shares available for grant under the service provider sublimit as at January 1, 2026 is 2,787,092, representing 0.48% of the total number of Shares in issue (excluding treasury Shares) of the Company as of the Latest Practicable Date. As at June 30, 2026, the number of Shares available for grant under the service provider sublimit is 2,787,092, representing 0.48% of the total number of Shares in issue (excluding treasury Shares) of the Company as of the Latest Practicable Date.

1. Terms of Post-IPO RSU Scheme

The Post-IPO RSU Scheme is valid and effective for 10 years (after which no further RSUs will be granted) commencing on the date of adoption. As of the date of this interim report, the remaining life of the Post-IPO RSU Scheme was approximately nine years and four months.

The purpose of the Post-IPO RSU Scheme is to align the interests of eligible persons with those of the Group and to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.

The Remuneration Committee (which expression shall, for the purpose of this section, include the Remuneration Committee or such duly authorized person(s) by the Remuneration Committee) may, at its absolute discretion, offer to grant RSUs to an eligible person, namely (i) an "Employee Participant", i.e. any person who is an employee (whether full-time or part-time employee) or a director (including any executive director, non-executive director or independent non-executive director) of any member of the Group; (ii) a "Related Entity Participant", i.e. any person who is an employee or a director of any of the holding companies, fellow subsidiaries (other than members of the Group) or associated companies of the Company; and (iii) a "Service Provider", i.e. any person or corporate entity (other than an employee or a director of any member of the Group) who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group.

The total number of Shares issued and to be issued or transferred and to be transferred pursuant to grants made and to be made under the Post-IPO RSU Scheme and other shares schemes of the Company to each grantee (excluding RSUs lapsed in accordance with the Post-IPO RSU Scheme) in any 12-month period up to (and including) the date of the latest grant shall not exceed 1% of the total number of Shares in issue (excluding any treasury shares) at the relevant time (the "Individual Limit"). Any further grant of RSUs to a grantee which would exceed the Individual Limit shall be subject to separate approval of the Shareholders in general meeting in accordance with the Listing Rules, including that at such general meeting such participant and his/her close associates (or associates if the participant is a connected person as defined under the Listing Rules) shall abstain from voting.

Any grant of RSUs or other form of awards to any Director, chief executive or substantial Shareholder of the Company or any of their respective associates shall be subject to the prior approval of the Remuneration Committee and the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of RSUs). Furthermore, where:

(1) any grant of RSUs or other form of awards to any Director (other than an independent non-executive Director) or chief executive of the Company would result in the Shares issued and to be issued or transferred and to be transferred in respect of all RSUs granted (excluding RSUs lapsed in accordance with the terms of the Post-IPO RSU Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding any treasury shares); or

(2) any grant of RSUs, options, or other form of awards pursuant to the Post-IPO RSU Scheme or any other concurrent share schemes to an independent non-executive Director or substantial Shareholder or any of their respective associates would result in the number of Shares issued and to be issued or transferred and to be transferred (excluding RSUs lapsed in accordance with the terms of the Post IPO RSU Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding any treasury shares), such further grant of RSUs must be approved by the Remuneration Committee and the Shareholders in general meeting in the manner required and subject to the requirements set out in the Listing Rules.

The Remuneration Committee may from time to time while the Post-IPO RSU Scheme is in force and subject to all applicable laws, rules and regulations, determine such vesting criteria and conditions or periods for the RSU to be vested hereunder.

However, the vesting period in respect of any RSU shall not be less than 12 months from the grant date, except that with respect to a grantee who is an Employee Participant, a shorter vesting period may be permitted in circumstances set out below:

(i) grants as "make whole" RSUs to a new Employee Participant upon joining the Group to replace the share awards such grantee forfeited when leaving his/her previous employer;

(ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;

(iii) grants of RSUs which are subject to the fulfilment of performance targets as determined in the conditions of his/her grant;

(iv) grants of RSUs the timing of which is set due to administrative and/or compliance reasons unrelated to the performance of the Employee Participant, in which case the vesting date may be adjusted to take account of the time from which the RSU would have been granted if not for such administrative and/or compliance reasons;

(v) grants of RSUs with a mixed vesting schedule such that the RSUs may vest evenly over a period of 12 months; or

(vi) grants of RSUs with a total vesting and holding period of more than 12 months, such as where the RSUs may vest by several batches with the first batch to vest within 12 months of the grant date and the last batch to vest 12 months after the grant date.

The Remuneration Committee may from time to time determine, specifying the grant date, the period within which it must be accepted before lapsing (if any), the number of RSU Shares underlying the RSU, the vesting criteria and conditions, the purchase price (if any) for the RSU Shares (including the method of payment and the period(s) within which any such Purchase Price must be made), and the vesting date and such other details as the they may consider appropriate and necessary. Vesting of RSUs shall be subject to performance targets, if any, to be satisfied by the grantees as determined by the Remuneration Committee from time to time.

2. Terms of the Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme is valid and effective for 10 years commencing on the date of adoption. As of the date of this interim report, the remaining life of the Post-IPO Share Option Scheme was approximately nine years and four months.

The purpose of the Post-IPO Share Option Scheme is to align the interests of eligible persons with those of the Group and to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.

The Remuneration Committee (which expression shall, for the purpose of this section, include the Remuneration Committee or such duly authorized person(s) by the Remuneration Committee) may, at its absolute discretion, offer to grant options to an eligible person, namely (i) an "Employee Participant", i.e. any person who is an employee (whether full-time or part-time employee) or a director (including any executive director, non-executive director or independent non-executive director) of any member of the Group; (ii) a "Related Entity Participant", i.e. any person who is an employee or a director of any of the holding companies, fellow subsidiaries (other than members of the Group) or associated companies of the Company; and (iii) a "Service Provider", i.e. any person or corporate entity (other than an employee or a director of any member of the Group) who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group.

No options or awards (if applicable) may be granted to any eligible person which, if exercised or vested in full, would result in the total number of Shares issued and to be issued (or transferred and to be transferred, in the case of treasury shares) in respect of all options and awards granted or to be granted to such eligible person under the Post-IPO Share Option Scheme and other share schemes of the Company (excluding any Options lapsed in accordance with the Post-IPO Share Option Scheme) in the 12-month period up to and including the grant date of such new grant exceeding 1% in aggregate of the issued share capital (excluding any treasury shares) of the Company as at the grant date of such new grant (the "Post IPO Share Option Scheme Individual Limit"). Any grant of further options which would exceed the Post IPO Share Option Scheme Individual Limit shall be subject to the requirements provided under the Listing Rules, including (1) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting, at which the relevant eligible person and his close associates (or his associates if the relevant eligible person is a connected person (as defined under the Listing Rules)) shall abstain from voting; (2) a circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and (3) the number and terms (including the exercise price) of such share option are fixed before the general meeting of the Company at which the same are approved.

If options, any other awards pursuant to the Post-IPO Share Option Scheme or any other concurrent share schemes of the Company are granted to a Director, chief executive or substantial Shareholder of the Company or any of their respective associates, such grant shall be subject to the approval by the independent non-executive Directors (and in the event that the Remuneration Committee offers to grant options to an independent non-executive Director, the vote of such independent non-executive Director shall not be counted for the purposes of approving such grant).

If options, any other awards pursuant to the Post-IPO Share Option Scheme or any other concurrent share schemes of the Company are granted to a substantial Shareholder or an independent non-executive Director or any of their respective associates and that grant would result in the Shares issued and to be issued (or transferred and to be transferred, in the case of treasury shares) (excluding any options lapsed in accordance with terms of the Post-IPO Share Option Scheme) to such person under the Post-IPO Share Option Scheme and any other schemes by the Company in the 12-month period up to and including the grant date, representing in aggregate over 0.1%, or such other percentage as may from time to time be provided under the Listing Rules, of the Shares in issue on the grant date, such grant shall be subject to, in addition to the approval of the independent non-executive Directors, the issue of a circular by the Company to the Shareholders and the approval of the independent Shareholders in general meeting by way of a poll convened and held in accordance with the Articles and the Listing Rules at which general meeting the grantee, their associate(s) and all core connected persons (as defined under the Listing Rules) of the Company shall abstain from voting in favor of the resolution concerning the grant of such options at the general meeting, and/or such other requirements prescribed under the Listing Rules from time to time.

Unless otherwise determined by the Remuneration Committee, the options granted shall vest 25% per year within four anniversary years, and the vesting period shall commence on the grant date and shall last for no less than 12 months, except that any options granted to a grantee who is an Employee Participant may be subject to a shorter vesting period, which may be permitted in circumstances set out below:

(i) grants of "make whole" options to a new Employee Participant upon joining the Group to replace the options such grantee forfeited when leaving his/her previous employer;

(ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;

(iii) grants of options which are subject to the fulfilment of performance targets as determined in the conditions of his/her grant;

(iv) grants of options the timing of which is set due to administrative and/or compliance reasons unrelated to the performance of the Employee Participant, in which case the vesting date may be adjusted to take account of the time from which the option would have been granted if not for such administrative and/or compliance reasons;

(v) grants of options with a mixed vesting schedule such that the options may vest evenly over a period of 12 months; or

(vi) grants of options with a total vesting and holding period of more than 12 months, such as where the options may vest by several batches with the first batch to vest within 12 months of the grant date and the last batch to vest 12 months after the grant date.

The exercise price shall be a price determined by the Remuneration Committee and notified to any grantee and will be the highest of: (a) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the grant date of the relevant options, which must be a business day; (b) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five (5) business days immediately preceding the grant date of the relevant options; and (c) the nominal value per Share on the grant date.

The Remuneration Committee may specify the exercise period of the options and in all circumstances the exercise period shall not expire later than 10 years from the grant date.

As of June 30, 2026, there was no outstanding option granted under the Post-IPO Equity Incentive Plans. As of June 30, 2026, RSUs corresponding to 3,706,886 Shares have been granted under the Post-IPO Equity Incentive Plans, representing 0.64% of the total issued Shares (excluding treasury Shares) of our Company as of the Latest Practicable Date. During the Reporting Period, nil RSUs granted under the Post-IPO Equity Incentive Plans have been vested. The following table sets out the number of unvested RSUs under the Post-IPO Equity Incentive Plans, as of January 1, 2026 and June 30, 2026, and the movement in such share during the Relevant Period:

Name or category of grantee	Position held at our Group	Number of Shares underlying the RSUs unvested as at January 1, 2026	Granted during the Relevant Period	Vested during the Relevant Period	Cancelled during the Relevant Period	Lapsed during the Relevant Period	Number of Shares underlying the RSUs unvested as at June 30, 2026	Date of Grant	Purchase Price (US$ per share)	Vesting period	Closing price of the Shares immediately before the date of grant (HK$ per share)	Fair value of each RSU at the date of grant (HK$)[2]
Employee	—	0	3,706,886	-	-	-	3,706,886	April 14, 2026	nil	Note 1	60.55	60.35
Total		0	3,706,886	-	-	-	3,706,886					

Notes:

(1) The terms of the Post-IPO RSU Scheme, the RSUs granted shall vest as follows:

a) Special Awards: 3,548,764 RSUs granted to 24 eligible employees will follow the vesting schedule of "1/8 to be vested every quarter from the date of grant" or "1/2 to be vested at the 2nd anniversary from onboarding date (but no less than 12 months from the date of grant) and 1/8 to be vested every quarter thereafter";

b) Regular Awards: 158,122 RSUs granted to 38 eligible employees will follow the vesting schedule of "1/3 to be vested at the 1st anniversary from the date of grant and 1/12 to be vested every quarter thereafter".

(2) The fair value of each award at the date of grant is determined by reference to the closing price on the grant date.

(3) The grantee must meet or exceed the applicable annual performance review criteria established by the Company (or its relevant subsidiary or affiliate) for the relevant performance period.

The percentage of the number of Shares that may be issued in respect of the options and RSUs granted under the Post-IPO Equity Incentive Plans during the Reporting Period divided by the weighted average number of Shares of the relevant classes in issue (excluding treasury Shares) during the Reporting Period was 0.65%.

CHANGE IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE UNDER RULE 13.51B(1) OF THE LISTING RULES

Changes in Directors' information which is required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules are set out below:

1. Mr. Kan Chen, Ph.D. resigned as a non-executive Director of the Company and a member of the Nomination Committee with effect from July 15, 2026.

2. Mr. Long Shi resigned as a non-executive Director of the Company and a member of the Remuneration Committee with effect from July 15, 2026.

Save as disclosed above, there is no change in the information of the Directors, as notified to the Company, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report.

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.

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. To achieve clear division of responsibilities between the management of the Board and day-to-day management of the business and hence to ensure balance of power and authority, there is separation of duties for the Chairman and Chief Executive Officer of the Company. Currently Mr. Aleksandrs Zavoronkovs, Ph.D., the Chairman of the Board, also performs as the 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.

Save for the abovementioned deviation from code provision C.2.1 as set out in the CG Code, the Company has complied with all applicable code provisions as set out in the CG Code during the Reporting Period and up to the date of this report.

The Board has established the Group's purpose, values and strategy, and satisfy itself that these and the Group's culture are aligned. All Directors must act with integrity, lead by example, and promote the desired culture. The Board should instil such culture into the Company and continuously reinforces our Company's values of acting lawfully, ethically and responsibly.

A healthy corporate culture set up by the Group, including integrity and accountability, is vital for the Company to achieve its vision and mission towards sustainable growth. It is the Board's role to foster a corporate culture with core principles to guide the behaviours of its employees, and ensure that the Company's vision, values and business strategies are aligned to it.

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 Reporting Period and up to the date of this report.

The Company has also established written guidelines for securities transactions by employees who are likely to be in possession of inside information of the Company on terms no less exacting than the Model Code. No incident of non-compliance of the written guidelines by the employees has been noted by the Company.

In case the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and relevant employees in advance.

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale or transfer of treasury shares) during the Reporting Period. As of June 30, 2026, the Company did not hold any treasury shares.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to 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 comprises four members, namely Mr. Roman Kyrychynskyi, Mr. Chuen Yan Leung, Ph.D., Ms. Denitsa Milanova, Ph.D. and Mr. Jingsong Wang, Ph.D., with Mr. Roman Kyrychynskyi, being the independent non-executive Director with the appropriate professional qualifications or accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules, as chairman of the Audit Committee.

The Audit Committee had reviewed the interim report and 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 unaudited interim financial information of the Group for the Reporting Period.

In addition, the Company's independent auditor, Deloitte Touche Tohmatsu, has performed a review of the Group's interim financial information in accordance with Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rule 13.20, 13.21 and 13.22 of the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this interim report and as at the date of this interim report, there were no material subsequent events after the Reporting Period.

INTERIM DIVIDEND

The Board does not declare the payment of an interim dividend to the Shareholders for the Reporting Period.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of InSilico Medicine Cayman TopCo

(incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of InSilico Medicine Cayman TopCo (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 56 to 88, which comprise the condensed consolidated statement of financial position as of June 30, 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "*Interim Financial Reporting*" ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
August 26, 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2026

		Six months ended June 30,	
	NOTES	2026 USD'000 (unaudited)	2025 USD'000 (audited)
Revenue	3	106,303	27,456
Cost of revenue		(10,338)	(4,437)
Gross profit		95,965	23,019
Selling and marketing expenses		(6,365)	(2,633)
Research and development expenses		(49,328)	(35,571)
Administrative expenses		(12,577)	(7,007)
Listing expenses		–	(2,073)
Other income	5	8,862	4,403
Other gains and losses, net	6	(1,151)	1,218
Finance costs	7	(166)	(97)
Loss from changes in fair value of financial liabilities at fair value through profit or loss ("FVTPL")		–	(266)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets		576	(167)
Profit (loss) before tax	8	35,816	(19,174)
Income tax expense	9	(279)	(41)
Profit (loss) for the period		35,537	(19,215)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		1,816	292
Other comprehensive income for the period, net of income tax		1,816	292
Total comprehensive income (expense) for the period		37,353	(18,923)
Earnings (loss) per share			
– Basic and diluted (USD)	10	0.06	(0.25)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	NOTES	As at June 30, 2026 USD'000 (unaudited)	As at December 31, 2025 USD'000 (audited)
Non-current Assets			
Property and equipment	12	6,945	7,402
Right-of-use assets	13	4,808	5,766
Other intangible assets		225	267
Financial assets at FVTPL	14	5,097	718
Other non-current assets	15	1,552	1,552
		18,627	15,705
Current Assets			
Financial assets at FVTPL	14	118,251	53,933
Trade and other receivables	16	16,244	27,007
Bank balances and cash	17	357,617	393,338
Term deposits with initial term of over three months		108,950	–
		601,062	474,278
Current Liabilities			
Trade and other payables	18	23,593	29,686
Borrowings	19	14,682	–
Lease liabilities		1,390	1,895
Contract liabilities		29,184	2,109
Deferred income		201	203
		69,050	33,893
Net Current Assets		532,012	440,385
Total Assets less Current Liabilities		550,639	456,090

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	NOTES	As at June 30, 2026 USD'000 (unaudited)	As at December 31, 2025 USD'000 (audited)
Non-current Liability			
Lease liabilities		3,584	4,064
Net Assets		547,055	452,026
Capital and Reserves			
Share capital	20	–*	–*
Treasury shares	21	–	–
Share premium and reserves		547,055	452,026
Total Equity		547,055	452,026

* Amount is less than USD1,000.

The condensed consolidated financial statements on pages 56 to 88 were approved and authorised for issue by the Board of Directors on August 26, 2026 and are signed on its behalf by:

Aleksandrs Zavoronkovs
Director

Feng Ren
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	Share capital USD'000	Share premium USD'000	Treasury shares USD'000	Share-based payments reserve USD'000	Other reserve USD'000	Foreign exchange reserve USD'000	Accumulated losses USD'000	Total USD'000
As at January 1, 2026 (audited)	-*	1,461,597	-	11,472	10,547	1,285	(1,032,875)	452,026
Profit and total other comprehensive income for the period	-	-	-	-	-	1,816	35,537	37,353
Exercise of share options	-*	374	-	(571)	571	-	-	374
Vested restricted shares from RSU	-	-	-	(10,478)	10,478	-	-	-
Issuance of ordinary shares	-	41,612	-	-	-	-	-	41,612
Recognition of share-based compensation	-	-	-	15,690	-	-	-	15,690
As at June 30, 2026 (unaudited)	-*	1,503,583	-	16,113	21,596	3,101	(997,338)	547,055
As at January 1, 2025 (audited)	-*	619	(2,047)	15,199	2,360	505	(680,559)	(663,923)
Profit (loss) and total other comprehensive income (expense) for the period	-	-	-	-	-	292	(19,215)	(18,923)
Exercise of share options	-*	15	-	(29)	29	-	-	15
Recognition of share-based compensation	-	-	-	1,467	-	-	-	1,467
As at June 30, 2025 (audited)	-*	634	(2,047)	16,637	2,389	797	(699,774)	(681,364)

* Amount is less than USD1,000.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	Six months ended June 30,	
	2026	2025
	USD'000	USD'000
	(unaudited)	(audited)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	78,985	(36,842)
INVESTING ACTIVITIES		
Bank interest received	5,752	3,226
Investment income received from money market funds	684	614
Proceeds on disposal of property and equipment	4	6
Withdrawal of term deposits with initial term of over three months	65,898	–
Withdrawal of money market funds	54,189	95,010
Payments for lease deposits	–	(474)
Purchase of property and equipment	(932)	(920)
Purchase of other intangible assets	–	(58)
Purchases of term deposits with initial term of over three months	(174,848)	–
Purchases of financial assets at FVTPL	(122,005)	(95,010)
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(171,258)	2,394
FINANCING ACTIVITIES		
Repayments of lease liabilities	(796)	(966)
Interests paid	(166)	(97)
Net proceeds from issuance of convertible redeemable preferred shares	–	121,644
Accrued issue costs paid	(444)	(209)
Net proceeds from issuance of ordinary shares upon exercise of options	374	15
New borrowings raised	17,488	–
Repayments of borrowings	(2,936)	–
Proceeds from issuance of ordinary shares in connection with exercise of over-allotment option, net of issuing costs	41,612	–
NET CASH FROM FINANCING ACTIVITIES	55,132	120,387
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(37,141)	85,939
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	393,338	125,942
Effect of foreign exchange rate changes	1,420	249
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	357,617	212,130

1. GENERAL INFORMATION AND BASIS OF PREPARATION

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

1.2 Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standards 34 *"Interim Financial Reporting"* ("IAS 34") *as* issued by the International Accounting Standards Board ("IASB") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values.

Other than additional/change in accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2025.

2. ACCOUNTING POLICIES (Continued)

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-Dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

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

	Six months ended June 30,	
	2026	2025
	USD'000	USD'000
	(unaudited)	(audited)
Types of revenue		
Drug discovery and pipeline development	103,131	23,909
Software solution	2,697	2,018
Other discovery	475	1,529
	106,303	27,456

3. REVENUE (Continued)

Disaggregation of revenue from contracts with the customers of the Group: (Continued)

	Six months ended June 30,	
	2026 USD'000 (unaudited)	2025 USD'000 (audited)
Geographical market (Note i)		
United States	95,913	21,851
Chinese Mainland	4,397	2,537
France	2,600	30
Korea	955	90
Hong Kong	945	415
Singapore	443	5
Japan	264	347
Kingdom of Saudi Arabia	240	1,055
Denmark	151	90
Sweden	116	16
United Arab Emirates	28	256
United Kingdom	17	428
Others (Note ii)	234	336
	106,303	27,456
Timing of revenue recognition		
Over time	105,805	27,166
At a point in time	498	290
	106,303	27,456

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, India, Kazakhstan, Kyrgyzstan, Romania, Spain, Brazil, Portugal, Croatia, Australia, Germany, Georgia, Indonesia, Israel, Mexico, Norway, Switzerland, Thailand, Czechia and Slovakia.

4. 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.

The CODM reviews the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies. Accordingly, the Group has only one single segment and no further analysis of the single segment is presented.

Geographical information

Information about the Group's non-current assets is presented based on the geographical location of the assets. As of June 30, 2026, the Group had non-current assets of USD16,897,000 located in Chinese Mainland (unaudited) (December 31, 2025: USD13,578,000 (audited)), respectively. The remaining ones are located in other locations.

5. OTHER INCOME

	Six months ended June 30,	
	2026 USD'000 (unaudited)	2025 USD'000 (audited)
Bank interest income	7,781	2,962
Subsidy income (Note)	1,078	1,483
Others	3	(42)
	8,862	4,403

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.

6. OTHER GAINS AND LOSSES, NET

	Six months ended June 30,	
	2026 USD'000 (unaudited)	2025 USD'000 (audited)
Net foreign exchange (losses) gains	(2,740)	175
Gain (loss) on disposal of property and equipment	24	(1)
Gain from changes in fair value of financial assets at FVTPL	1,565	1,044
	(1,151)	1,218

7. FINANCE COSTS

	Six months ended June 30,	
	2026 USD'000 (unaudited)	2025 USD'000 (audited)
Interest on lease liabilities	(97)	(97)
Interest expenses on borrowings	(69)	–
	(166)	(97)

8. PROFIT (LOSS) BEFORE TAX

Profit (loss) before tax for the period has been arrived at after charging the following items:

	Six months ended June 30,	
	2026 USD'000 (unaudited)	2025 USD'000 (audited)
Depreciation of property and equipment	1,452	1,162
Depreciation of right-of-use assets	1,041	1,048
Amortization of other intangible assets (included in research and development expenses and administrative expenses)	53	64
Total depreciation and amortization	2,546	2,274
Listing expenses	–	2,073
Directors' emoluments	2,448	2,186
Other staff costs:		
– Salaries and other benefits	16,897	13,299
– Discretionary bonuses (Note)	2,180	1,347
– Retirement benefit scheme contributions	2,364	1,931
– Share-based payments	14,273	291
Total other staff costs:	35,714	16,868
Total staff costs (including directors)	38,162	19,054
Auditor's remuneration	171	–
Expense relating to short-term leases	198	318

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

	Six months ended June 30,	
	2026 USD'000 (unaudited)	2025 USD'000 (audited)
Current tax:		
– Canada	(245)	–
Withholding tax on license fee income:		
– Hong Kong	(32)	(40)
– USA	(2)	(2)
	(279)	(41)

10. EARNINGS (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 earnings (loss) per share is based on the following data:

	Six months ended June 30,	
	2026 (unaudited)	2025 (audited)
Earnings (loss):		
Earnings (loss) for the purpose of basic earnings (loss) per share (USD'000)	35,537	(19,215)
Effect of dilutive potential ordinary shares:		
Effect of fair value change of convertible preferred shares (USD'000)	–	266
Earnings (loss) for the purpose of diluted earnings (loss) per share (USD'000)	35,537	(18,949)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share ('000) (Note)	573,172	77,266
Effect of dilutive potential ordinary shares		
Effect of incentive schemes	27,494	–
Effect of the convertible preferred shares ('000)	–	19,172
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share (Note)	600,666	96,438
Basic earnings (loss) per share (USD)	0.06	(0.25)
Diluted earnings (loss) per share (USD)	0.06	(0.25)

10. EARNINGS (LOSS) PER SHARE (Continued)

Note:

The computation of diluted earnings per share for the six months ended June 30, 2026 is based on weighted average number of shares assumed to be in issue after taking into account the effect of incentive schemes issued by the Company.

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 excluded from the computation of diluted loss per share for the six months ended June 30, 2025 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 six months ended June 30, 2025 as their effects would be anti-dilutive. Accordingly, diluted loss per share are the same as basic loss per share for the six months ended June 30, 2025.

11. DIVIDENDS

No dividends were paid, declared or proposed by the Company during the six months ended June 30, 2026 (unaudited) (six months ended June 30, 2025: nil (audited)).

12. PROPERTY AND EQUIPMENT

During the current interim period, the Group incurred USD752,000 (unaudited) (six months ended June 30, 2025: USD1,087,000 (audited)) for acquisition of property and equipment.

In addition, during the current interim period, the Group disposed of certain property and equipment with an aggregate carrying amount of USD110,000 (unaudited) (six months ended June 30, 2025: USD68,000 (audited)), resulting in a gain on disposal of USD24,000 (unaudited) (six months ended June 30, 2025: a loss on disposal of USD1,000 (audited)).

13. RIGHT-OF-USE ASSETS

During the current interim period, the Group did not renew or enter new lease agreements (unaudited) (six months ended June 30, 2025: the Group entered into a lease agreement with lease term of 6 years (audited)). The Group is required to make fixed quarterly payments. On lease commencement date, the Group recognised right-of-use assets of nil (unaudited) (six months ended June 30, 2025: USD5,362,000 (audited)) and lease liabilities of nil (unaudited) (six months ended June 30, 2025: USD5,362,000 (audited)).

14. FINANCIAL ASSETS AT FVTPL

Financial assets measured at FVTPL include the following:

	As at June 30, 2026 USD'000 (unaudited)	As at December 31, 2025 USD'000 (audited)
Included in current assets		
Financial products (Note i)	108,338	53,933
Listed equity securities	9,913	–
	118,251	53,933
Included in non-current assets		
Listed equity securities	693	718
Unlisted equity investment	4,404	–
	5,097	718

Notes:

i. Financial products held by the Group are the money market funds, which are redeemed on demand or within 3 business days and managed by reputable banks. The profit and loss of these money market funds 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.

15. OTHER NON-CURRENT ASSETS

	As at June 30, 2026 USD'000 (unaudited)	As at December 31, 2025 USD'000 (audited)
Deposits	1,552	1,552

16. TRADE AND OTHER RECEIVABLES

	As at June 30, 2026 USD'000 (unaudited)	As at December 31, 2025 USD'000 (audited)
Trade receivables from contracts with customers		
– third parties	4,632	22,026
Less: Allowance for credit losses	(166)	(742)
	4,466	21,284
Other receivables	15	97
Value added tax recoverable	5,519	3,370
Interest receivables	2,205	176
Prepayments	4,039	2,080
	11,763	5,626
	16,244	27,007

16. TRADE AND OTHER RECEIVABLES (Continued)

The following is an aging 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 June 30, 2026 USD'000 (unaudited)	As at December 31, 2025 USD'000 (audited)
0 – 90 days	4,158	21,255
91 – 180 days	199	16
Over 180 days	109	13
	4,466	21,284

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 customers.

17. BANK BALANCES AND CASH

Bank balances held by the Group carry interests at market rates which ranged from 0.001% to 4.68% at June 30, 2026 (unaudited) (December 31, 2025: from 0.001% to 4.41% (audited)).

18. TRADE AND OTHER PAYABLES

	As at June 30, 2026 USD'000 (unaudited)	As at December 31, 2025 USD'000 (audited)
Trade payables for research and development expenses	11,411	13,616
Payroll and related liabilities	8,028	9,522
Professional service fees	2,832	1,770
Accrued office expenses	695	628
Other taxes and surcharge	418	291
Other payables	209	244
Accrued issue costs	–	444
Accrued listing expenses	–	3,171
	23,593	29,686

18. TRADE AND OTHER PAYABLES (Continued)

The following is an aging 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 June 30, 2026 USD'000 (unaudited)	As at December 31, 2025 USD'000 (audited)
0 – 30 days	11,135	12,693
31 – 90 days	276	923
	11,411	13,616

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

19. BORROWINGS

	As at June 30, 2026 USD'000 (unaudited)	As at December 31, 2025 USD'000 (audited)
Borrowings from banks – unsecured and unguaranteed	14,682	–

The loans carry interest at fixed market rates ranging from 2.11% to 2.15% (unaudited) and are repayable in instalments within one year.

20. 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 January 1, 2025 (audited) and June 30, 2025 (audited)	45,293,280	-*
Increase in authorised ordinary shares	1,224,706,720	-*
As at December 31, 2025 (audited)	1,270,000,000	-*
As at June 30, 2026 (unaudited)	1,270,000,000	-*
Issued and fully paid		
As at January 1, 2025 (audited)	3,944,684	-*
Exercise of share options	1,791	-*
As at June 30, 2025 (audited)	3,946,475	-*
Exercise of share options	**19,000**	**-***
Issuance of financial instruments to investors	**19,170,925**	**-***
Increase in issued ordinary shares upon Share Split (Note 10)	**439,591,600**	**-***
Issuance of ordinary shares in connection with the IPO	**94,690,500**	**-***
As at December 31, 2025 (audited)	**557,418,500**	**-***
Exercise of share options	3,155,658	-*
Vesting of restricted share units	1,060,324	-*
Issuance of ordinary shares in connection with exercise of over-allotment option	14,203,500	-*
As at June 30, 2026 (unaudited)	575,837,982	-*

* Amount is less than USD1,000.

21. TREASURY SHARES

	Number of shares	Treasury shares USD'000
As at January 1, 2025 (audited)	1,655,400	2,047
As at June 30, 2025 (audited)	1,655,400	2,047
Restricted shares vested	(1,655,400)	(2,047)
As at December 31, 2025 (audited) and June 30, 2026 (unaudited)	–	–

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 as disclosed in Note 22. The restricted shares have fully vested upon the completion of the IPO.

22. SHARE-BASED COMPENSATION

All share numbers presented below are based on the post-split share capital, as adjusted for the share split disclosed in Note 10, which has been treated as having occurred as of the beginning of the earliest comparative period.

22.1 Share options

In order to provide additional incentives to employees and directors and to promote the success of business, InSilico Inc. had issued several batches of options since 2014 according to the share based compensation plan of InSilico Inc. (collectively called "US plan"). On March 15, 2019, as part of the 2019 Restructuring, the Company became the holding company of the Group and established the InSilico Medicine Cayman Topco 2019 Share Incentive Plan to replace the US plan, with no changes on any of the terms of the options. The new plan was subsequently amended and restated on December 31, 2019 and August 13, 2020, respectively (collectively called "2019 Share Incentive Plan"), which permits the granting of share options and restricted share awards to employees, directors and consultants of the Group. The Company authorized a total of 23,848,460 shares for issuance under the 2019 Share Incentive Plan, including 18,180,000 options inherited from the US plan, and has granted nil share options for the six months ended June 30, 2026 (unaudited) (six months ended June 30, 2025: 675,000 (audited)). The options granted expire in ten years from the date of grant.

22. SHARE-BASED COMPENSATION (Continued)

22.1 Share options (Continued)

On December 31, 2019, the Company further established the InSilico Medicine Cayman Topco Equity Incentive Plan as adopted on December 31, 2019 ("2019 Equity Incentive Plan"), which permits the granting of equity-based incentives to attract, motivate, retain and reward certain officers, employees, directors, consultants and other eligible persons. The Company authorized 10,809,680 shares for issuance under the 2019 Equity Incentive Plan. The options granted expire in ten years from the date of grant.

On June 30, 2021, the Company established the InSilico Medicine Cayman Topco 2021 Equity Incentive Plan as adopted on June 30, 2021 ("2021 Equity Incentive Plan"), which permits the granting of incentive share options, nonstatutory share options, share appreciation rights, restricted shares and restricted share units (collectively as "Awards") to attract and retain employees, directors and consultants and to promote the success of the Group's business. The Company authorized 14,017,340 shares for issuance under the 2021 Equity Incentive Plan. The options granted expire in ten years from the date of grant.

On November 25, 2022, the Company established the InSilico Medicine Cayman Topco 2022 Equity Incentive Plan as adopted on November 25, 2022 ("2022 Equity Incentive Plan"), which permits the granting of incentive share options and restricted share units (collectively as "Awards") to attract and retain employees, directors and consultants and to promote the success of the Group's business. The Company authorized 10,231,900 shares for issuance under the 2022 Equity Incentive Plan. The options granted expire in ten years from the date of grant.

A total of 56,047,020 options were granted prior to 2026 under the 2019 Share Incentive Plan, 2019 Equity Incentive Plan, 2021 Equity Incentive Plan, and 2022 Equity Incentive Plan, with vesting schedules varying by grant and as specified in individual grant notices. Vesting periods range from 3 to 10 years, with common structures including annual vesting in equal installments over 3 or 4 years, monthly vesting over 36 to 48 months, or hybrid models such as one-third vesting after one year followed by monthly installments over the next two years, or 20% after one year followed by 48 monthly installments for the remaining 80%.

22. SHARE-BASED COMPENSATION (Continued)

22.1 Share options (Continued)

The following table summarized the Company's share option activities under 2019 Share Incentive Plan, 2019 Equity Incentive Plan, 2021 Equity Incentive Plan and 2022 Equity Incentive Plan for the six months ended June 30, 2026:

	Number of options	Weighted average exercise price USD	Weighted average grant date fair value USD	Weighted average remaining contractual life Years
Outstanding as of January 1, 2025	31,050,840	0.63	0.60	5.42
Granted	675,000	2.12	1.29	
Exercised	(35,820)	0.42	0.80	
Forfeited	(2,511,660)	0.47	0.41	
Outstanding as of June 30, 2025	29,178,360	0.68	0.63	5.09
Outstanding as of January 1, 2026	32,122,040	0.85	0.78	5.22
Exercised	(3,155,658)	0.24	0.32	
Forfeited	(3,652,085)	1.29	0.98	
Outstanding as of June 30, 2026	25,314,297	0.88	0.82	5.22

A total of 21,652,345 options were exercisable at June 30, 2026 (unaudited) (December 31, 2025: 17,992,209 (audited)).

For share options exercised during the six months ended June 30, 2026, the weighted average share price at the date of exercise was USD5.73 (unaudited) (six months ended June 30, 2025: USD2.11 (audited)).

22. SHARE-BASED COMPENSATION (Continued)

22.1 Share options (Continued)

Fair value of share options

The Company applies the binomial option pricing model in determining the fair value of stock options. The key assumptions used to estimate the fair value of the share options granted are as follows:

	Six months ended June 30,	
	2026 (unaudited)	2025 (audited)
Risk-free interest rate	N/A (Note i)	4.42%
Expected dividend yield	N/A (Note i)	0.00%
Expected volatility range	N/A (Note i)	70.91%
Exercise multiples	N/A (Note i)	2.8
Contractual life	N/A (Note i)	10 Years
Fair value of underlying ordinary shares	N/A (Note i)	USD 2.11

Note:

i The Group did not grant new option during the six months ended June 30, 2026.

The Company estimated expected volatility by reference to the historical price volatilities of ordinary shares of comparable companies over a period close to the contract term of the options. The Company estimated the risk free interest rate based on the yield to maturity of US government bonds at grant date with a maturity period close to the contract term of options. The dividend yield was estimated as zero based on the plan to retain profit for corporate expansion and no dividend will be distributed in the near future. The Company determined the fair value of ordinary shares underlying each share option grant based on estimated equity value and allocation of it to each element of its capital structure. The assumptions used in share-based compensation expenses recognition represent the Company's best estimates, but these estimations involve inherent uncertainties and the application of judgement. If factors change or different assumptions are used, the share-based compensation expenses could be materially different for any period.

22. SHARE-BASED COMPENSATION (Continued)

22.1 Share options (Continued)

Share-based compensation expenses for all share options

Total share-based compensation expenses for all share options recognized were as follows:

	Six months ended June 30,	
	2026	2025
	USD'000	USD'000
	(unaudited)	(audited)
Research and development expenses	3,440	159
General and administrative expenses	1,208	(439)
Selling and marketing expenses	564	21
Total share-based compensation expenses	5,212	(259)

22.2 Restricted share units under 2019 Equity Incentive Plan

The Company authorized 10,809,680 share units for issuance under the 2019 Equity Incentive Plan and has granted nil restricted share units for the six months ended June 30, 2026 (unaudited) (six months ended June 30, 2025: 200,000 (audited)).

A total of 425,000 restricted share units were granted prior to 2026, with vesting schedules varying by grant and as specified in individual grant notices (unaudited).

The following table summarized the Company's restricted share units activities under 2019 Equity Incentive Plan for the six months ended June 30, 2026:

	Number of restricted share units	Weighted average subscribe price	Weighted average grant date fair value
		USD	USD
Outstanding as of January 1, 2025	–	–	–
Granted	200,000	–	2.12
Outstanding as of June 30, 2025	200,000	–	2.12
Outstanding as of January 1, 2026	283,333	–	2.55
Vested	(58,338)	–	2.47
Forfeited	(24,985)	–	2.93
Outstanding as of June 30, 2026	200,010	–	2.53

22. SHARE-BASED COMPENSATION (Continued)

22.2 Restricted share units under 2019 Equity Incentive Plan (Continued)

Fair value of restricted shares under 2019 Equity Incentive Plan

The fair value of the restricted share units granted was determined using the grant date fair value of the underlying ordinary shares of the Company. The Group used the back-solve method or DCF Method to determine the underlying equity fair value of the Company. The foresaid underlying equity fair value of the Company at date of grant was valued by directors of the Company with the assistance of an independent qualified valuer.

Share-based compensation expenses for all restricted shares under 2019 Equity Incentive Plan

Total share-based compensation expenses for all restricted shares under 2019 Equity Incentive Plan recognized were as follows:

	Six months ended June 30,	
	2026 USD'000 (unaudited)	2025 USD'000 (audited)
Research and development expenses	269	67
Total share-based compensation expenses	269	67

22.3 Restricted share units under 2021 Equity Incentive Plan

The Company authorized 14,017,340 shares for issuance under the 2021 Equity Incentive Plan.

A total of 4,461,720 restricted share units were granted prior to 2026, with vesting schedules varying by grant and as specified in individual grant notices (unaudited).

22. SHARE-BASED COMPENSATION (Continued)

22.3 Restricted share units under 2021 Equity Incentive Plan (Continued)

The following table summarized the Company's restricted share units activities under 2021 Equity Incentive Plan:

	Number of restricted share units	Weighted average subscribe price USD	Weighted average grant date fair value USD
Outstanding as of January 1, 2025	3,800,000	–	1.99
Outstanding as of June 30, 2025	3,800,000	–	1.99

	Number of restricted share units	Weighted average subscribe price USD	Weighted average grant date fair value USD
Outstanding as of January 1, 2026	2,574,480	–	2.14
Vested	(641,133)	–	2.13
Forfeited	(8,340)	–	2.93
Outstanding as of June 30, 2026	1,925,007	–	2.13

Fair value of restricted shares under 2021 Equity Incentive Plan

The fair value of the restricted share units granted was determined using the grant date fair value of the underlying ordinary shares of the Company. The Group used the back-solve method or DCF Method to determine the underlying equity fair value of the Company. The foresaid underlying equity fair value of the Company at date of grant was valued by directors of the Company with the assistance of an independent qualified valuer.

22. SHARE-BASED COMPENSATION (Continued)

22.3 Restricted share units under 2021 Equity Incentive Plan (Continued)

Share-based compensation expenses for all restricted shares under 2021 Equity Incentive Plan

Total share-based compensation expenses for all restricted shares under 2021 Equity Incentive Plan recognized were as follows:

	Six months ended June 30,	
	2026 USD'000 (unaudited)	2025 USD'000 (audited)
Research and development expenses	173	215
General and administrative expenses	997	1,103
Selling and marketing expenses	99	–
Total share-based compensation expenses	1,269	1,318

22.4 Restricted share units under 2022 Equity Incentive Plan

The Company authorized 10,231,900 shares for issuance under the 2022 Equity Incentive Plan.

A total of 1,120,000 restricted share units were granted prior to 2026 under the 2022 Equity Incentive Plan, with vesting schedules varying by grant and as specified in individual grant notices (unaudited).

The following table summarized the Company's restricted share units activities under 2022 Equity Incentive Plan:

	Number of restricted share units	Weighted average subscribe price USD	Weighted average grant date fair value USD
Outstanding as of January 1, 2025	525,000	–	2.05
Outstanding as of June 30, 2025	525,000	–	2.05
Outstanding as of January 1, 2026	746,667	–	2.52
Vested	(158,750)	–	2.46
Forfeited	(80,381)	–	2.63
Outstanding as of June 30, 2026	507,536	–	2.52

22. SHARE-BASED COMPENSATION (Continued)

22.4 Restricted share units under 2022 Equity Incentive Plan (Continued)

Fair value of restricted shares under 2022 Equity Incentive Plan

The fair value of the restricted share units granted was determined using the grant date fair value of the underlying ordinary shares of the Company. The Group used the back-solve method or DCF Method to determine the underlying equity fair value of the Company. The foresaid underlying equity fair value of the Company at date of grant was valued by directors of the Company with the assistance of an independent qualified valuer.

Share-based compensation expenses for all restricted shares under 2022 Equity Incentive Plan

Total share-based compensation expenses for all restricted share units under 2022 Equity Incentive Plan recognized were as follows:

	Six months ended June 30,	
	2026 USD'000 (unaudited)	2025 USD'000 (audited)
Research and development expenses	390	56
General and administrative expenses	95	87
Selling and marketing expenses	145	27
Total share-based compensation expenses	630	170

22.5 Restricted share units under Post-IPO Equity Incentive Plans

The Company authorized 27,870,925 shares for issuance under the Post-IPO Equity Incentive Plans and has granted in total of 3,706,886 restricted share units for the six months ended June 30, 2026 (unaudited) (six months ended June 30, 2025: nil (audited)).

Details of the restricted share units granted under Post-IPO Equity Incentive Plans are as follows:

Share award plan	Grantee	Grant date	Vesting schedule defined in contract term	Subscribe price (unaudited)	Number of restricted share units granted (unaudited)
Post-IPO Equity Incentive Plans	Employee	14/04/2026	Note i	–	3,348,764
Post-IPO Equity Incentive Plans	Employee	14/04/2026	Note ii	–	158,122
Post-IPO Equity Incentive Plans	Employee	14/04/2026	Note iii	–	200,000

22. SHARE-BASED COMPENSATION (Continued)

22.5 Restricted share units under Post-IPO Equity Incentive Plans (Continued)

Notes:

i The restricted share units will vest in eight equal quarterly installments from the vesting commencement date.

ii The vesting schedule is over 3 years with 1/3 of the options vesting on the first anniversary of the vesting commencement date as stipulated in respective grant notices and the remaining 2/3 of the options vesting in equal quarterly installments of 1/12 each quarter thereafter starting from such first anniversary of the vesting commencement date.

iii The vesting schedule is over 2 years with 1/2 of the restricted share units vesting on the later of (A) the second anniversary of the onboarding date and (B) the first anniversary of the Grant Date, and the remaining 1/2 of the restricted share units vesting in eight equal quarterly installments from such later date.

The following table summarized the Company's restricted share units activities under Post-IPO Equity Incentive Plans:

	Number of restricted share units	Weighted average subscribe price USD	Weighted average grant date fair value USD
Outstanding as of January 1, 2026	–	–	–
Granted	3,706,886	–	6.89
Outstanding as of June 30, 2026	3,706,886	–	6.89

Fair value of restricted shares under Post-IPO Equity Incentive Plans

The fair value of the restricted share units granted was determined by reference to the fair value of the Company's underlying ordinary shares at the grant date, represented by the closing price of the Company's listed securities, being the observable public market price as at each relevant grant date.

22. SHARE-BASED COMPENSATION (Continued)

22.5 Restricted share units under Post-IPO Equity Incentive Plans (Continued)

Share-based compensation expenses for all restricted shares under Post-IPO Equity Incentive Plans

Total share-based compensation expenses for all restricted shares under Post-IPO Equity Incentive Plans recognized were as follows:

	Six months ended June 30,	
	2026	2025
	USD'000	USD'000
	(unaudited)	(audited)
Research and development expenses	4,182	–
General and administrative expenses	2,666	–
Selling and marketing expenses	1,462	–
Total share-based compensation expenses	8,310	–

22.6 Restricted shares granted through the ordinary shares contributed by the Founder

To retain the best talents for the Group, and in order to incentivize the directors, employees and non-employee consultants (collectively as "the Purchaser") to provide services of the highest quality to the Group, the Founder of the Company granted nil ordinary shares held by him at par value to the directors, employees and consultants for the six months ended June 30, 2026 (unaudited) and 2025 (audited), respectively. This transaction is in substance, share-based compensation expenses incurred by the Founder on behalf of the Company, and accounted for as a capital contribution by the Founder to the Company accompanied with a simultaneous grant by the Company. The Group recognized compensation expenses based on the fair value of the shares as of the grant dates with a corresponding increase in share-based payments reserve.

The Group did not grant new Founder shares for the six months ended June 30, 2026 (unaudited).

22. SHARE-BASED COMPENSATION (Continued)

22.6 Restricted shares granted through the ordinary shares contributed by the Founder (Continued)

Fair value of Founder shares grant

The fair value of the Founder shares granted was determined using the grant date fair value of the underlying ordinary shares of the Company. The Group used the back-solve method or DCF Method to determine the underlying equity fair value of the Company. The foresaid underlying equity fair value of the Company at date of grant was valued by directors of the Company with the assistance of an independent qualified valuer.

The following table summarized the restricted shares granted through the ordinary shares contributed by the Founder:

	Number of shares	Weighted average grant date fair value USD
Unvested as of January 1, 2025	1,655,400	1.21
Unvested as of June 30, 2025	1,655,400	1.21
Unvested as of January 1, 2026	–	–
Unvested as of June 30, 2026	–	–

Note:

Unvested restricted shares granted to the directors, employees and consultants of the Group which are from the ordinary shares contributed by Founder are recorded in treasury shares as disclosed in Note 21. The restricted shares have fully vested upon the completion of the IPO.

22. SHARE-BASED COMPENSATION (Continued)

22.6 Restricted shares granted through the ordinary shares contributed by the Founder (Continued)

Share-based compensation expenses for Founder shares grant

Total share-based compensation expenses for Founder shares grant recognized were as follows:

	Six months ended June 30,	
	2026 USD'000 (unaudited)	2025 USD'000 (audited)
Research and development expenses	–	27
General and administrative expenses	–	133
Selling and marketing expenses	–	11
Total share-based compensation expenses	–	171

23. RELATED PARTY TRANSACTIONS

Other than as disclosed in elsewhere in these condensed consolidated financial statements in the report, the Group has the following transactions with its related parties.

(1) Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the year.

Company	Relationship
WuXi AppTec Co., Ltd. and subsidiaries ("WuXi Group") (Note)	A shareholder of the Group

Note: The WuXi Group is no longer considered a related party of the Group with effect from December 30, 2025, as it no longer has the ability to exercise significant influence over the Group's operations.

(2) Related party transactions:

(a) R&D expense and Cost of revenue for contract research organizations ("CRO") services

	Six months ended June 30,	
	2026 USD'000 (unaudited)	2025 USD'000 (audited)
WuXi Group	N/A	4,919

23. RELATED PARTY TRANSACTIONS (Continued)

(3) Compensation of key management personnel

The remuneration of members of key management of the Group during the reporting period were as follows:

	Six months ended June 30,	
	2026	2025
	USD'000	USD'000
	(unaudited)	(audited)
Salaries and other benefits	1,017	1,296
Retirement benefit scheme contributions	30	106
Discretionary bonuses (Note)	669	1,152
Share-based payments	4,329	1,769
	6,045	4,323

Note:

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

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

(a) Fair value measurements and valuation processes

The finance department, which is headed up by the Chief Financial Officer of the Company, is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation. The finance department works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the finance department's findings to the board of directors of the Company to explain the cause of fluctuations in the fair value.

The fair values of these financial assets and financial liabilities are determined, as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include the lowest level inputs which are significant to the fair value measurement for the asset or liability that are not based on observable market data (significant unobservable inputs).

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

(b) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used).

		Fair value			
	Notes	As at June 30, 2026 USD'000 (unaudited)	As at December 31, 2025 USD'000 (audited)	Fairvalue hierarchy	Valuation techniques and key inputs
Financial assets					
Financial products	14	108,338	53,933	Level 2	DCF method using the expected return based on expected return
Listed equity securities	14	10,606	718	Level 1	Active market quoted transaction price
Unlisted equity investment	14	4,404	–	Level 2	Recent transaction price

There were no transfers between level 1 and level 2 during the current and preceding interim periods.

(c) Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Company consider that the carrying amount of the Group's and the Company's financial assets and financial liabilities recorded at amortized cost in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.