INSILICO MEDICINE

InSilico Medicine Cayman TopCo
英矽智能

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3696)

PRICING OF US$305,000,000 ZERO COUPON CONVERTIBLE BONDS DUE 2027

Sole Global Coordinator, Sole Lead Manager and Sole Bookrunner

Deutsche Bank

This announcement is issued pursuant to Rule 13.09 of the Listing Rules and under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

PROPOSED ISSUE OF THE BONDS UNDER GENERAL MANDATE

On August 27, 2026 (after trading hours), the Company and the Manager entered into the Subscription Agreement, pursuant to which and subject to certain conditions contained therein, the Company has agreed to issue, and the Manager has agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds in an aggregate principal amount of US$305,000,000.

The Bonds are convertible in the circumstances set out in the Terms and Conditions into the Shares at an initial Conversion Price of HK$58.07 per Share (subject to adjustments).

The initial Conversion Price is HK$58.07 per Share, which represents (i) a premium of approximately 23.5% over the closing price of HK$47.02 per Share as quoted on the Hong Kong Stock Exchange on August 27, 2026, being the date of the Subscription Agreement, and (ii) a premium of approximately 32.9% over the average closing price of HK$43.70 per Share as quoted on the Hong Kong Stock Exchange for the five consecutive trading days immediately preceding the date of the Subscription Agreement.

Assuming full conversion of the Bonds at the initial Conversion Price of HK$58.07 per Share, the Bonds will be convertible into approximately 41,174,737 Shares, representing approximately 7.07% of the Company's issued share capital as at August 27, 2026 (being the latest practicable date prior to the publication of this announcement) and approximately 6.60% of the Company's issued share capital as enlarged by the full conversion of the Bonds. The Conversion Shares will be fully paid up and will in all respects rank *pari passu* with, and within the same class as, the Shares in issue on the relevant registration date.

Based on the estimated net proceeds from the Subscription of approximately US$301.6 million, and 41,174,737 Conversion Shares resulting from the full conversion of the Bonds, the net issue price per Conversion Share is estimated to be approximately HK$57.42.

Subject to completion of the issue of the Bonds, the gross proceeds from the Subscription of the Bonds will be approximately US$305 million, and the net proceeds from the Subscription of the Bonds, after deducting the Manager's commissions and other estimated expenses payable in connection with this offering, will be approximately US$301.6 million. The Company intends to use the proceeds from the Subscription in the manner detailed in the paragraph headed "Use of Proceeds".

The Conversion Shares will be allotted and issued by the Company pursuant to the General Mandate granted to the Board by the Shareholders at the AGM. The Subscription of the Bonds and the issue of the Conversion Shares by the Company are not subject to further Shareholders' approval.

The Company will apply to the Vienna MTF operated by the Vienna Stock Exchange for the listing of the Bonds and the Company will apply to the Hong Kong Stock Exchange for the Shares to be issued on conversion of the Bonds.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances.

As the transactions envisaged under the Subscription Agreement may or may not be completed, the Bonds may or may not be issued or listed and/or the Conversion Shares may or may not be issued or listed, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

On August 27, 2026 (after trading hours), the Company and the Manager entered into the Subscription Agreement, pursuant to which and subject to certain conditions contained therein, the Company has agreed to issue, and the Manager has agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds in a principal amount of US$305,000,000.

THE SUBSCRIPTION AGREEMENT

Date

August 27, 2026

Parties to the Subscription Agreement

1. The Company; and

2. The Manager.

Subscription

Subject to the satisfaction of the conditions set out below in the section headed "Conditions Precedent", the Manager has agreed to subscribe and pay for, or procure subscribers to subscribe and pay for, the Bonds in a principal amount of US$305,000,000. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Manager and its ultimate beneficial owner(s) is a third party independent of the Company and is not a connected person of the Company.

Subscribers

The Manager has informed the Company that the Bonds will be offered to no less than six independent subscribers (who will be independent individual, corporate and/or institutional investors). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the subscribers (and their respective ultimate beneficial owners) is not a connected person of the Company.

Conditions Precedent

The obligations of the Manager to subscribe and pay for, or procure subscribers to subscribe and pay for, the Bonds are conditional on, amongst others:

1. **Other Contracts:** the execution and delivery on or before the Bond Closing Date of the other Contracts, each in a form reasonably satisfactory to the Manager, by the respective parties;

2. **Due diligence:** the Manager being satisfied with the results of its due diligence investigations with respect to the Company and its subsidiaries;

3. **Compliance:** at the Bond Closing Date:

(i) the representations and warranties of the Company in the Subscription Agreement (taking into account of the facts and circumstances subsisting on the Issue Date) being true and accurate at, and as if made on such date;

(ii) the Company having performed all of its obligations under the Subscription Agreement to be performed on or before such date; and

(iii) there having been delivered to the Manager a certificate in the form attached to the Subscription Agreement dated as of such date, of a duly authorized officer of the Company to such effect;

4. **Material adverse change:** after the date thereof and at the Bond Closing Date, there shall not have occurred any change (nor any development or event involving a prospective change), in the financial condition, business, general affairs, prospects or results of operations of the Company or of the Group, which, in the opinion of the Manager, is material and adverse in the context of the issue and offering of the Bonds;

5. **Other consents:** on or prior to the Bond Closing Date there shall have been delivered to the Manager copies of all consents and approvals required in relation to the issue of the Bonds and the performance of the Company's obligations under the Trust Deed, the Agency Agreement and the Bonds (including the consents and approvals required from all lenders);

6. **Listing:** the Hong Kong Stock Exchange having agreed to list the Conversion Shares, and the application to the Vienna MTF operated by the Vienna Stock Exchange to list the Bonds having been submitted and the Manager being reasonably satisfied that such listing will be granted;

7. **Legal opinions:** on or before the Bond Closing Date, there having been delivered to the Manager opinions, in form and substance satisfactory to the Manager dated the Bond Closing Date as to Cayman Islands law, PRC law and English law; and

8. **CSRC Filing:** on or prior to the Bond Closing Date, the agreed and final or substantially complete drafts of the following documents in relation to the CSRC Filings, in form and substance satisfactory to the Manager, having been delivered to the Manager:

   (i) the CSRC Filing Report (including the letter of undertaking from the Company);

   (ii) legal opinions of the legal advisers to the Company as to PRC law, to be submitted to the CSRC (including the letter of undertaking from the legal advisers to the Company as to PRC law); and

   (iii) any other CSRC Filings required by the CSRC.

The Manager may, at its discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of the conditions precedent (other than condition (1) above) set out in the Subscription Agreement.

As at the date of this announcement, certain of the above conditions precedent to the completion of the Subscription Agreement are yet to be satisfied and/or waived (as the case may be). It is the intention of the Company to satisfy or procure the satisfaction of the conditions precedent of the Subscription Agreement before the Issue Date.

Termination

Notwithstanding anything contained in the Subscription Agreement, the Manager may, by notice to the Company given at any time prior to payment of the net subscription monies for the Bonds to the Company, in its sole discretion, terminate the Subscription Agreement in any of the following circumstances:

1. if there shall have come to the notice of the Manager any breach of, or any event rendering untrue or incorrect in any material respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the Subscription Agreement;

2. if any of the conditions precedent set out in the Subscription Agreement has not been satisfied or waived by the Manager on or prior to the Bond Closing Date;

3. if in the opinion of the Manager, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls such as would in its view, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;

4. if, in the opinion of the Manager, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the Shanghai Stock Exchange, the New York Stock Exchange, the London Stock Exchange plc, and/or the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (ii) a suspension or a material limitation in trading in the Company's securities on the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (iii) a general moratorium on commercial banking activities in the United States, Hong Kong, the PRC, the European Union and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong, the PRC, the European Union or the United Kingdom; or (iv) a change or development involving a prospective change in taxation materially and adversely affecting the Company, the Bonds and the Conversion Shares or the transfer thereof;

5. if, in the opinion of the Manager, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in its view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

Lock-up Undertakings by the Company under the Subscription Agreement

Unless otherwise waived by the Manager and such waiver shall not be unreasonably withheld, neither the Company nor any person acting on its behalf will (i) issue, offer, sell, contract to sell, pledge, encumber or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (iii) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (i), (ii) or (iii) is to be settled by delivery of Shares or other securities, in cash or otherwise or (iv) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Manager between the date of the Subscription Agreement and the date which is 90 days after the Bond Closing Date (currently expected to be December 2, 2026) (both dates inclusive); except for (a) the Bonds and the Conversion Shares issued on conversion of the Bonds; and (b) any Shares or other securities (including rights or options) which are issued, offered, exercised, allotted, appropriated, modified, vested or granted to, or for the benefit of employees (including directors) of the Company or any of its subsidiaries and other eligible participants pursuant to any share award scheme or plan existing as at the date of the Subscription Agreement (including but not limited to Shares issued pursuant to exercise of the share options granted under the Pre-IPO Equity Incentive Plans and the Post-IPO Equity Incentive Plans).

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarized as follows:

Issuer:	The Company
Maturity Date:	On or around September 1, 2027
Issue Price:	100% of the principal amount of the Bonds
Bonds:	US$305,000,000 zero coupon convertible bonds due 2027, convertible at the option of the holder thereof into fully paid Shares of the Company with a par value of US$0.0000005 each.
Interest:	The Bonds are zero coupon and do not bear interest.

Status:	The Bonds will constitute direct, unsubordinated, unconditional and (subject to the Terms and Conditions) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the Terms and Conditions, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.
Form and denomination:	The Bonds will be issued in registered form in the specified denomination of US$200,000 each and integral multiples of US$100,000 in excess thereof.
Conversion period:	Subject to and upon compliance with the Terms and Conditions, the Conversion Right attaching to any Bond may be exercised, at the option of the Bondholder, at any time after the Issue Date up to the close of business (at the place where the certificate evidencing such Bond is deposited for conversion) on the date falling 10 working days prior to the Maturity Date (both days inclusive) or if such Bond shall have been called for redemption by the Company before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than 10 working days (both days inclusive and at the place aforesaid) prior to the date fixed for redemption thereof; provided that no Conversion Right may be exercised in respect of a Bond where the holder shall have exercised its right to require the Company to redeem or repurchase such Bond pursuant to the Terms and Conditions (both dates inclusive); provided further that the Conversion Right is exercised subject to any applicable fiscal or other laws or regulations or as provided in the Terms and Conditions (the "**Conversion Period**").

The number of Shares to be issued on conversion of a Bond will be determined by dividing the principal amount of the Bond to be converted (translated into Hong Kong dollars at the fixed exchange rate of HK$7.8394 = US$1.00 (the "**Fixed Exchange Rate**")) by the Conversion Price in effect on the relevant Conversion Date. A Conversion Right may only be exercised in respect of an authorized denomination for one or more Bonds. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted.

Conversion Price: The price at which Shares will be issued upon conversion will initially be HK$58.07 per Share but will be subject to adjustments for consolidation, subdivision or re-classification of the Shares, capitalization of profits or reserves, capital distributions, rights issues of Shares or options over Shares at less than 95% of the current market price, rights issues of other securities, issues at less than 95% of the current market price, other issues at less than 95% of the current market price, modification of rights of conversion etc. at less than 95% of the current market price, other offers to the shareholders, other events and Change of Control, as further described in the Terms and Conditions.

Adjustment upon Change of Control: If a Change of Control shall occur, the Company shall give notice of that fact to the Bondholders (the "**Change of Control Notice**") in accordance with the Terms and Conditions and to the Trustee and the Agents (as defined in the Terms and Conditions) in writing within 14 days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of Conversion Rights such that the relevant Conversion Date falls within the period of 30 days following the later of (i) the occurrence of the relevant Change of Control and (ii) the date on which the Change of Control Notice is given to Bondholders (such period, the "**Change of Control Conversion Period**"), the Conversion Price shall be adjusted in accordance with the following formula:

$$NCP = OCP/(1 + (CP \times c/t))$$

Where:

"c" means the number of days from and including the first day of the Change of Control Conversion Period to but excluding the Maturity Date;

"CP" means the conversion premium of 23.5 per cent. expressed as a fraction;

"NCP" means the Conversion Price after such adjustment;

"OCP" means the Conversion Price before such adjustment. For the avoidance of doubt, OCP for the purpose of this provision shall be the Conversion Price applicable on the relevant Conversion Date in respect of any conversion pursuant to this adjustment provision;

"t" means the number of days from and including the Issue Date to but excluding the Maturity Date,

provided that the Conversion Price shall not be reduced pursuant to the Terms and Conditions below the level permitted by applicable laws and regulations from time to time (if any).

If the last day of a Change of Control Conversion Period shall fall during a Restricted Transfer Period (as defined in the Terms and Conditions), the Change of Control Conversion Period shall be extended such that its last day will be the fifteenth day following the last day of the Restricted Transfer Period.

On the Trading Day immediately following the last day of the Change of Control Conversion Period, the Conversion Price shall be re-adjusted to the Conversion Price in force immediately before the adjustment to the Conversion Price during the Change of Control Conversion Period.

Ranking of Conversion Shares:	The Shares issued upon exercise of the Conversion Rights will be fully paid up and will in all respects rank *pari passu* with, and within the same class as, the Shares in issue on the relevant Registration Date (as defined in the Terms and Conditions) except for any right excluded by mandatory provisions of applicable law.
Redemption at maturity:	Unless previously redeemed, converted or purchased and cancelled as provided in the Terms and Conditions, the Company will redeem each Bond at its principal amount on the Maturity Date.

Redemption for taxation reasons:

At any time the Company may, having given not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Trustee, the Principal Agent and the Bondholders (which notice shall be irrevocable) redeem all but not some only of the Bonds at their principal amount (the "**Tax Redemption Date**"), if the Company satisfies the Trustee immediately prior to the giving of such notice that (i) the Company has or will become obliged to pay additional tax amounts as provided or referred to in the Terms and Conditions as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or the PRC or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations (including a decision by a court of competent jurisdiction), which change or amendment becomes effective on or after August 27, 2026, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due. If the Company gives a Tax Redemption Notice, each Bondholder will have the right to elect that such holder's Bond(s) shall not be redeemed. Upon a Bondholder electing not to have his Bonds redeemed in such circumstances, any payments due after the relevant Tax Redemption Date shall be made subject to the deduction or withholding of any tax required to be deducted or withheld.

Redemption at the option of the Company:

The Company may, having given not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Bondholders, the Trustee and the Principal Agent (which notice will be irrevocable), redeem all but not some only of the Bonds at their principal amount: (i) at any time after the date falling 6 months after the Issue Date but prior to the Maturity Date, provided that no such redemption may be made unless the Closing Price of a Share, translated into U.S. dollars at the Prevailing Rate (as defined in the Terms and Conditions) applicable to each Trading Day, for any 20 Trading Days within a period of 30 consecutive Trading Days, the last of such Trading Day shall occur not more than 10 days prior to the date upon which notice of such redemption is given, was, for each such 20 Trading Days, at least 150 per cent. of the Conversion Price then in effect, translated into U.S. dollars at the Fixed Exchange Rate. If there shall occur an event giving rise to a change in the Conversion Price during any such 30 consecutive Trading Day period, appropriate adjustments for the relevant days approved by an Independent Financial Advisor (as defined in the Terms and Conditions) shall be made for the purpose of calculating the Closing Price of the Shares for such days; or (ii) if at any time prior to the date of such Optional Redemption Notice, at least 90 per cent. in principal amount of the Bonds originally issued has already been redeemed or purchased and cancelled or in respect of which Conversion Rights have been exercised.

Redemption for Delisting or Change of Control:

Following the occurrence of a Relevant Event (as defined below) or the delivery of the notice by the Company regarding such Relevant Event, the holder of each Bond will have the right at such holder's option, to require the Company to redeem all or some only of such holder's Bonds on the Relevant Event Put Date (as defined below) at their principal amount as at the Relevant Event Put Date. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent (as defined in the Terms and Conditions) during normal business hours (being between 9.00 a.m. (Hong Kong time) and 3.00 p.m. (Hong Kong time), Monday to Friday except for public holidays) a duly completed and signed notice of redemption, substantially in the form scheduled to the Agency Agreement, obtainable from the specified office of any Paying Agent (a "**Relevant Event Put Exercise Notice**"), together with the certificate representing the Bonds to be redeemed by not later than 30 days following a Relevant Event, or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Company in accordance with the Terms and Conditions. The "**Relevant Event Put Date**" shall be the fourteenth day after the expiry of such period of 30 days as referred to above.

A "**Relevant Event**" occurs:

(a) when there is a Change of Control;

(b) when the Shares cease to be listed or admitted to trading on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange; or

(c) when there is a suspension in trading of the Shares for a period equal to or exceeding 30 consecutive Trading Days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange.

Negative Pledge:

So long as any Bond remains outstanding (as defined in the Trust Deed), the Company shall not, and the Company shall procure that none of its Material Subsidiaries (as defined in the Terms and Conditions) (except for any Listed Subsidiaries (as defined in the Terms and Conditions) or subsidiaries of a Listed Subsidiary) will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness (as defined in the Terms and Conditions) or to secure any guarantee of Relevant Indebtedness without at the same time or prior thereto (i) securing the Bonds equally and rateably therewith to the satisfaction of the Trustee or (ii) providing such other security for the Bonds as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Bondholders.

The foregoing restriction will not apply to:

(i) any Security Interest arising or already arisen automatically by operation of law which is timely discharged or disputed in good faith by appropriate proceedings;

(ii) any Security Interest in respect of the obligations of any Person which becomes a Material Subsidiary (as defined in the Terms and Conditions) or which merges with or into the Issuer or a Material Subsidiary after the Issue Date which is in existence at the date on which it becomes a Material Subsidiary of the Issuer or merges with or into the Issuer or a Material Subsidiary, provided that any such Security Interest was not incurred in anticipation of such acquisition or of such Person becoming a Material Subsidiary or being merged with or into the Issuer or a Material Subsidiary;

(iii) any Security Interest created or outstanding in favor of the Issuer;

(iv) any Security Interest in respect of Relevant Indebtedness of the Issuer or any Material Subsidiary with respect to which the Issuer or such Material Subsidiary has paid money or deposited money or securities with a fiscal agent, trustee or depository to pay or discharge in full the obligations of the Issuer or such Material Subsidiary in respect thereof (other than the obligation that such money or securities so paid or deposited, and the proceeds therefrom, be sufficient to pay or discharge such obligations in full);

(v) any Security Interest created in connection with a project financed with, or created to secure, Non-recourse Obligations (as defined in the Terms and Conditions); or

(vi) any Security Interest arising out of the refinancing, extension, renewal or refunding of any Relevant Indebtedness secured by any Security Interest permitted by Conditions 3.1(ii) or 3.1(vi), provided that such Relevant Indebtedness is not increased beyond the principal amount thereof (together with the costs of such refinancing, extension, renewal or refunding) and is not secured by any additional property or assets.

CONVERSION PRICE AND CONVERSION SHARES

The initial Conversion Price is HK$58.07 per Share, which represents (i) a premium of approximately 23.5% over the closing price of HK$47.02 per Share as quoted on the Hong Kong Stock Exchange on August 27, 2026, being the date of the Subscription Agreement, and (ii) a premium of approximately 32.9% over the average closing price of HK$43.70 per Share as quoted on the Hong Kong Stock Exchange for the five consecutive trading days immediately preceding the date of the Subscription Agreement.

The Conversion Price was determined with reference to the prevailing market price of the Shares and the Terms and Conditions (including the redemption options) and was negotiated on an arm's length basis between the Company and the Manager. The Directors consider that the Conversion Price is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Assuming full conversion of the Bonds at the initial Conversion Price of HK$58.07 per Share, the Bonds will be convertible into approximately 41,174,737 Shares, representing approximately 7.07% of the Company's issued share capital as at August 27, 2026 (being the latest practicable date prior to the publication of this announcement) and approximately 6.60% of the Company's issued share capital as enlarged by the full conversion of the Bonds. The Conversion Shares will be fully paid up and will in all respects rank *pari passu* with, and within the same class as, the Shares in issue on the relevant registration date.

Based on the estimated net proceeds from the Subscription of approximately US$301.6 million, and 41,174,737 Conversion Shares resulting from the full conversion of the Bonds, the net issue price per Conversion Share is estimated to be approximately HK$57.42.

CSRC FILINGS

The Company shall complete the CSRC Filings in connection with the offering of the Bonds.

APPLICATION FOR LISTING OF THE BONDS AND THE CONVERSION SHARES

The Company will make or cause to be made an application for the Bonds to be listed on the Vienna MTF operated by the Vienna Stock Exchange. An application will also be made for the Conversion Shares to be listed on the Hong Kong Stock Exchange.

EFFECT ON SHAREHOLDINGS AS A RESULT OF CONVERSION OF THE BONDS

The table below sets out a summary of the shareholdings (excluding treasury shares) in the Company (i) as at August 27, 2026 (being the latest practicable date prior to the publication of this announcement) and (ii) upon the exercise in full of the Conversion Rights attached to the Bonds:

Shareholders	As at August 27, 2026		Upon full conversion of the Bonds at the initial Conversion Price of HK$58.07 per Share	
	Number of Shares	Approximate % of the total issued share capital[(2)]	Number of Shares	Approximate % of the total issued share capital[(2)]
Mr. Alex Zhavoronkov, Ph.D.[(1)]	42,583,000	7.31%	42,583,000	6.83%
Other Shareholders	540,053,846	92.69%	540,053,846	86.57%
Bondholders	–	–	41,174,737	6.60%
Total	**582,636,846**	**100%**	**623,811,583**	**100%**

Notes:

1. Pursuant to proxies and powers of attorney dated May 5, 2025 and with effect from April 15, 2025, Mr. Alex Zhavoronkov, Ph.D. is also 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.

2. The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.

USE OF PROCEEDS

Subject to completion of the issue of the Bonds, the gross proceeds from the Subscription of the Bonds will be approximately US$305 million, and the net proceeds from the Subscription of the Bonds, after deducting the Manager's commissions and other estimated expenses payable in connection with this offering, will be approximately US$301.6 million. The Company intends to use such proceeds in the following manner:

(a) approximately US$120.7 million (representing approximately 40% of the net proceeds) will be utilized for funding the clinical trials of self-developed drug candidates;

(b) approximately US$90.5 million (representing approximately 30% of the net proceeds) will be utilized for expanding the Group's R&D team;

(c) approximately US$45.2 million (representing approximately 15% of the net proceeds) will be utilized for funding the development and training of frontier SOTA foundation models for science; and

(d) approximately US$45.2 million (representing approximately 15% of the net proceeds) will be utilized for replenishing working capital and other corporate purposes.

REASONS FOR AND BENEFITS OF THE ISSUE OF THE BONDS

The Board is of the view that the issue of the Bonds will further enhance the Group's financial strength, market competitiveness and comprehensive strength, and promote the long-term sustainable development of the Group. The Board currently intends to use the funds as mentioned above and considers it will facilitate the overall development and expansion of the Group.

The Board considers that the terms of the Subscription Agreement and the issue of the Bonds are made on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

GENERAL MANDATE FOR THE ISSUE OF THE BONDS AND THE CONVERSION SHARES

By a resolution of the Shareholders passed at the AGM, the Company granted the General Mandate to the Directors to exercise the power of the Company to issue, allot and deal with additional Shares (including any sale or transfer of treasury shares held under the name of the Company, if any) not exceeding 20% of the total number of issued Shares of the Company (excluding any treasury shares, if any) as at the date of the granting of the General Mandate, with such additional Shares amounting to not more than 114,480,400 Shares.

As at the date of this announcement and immediately prior to the entering into of the Subscription Agreement, the Company has not issued any Share under the General Mandate. The Conversion Shares to be issued upon the conversion of the Bonds will be allotted and issued pursuant to the General Mandate. Accordingly, the Subscription of the Bonds and the issue of the Conversion Shares by the Company are not subject to further Shareholders' approval.

EQUITY FUND RAISING ACTIVITIES BY THE COMPANY IN THE LAST 12 MONTHS

On December 30, 2025, we completed the initial public offering and listing of 94,690,500 Shares on the Main Board of the Hong Kong Stock Exchange (the "**Global Offering**") and received net proceeds of approximately HK$2,025.8 million (the "**IPO Net Proceeds**"). On January 21, 2026, we completed the issue and allotment of 14,203,500 Shares following the full exercise of the over-allotment option granted by the Company to the sponsor-overall coordinators in relation to the Global Offering and received additional net proceeds of approximately HK$324.5 million (together with the IPO Net Proceeds, the "**GO Net Proceeds**").

The table below sets forth a detailed breakdown of the GO Net Proceeds and a description of their allocation and proposed purposes as of June 30, 2026:

Intended use of GO Net Proceeds	Net proceeds from the Global Offering *(HK$ million)*	Approximate % of total GO Net Proceeds	Utilized GO Net Proceeds as of June 30, 2026 *(HK$ million)*	Unutilized GO Net Proceeds from the Global Offering as of June 30, 2026 *(HK$ million)*	Expected timeline of full utilization of the unutilized GO Net Proceeds
(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.	493.56	21.0%	–	493.56	Within the next three to four years
iii. Funding for the research and development of IPF inhalable	56.41	2.4%	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
(5) Working capital and other general corporate purposes	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**	

Note:

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

2. The sum of the data may be inconsistent with the total due to rounding.

3. For further details, please refer to the 2026 interim report of the Company.

Save as disclosed above, the Company has not raised any funds by issuing equity securities during the 12 months immediately before the date of this announcement.

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on November 19, 2018, as an exempted company with limited liability under the Companies Act of the Cayman Islands (as amended).

The Company is an investment holding company. The Group is principally engaged in AI-driven drug discovery and development.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances.

As the transactions envisaged under the Subscription Agreement may or may not be completed, the Bonds may or may not be issued or listed and/or the Conversion Shares may or may not be issued or listed, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

"Agency Agreement"	the paying, conversion and transfer agency agreement in respect of the Bonds to be entered into between the Company, the Trustee, China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as the principal paying agent, principal conversion agent and principal transfer agent and as registrar, and the other paying agents, conversion agents and transfer agents appointed thereunder on or around the Issue Date
"AGM"	the annual general meeting of the Company held on June 2, 2026
"Alternative Stock Exchange"	at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which such Shares are then listed or quoted or dealt in

"Board"	the board of Directors of the Company
"Bondholder(s)"	holder(s) of the Bond(s) from time to time
"Bonds"	US$305,000,000 zero coupon convertible bonds due 2027, convertible at the option of the holder thereof into fully paid Shares of the Company with a par value of US$0.0000005 each
"Bond Closing Date"	the date on or around September 3, 2026
"Change of Control"	the occurrence of one or more of the following events: (a) any Person or Persons acting together, other than the Permitted Holders (or Persons who are Controlled by the Permitted Holders), acquires Control of the Company; (b) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its subsidiaries, taken as a whole, to any Person, other than one or more Permitted Holders or Persons who are Controlled by one or more Permitted Holders; or (c) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company's assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons (other than the Permitted Holders) acquiring Control over the Company or the successor entity
"Closing Price"	in respect of a Share for any Trading Day, the price published in the daily quotation sheet published by the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange for such day
"Company", "the Company", "we", "us" or "our"	InSilico Medicine Cayman TopCo 英矽智能, an exempted company with limited liability incorporated under the laws of the Cayman Islands, the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock code: 3696)
"connected person"	has the meaning ascribed thereto under the Listing Rules
"Contracts"	the Subscription Agreement, the Trust Deed and the Agency Agreement

"Control"	with respect to a Person (where applicable) (i) the ownership, acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of such Person, whether obtained directly or indirectly; or (ii) the right to appoint and/or remove all or the majority of the members of such Person's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise
"Conversion Date"	the conversion date in respect of a Bond pursuant to and as determined in accordance with the Terms and Conditions
"Conversion Price"	the price per Conversion Share (subject to adjustments as set out in the Terms and Conditions) at which the Bonds may be converted into the Shares
"Conversion Right"	the right of a Bondholder to convert any Bond into the Shares subject to and upon compliance with the Terms and Conditions
"Conversion Share(s)"	the Share(s) to be issued upon conversion of the Bonds pursuant to the Trust Deed and the Terms and Conditions
"CSRC"	China Securities Regulatory Commission
"CSRC Filing Report"	the filing report of the Company in relation to the issuance of the Bonds which will be submitted to the CSRC within three PRC business days after the Issue Date pursuant to Articles 13 and 16 of the CSRC Filing Rules
"CSRC Filing Rules"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines issued by the CSRC on February 17, 2023, as amended, supplemented or otherwise modified from time to time
"CSRC Filing(s)"	any letters, filings, correspondences, communications, documents, responses, undertakings and submissions in any form, including any amendments, supplements and/or modifications thereof, made or to be made to the CSRC, relating to or in connection with the issuance of the Bonds pursuant to the CSRC Filing Rules (including, without limitation, the CSRC Filing Report)
"Director(s)"	the director(s) of the Company

"General Mandate"	the general mandate granted to the Directors by a resolution of Shareholders passed at the AGM to issue, allot and deal with additional Shares (including any sale or transfer of treasury shares held under the name of the Company, if any) not exceeding 20% of the total number of the issued shares of the Company (excluding any treasury shares, if any) as at the date of the granting of the mandate
"Group"	the Company and its subsidiaries
"HK$" or "HK dollars" or "HKD"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Issue Date"	the date on or around September 3, 2026
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Manager"	Deutsche Bank AG, Hong Kong Branch
"Maturity Date"	the date on or around September 1, 2027
"Mr. Alex Zhavoronkov, Ph.D."	Mr. Aleksandrs Zavoronkovs (also known as Alex Zhavoronkov), Ph.D., our founder, chairman of the Board, executive Director, chief executive officer and chief business officer
"Permitted Holders"	any of the following: (a) Mr. Aleksandrs Zavoronkovs; (b) the estate or any heir, estate, lineal descendent (or spouse thereof), spouse or parent or other immediate family members of the Person specified in clause (a) and any trust established for the benefit of Mr. Aleksandrs Zavoronkovs and such immediate family members; (c) any trust, corporation, partnership, foundation, other entity or investment vehicle, of which the direct or indirect beneficiaries, equity holders, partners, trustee, legal representative or legal or beneficial owners are the Persons specified in clauses (a) or (b) of this definition; and (d) any Person the voting rights of which (or in the case of a trust, the beneficial interests in which) are more than 80% owned by Persons specified in clauses (a), (b) and (c) of this definition.

"Person"	any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Board or any other governing board and does not include the wholly owned direct or indirect subsidiaries of the Company
"Post-IPO Equity Incentive Plans"	the post-IPO restricted share unit award scheme and the post-IPO share option scheme adopted by the Company and effective on December 15, 2025, the principal terms of which are set out in the prospectus of the Company dated December 18, 2025
"PRC"	the People's Republic of China, excluding for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
"Pre-IPO Equity Incentive Plans"	the share option, share award, restricted share or employee share incentive schemes or plans publicly disclosed by the Company in its annual report for the year ended December 31, 2025 published on the website of the Hong Kong Stock Exchange on April 28, 2026 pursuant to certain pre-IPO equity incentive plans
"Principal Agent"	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司)
"RMB"	renminbi, the lawful currency of the PRC
"Securities Act"	the United States Securities Act of 1933 (as amended)
"Security Interest"	any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction
"Shareholders"	the holders of the Shares
"Share(s)"	the ordinary share(s) in the share capital of the Company with a par value of US$0.0000005 each
"SOTA"	State of the Art
"Subscription"	the issue and subscription of the Bonds pursuant to the Subscription Agreement
"Subscription Agreement"	the subscription agreement dated August 27, 2026 entered into between the Company and the Manager in connection with the issue and subscription of the Bonds
"Terms and Conditions"	the terms and conditions of the Bonds

"Trading Day(s)"	a day when the Hong Kong Stock Exchange or, as the case may be, an Alternative Stock Exchange, is open for dealing business; provided that for the purposes of any calculation where a Closing Price is required, if no Closing Price is reported for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days
"treasury share(s)"	has the meaning ascribed thereto under the Listing Rules
"Trust Deed"	the trust deed constituting the Bonds to be entered into between the Company and the Trustee on or around the Issue Date
"Trustee"	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司)
"United States"	the United States of America
"US$" or "USD"	U.S. dollar(s), the lawful currency of the United States
"%"	per cent.

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

Hong Kong, August 28, 2026

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