



Velovia Pharma, LLC Exercises Option for One Licensed Compound for Veterinary Use and RaQualia Pharma Receives Upfront Payment

Nagoya, Japan – RaQualia Pharma Inc. (Headquarters: Nagoya, Aichi, Japan; President & CEO: Masaki Sudo; “RaQualia Pharma”) today announced that Velovia Pharma, LLC (President & CEO: David K. Rosen, DVM; “Velovia Pharma”), a licensee of RaQualia Pharma, has notified RaQualia Pharma of its decision to exercise its option to obtain a license to develop veterinary pharmaceuticals for one of the four development compounds previously licensed by RaQualia Pharma (the “Licensed Compounds”). As a result, RaQualia Pharma has become entitled to receive an upfront option exercise fee from Velovia Pharma.

RaQualia Pharma and Velovia Pharma entered into an option and license agreement on April 3, 2024 (the “Agreement”), covering the Licensed Compounds for the development of veterinary pharmaceuticals. Under the Agreement, RaQualia Pharma granted Velovia Pharma an exclusive option to evaluate, develop, manufacture, and commercialize veterinary medicines containing the Licensed Compounds. Upon exercise of the option for one or more Licensed Compounds, RaQualia Pharma is entitled to receive an option exercise fee as well as development milestone payments based on the progress of development.

Through the exercise of the option for one of the Licensed Compounds, RaQualia Pharma will receive the option exercise fee and has also secured the right to receive development milestone payments based on future development progress. In addition, if veterinary pharmaceutical products containing the applicable compound are successfully commercialized, RaQualia Pharma may receive sales-based royalties and sales milestone payments from Velovia Pharma.

The upfront payment related to this option exercise will be recorded as operating revenue in the second quarter of the fiscal year ending December 31, 2026. The impact of this matter on the consolidated financial results for the fiscal year ending December 31, 2026 has already been incorporated into the consolidated financial forecast disclosed by RaQualia Pharma on February 13, 2026.

RaQualia Pharma will continue to further strengthen its collaboration with Velovia Pharma and provide ongoing development support, with a focus on maximizing the value of the applicable compound as a veterinary pharmaceutical product.

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