

**LUMOSA THERAPEUTICS CO., LTD. AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT**

MARCH 31, 2026 AND 2025

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Lumosa Therapeutics Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Lumosa Therapeutics Co., Ltd. and subsidiaries as at March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of 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 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 reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Lumosa Therapeutics Co., Ltd. and subsidiaries as at March 31, 2026 and 2025, and of its consolidated financial performance and its cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Tsai, Pei-Hua

Yen, Yu-Fang

For and on Behalf of PricewaterhouseCoopers, Taiwan

May 11, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

LUMOSA THERAPEUTICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	March 31, 2026		December 31, 2025		March 31, 2025	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current assets							
1100	Cash	6(1)	\$ 180,237	12	\$ 181,594	11	\$ 252,786	12
1136	Financial assets at amortised cost - current	6(3)	567,196	37	616,744	37	1,017,664	50
1170	Accounts receivable, net	6(4) and 7	4,628	-	12,904	1	4,774	-
1200	Other receivables		2,577	-	1,755	-	3,480	-
1220	Current income tax assets		9,803	1	9,725	1	16,611	1
130X	Inventory	6(5)	96,341	6	98,780	6	96,679	5
1410	Prepayments		44,431	3	44,591	3	68,259	3
1470	Other current assets		183	-	3	-	42	-
11XX	Total current assets		<u>905,396</u>	<u>59</u>	<u>966,096</u>	<u>59</u>	<u>1,460,295</u>	<u>71</u>
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	6(2) and 12(2)	608,519	40	669,003	41	570,834	28
1600	Property, plant and equipment	6(6)	6,600	1	7,625	-	10,887	-
1755	Right-of-use assets	6(7)	5,111	-	6,815	-	11,926	1
1780	Intangible assets	6(8)	340	-	369	-	457	-
1900	Other non-current assets		505	-	323	-	323	-
15XX	Total non-current assets		<u>621,075</u>	<u>41</u>	<u>684,135</u>	<u>41</u>	<u>594,427</u>	<u>29</u>
1XXX	Total assets		<u>\$ 1,526,471</u>	<u>100</u>	<u>\$ 1,650,231</u>	<u>100</u>	<u>\$ 2,054,722</u>	<u>100</u>
	Liabilities and Equity							
	Current liabilities							
2130	Contract liabilities - current	6(17)	\$ 2,798	-	\$ 2,798	-	\$ 3,036	-
2170	Accounts payable		30	-	1,312	-	1,446	-
2200	Other payables	6(9) and 7	36,180	3	41,284	3	55,871	3
2280	Lease liabilities - current	6(26) and 7	5,204	-	6,922	-	6,819	-
2365	Refund liabilities - current	6(10)	75,898	5	75,898	5	151,130	8
2399	Other current liabilities - others		2,810	-	2,823	-	2,799	-
21XX	Total current liabilities		<u>122,920</u>	<u>8</u>	<u>131,037</u>	<u>8</u>	<u>221,101</u>	<u>11</u>
	Non-current liabilities							
2580	Lease liabilities - non-current	6(26) and 7	-	-	-	-	5,204	-
2XXX	Total liabilities		<u>122,920</u>	<u>8</u>	<u>131,037</u>	<u>8</u>	<u>226,305</u>	<u>11</u>
	Equity attributable to shareholders of the parent							
	Share capital	6(13)						
3110	Common share		1,678,408	110	1,688,168	102	1,688,968	82
3170	Share capital awaiting retirement		-	-	(9,760)	(1)	(800)	-
	Capital surplus	6(14)						
3200	Capital surplus		265,828	17	265,828	16	2,219,198	108
	Accumulated deficit	6(15)						
3350	Deficit yet to be compensated		(460,227)	(30)	(340,540)	(21)	(2,023,108)	(98)
	Other equity interest	6(16)						
3400	Other equity interest		(32,364)	(2)	(37,457)	(2)	(70,459)	(4)
3500	Treasury shares	6(13)	(56,802)	(4)	(56,802)	(3)	-	-
31XX	Equity attributable to shareholders of the parent		<u>1,394,843</u>	<u>91</u>	<u>1,509,437</u>	<u>91</u>	<u>1,813,799</u>	<u>88</u>
36XX	Non-controlling interests	4(3)	<u>8,708</u>	<u>1</u>	<u>9,757</u>	<u>1</u>	<u>14,618</u>	<u>1</u>
3XXX	Total equity		<u>1,403,551</u>	<u>92</u>	<u>1,519,194</u>	<u>92</u>	<u>1,828,417</u>	<u>89</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		<u>\$ 1,526,471</u>	<u>100</u>	<u>\$ 1,650,231</u>	<u>100</u>	<u>\$ 2,054,722</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

LUMOSA THERAPEUTICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT LOSS PER SHARE DATA)

			For the three-month periods ended March 31			
			2026		2025	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(17) and 7		\$ 4,483	100	\$ 8,896	100
5000 Operating costs	6(5)		(2,665)	(59)	(3,706)	(41)
5900 Gross profit			1,818	41	5,190	59
Operating expenses	6(6)(7)(8)(11)(12) (21)(22) and 7					
6100 Selling expenses			(3,063)	(68)	(2,665)	(30)
6200 General and administrative expenses			(8,875)	(198)	(9,205)	(104)
6300 Research and development expenses			(56,373)	(1258)	(99,745)	(1121)
6450 Expected credit impairment loss	12(2)		(6)	-	(4)	-
6000 Total operating expenses			(68,317)	(1524)	(111,619)	(1255)
6900 Operating loss			(66,499)	(1483)	(106,429)	(1196)
Non-operating income and expenses						
7100 Interest income	6(3)(18)		2,483	56	4,399	49
7010 Other income	6(19) and 7		631	14	759	9
7020 Other gains and losses	6(2)(20)		(57,322)	(1279)	(4,069)	(46)
7050 Finance costs	6(7) and 7		(29)	(1)	(63)	(1)
7000 Total non-operating income and expenses			(54,237)	(1210)	(1,026)	(11)
7900 Loss before income tax			(120,736)	(2693)	(105,403)	(1185)
7950 Income tax expense	6(23)		-	-	-	-
8200 Loss for the period			(\$ 120,736)	(2693)	(\$ 105,403)	(1185)
Other comprehensive income						
Components of other comprehensive income that will be reclassified to profit or loss						
8361 Financial statements translation differences of foreign operations	6(16)		\$ 37	1	\$ 28	-
8300 Other comprehensive income for the period			\$ 37	1	\$ 28	-
8500 Total comprehensive loss for the period			(\$ 120,699)	(2692)	(\$ 105,375)	(1185)
Loss attributable to:						
8610 Shareholders of the parent			(\$ 119,687)	(2670)	(\$ 104,186)	(1171)
8620 Non-controlling interests	4(3)		(1,049)	(23)	(1,217)	(14)
			(\$ 120,736)	(2693)	(\$ 105,403)	(1185)
Comprehensive loss attributable to:						
8710 Shareholders of the parent			(\$ 119,650)	(2669)	(\$ 104,158)	(1171)
8720 Non-controlling interests	4(3)		(1,049)	(23)	(1,217)	(14)
			(\$ 120,699)	(2692)	(\$ 105,375)	(1185)
Loss per share (in dollars)	6(24)					
9750 Basic loss per share			(\$ 0.72)		(\$ 0.63)	
9850 Diluted loss per share			(\$ 0.72)		(\$ 0.63)	

The accompanying notes are an integral part of these consolidated financial statements.

LUMOSA THERAPEUTICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Equity attributable to shareholders of the parent												
	Share Capital		Capital Surplus			Other Equity Interest						
		Share capital awaiting retirement		Employee restricted shares	Others	Deficit yet to be compensated	Financial statements translation differences of foreign operations	Unearned employee compensation	Treasury shares	Total	Non-controlling interests	Total equity
Notes	Common share		Share premium									
	\$ 1,688,968	\$ -	\$ 2,114,654	\$ 108,301	\$ 262	(\$ 1,918,922)	\$ 2,991	(\$ 84,585)	\$ -	\$ 1,911,669	\$ 15,835	\$ 1,927,504
	-	-	-	-	-	(104,186)	-	-	-	(104,186)	(1,217)	(105,403)
6(16)	-	-	-	-	-	-	28	-	-	28	-	28
	-	-	-	-	-	(104,186)	28	-	-	(104,158)	(1,217)	(105,375)
6(12)(16)(22)	-	-	-	-	-	-	-	6,288	-	6,288	-	6,288
6(12)(13)(16)	-	(800)	-	(4,019)	-	-	-	4,819	-	-	-	-
	\$ 1,688,968	(\$ 800)	\$ 2,114,654	\$ 104,282	\$ 262	(\$ 2,023,108)	\$ 3,019	(\$ 73,478)	\$ -	\$ 1,813,799	\$ 14,618	\$ 1,828,417
	\$ 1,688,168	(\$ 9,760)	\$ 195,732	\$ 69,834	\$ 262	(\$ 340,540)	\$ 2,994	(\$ 40,451)	(\$ 56,802)	\$ 1,509,437	\$ 9,757	\$ 1,519,194
	-	-	-	-	-	(119,687)	-	-	-	(119,687)	(1,049)	(120,736)
6(16)	-	-	-	-	-	-	37	-	-	37	-	37
	-	-	-	-	-	(119,687)	37	-	-	(119,650)	(1,049)	(120,699)
6(12)(16)(22)	-	-	-	-	-	-	-	5,056	-	5,056	-	5,056
6(12)	(9,760)	9,760	-	-	-	-	-	-	-	-	-	-
	\$ 1,678,408	\$ -	\$ 195,732	\$ 69,834	\$ 262	(\$ 460,227)	\$ 3,031	(\$ 35,395)	(\$ 56,802)	\$ 1,394,843	\$ 8,708	\$ 1,403,551

The accompanying notes are an integral part of these consolidated financial statements.

LUMOSA THERAPEUTICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		For the three-month periods ended March 31	
	Notes	2026	2025
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 120,736)	(\$ 105,403)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(7)(21)	2,729	2,766
Amortisation	6(8)(21)	29	29
Expected credit impairment loss	12(2)	6	4
Net loss on financial assets or liability at fair value through profit or loss	6(2)(20)	58,119	4,590
Interest income	6(18)	(2,483)	(4,399)
Interest expense	6(7)	29	63
Compensation costs of employee restricted stock	6(12)(22)	5,056	6,288
Unrealised foreign exchange gain		(452)	(336)
Changes in assets and liabilities relating to operating activities			
Changes in assets relating to operating activities			
Accounts receivable		8,270	15,856
Inventory		2,439	1,100
Other receivables		(332)	466
Prepayments		160	(21,615)
Other current assets		(180)	(22)
Changes in liabilities relating to operating activities			
Accounts payable		(1,282)	23
Other payables		(5,104)	16,641
Other current liabilities - others		(13)	(30)
Cash outflow generated from operations		(53,745)	(83,979)
Interest received		1,993	3,165
Interest paid		(29)	(63)
Income taxes paid		(78)	(167)
Net cash flows used in operating activities		(51,859)	(81,044)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost - current		(75,100)	(246,100)
Disposal of financial assets at amortised cost - current		125,100	346,100
Proceeds from disposal of financial assets at fair value through profit or loss		2,365	-
Increase in guarantee deposits paid		(182)	-
Net cash flows from investing activities		52,183	100,000
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Payments of lease liabilities	6(7)(26)	(1,718)	(1,684)
Net cash flows used in financing activities		(1,718)	(1,684)
Effect of foreign exchange rate changes on cash and cash equivalents		37	28
Net (decrease) increase in cash		(1,357)	17,300
Cash at beginning of period		181,594	235,486
Cash at end of period		<u>\$ 180,237</u>	<u>\$ 252,786</u>

The accompanying notes are an integral part of these consolidated financial statements.

LUMOSA THERAPEUTICS CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

Lumosa Therapeutics Co., Ltd. (“Lumosa” or the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on November 13, 2000. Starting from September 26, 2016, the Company’s stock was listed on the Taiwan Over-The-Counter Securities Exchange. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the development of new drugs. In order to maximize integration synergies of new drugs development resource and human resource, the shareholders during their meeting on July 27, 2018, resolved to merge the Company with TPG Biologics, Inc. (“TPG”) through a share swap, with the Company as the surviving company and TPG as the dissolved company.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on May 11, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

Note: The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

(2) Basis of preparation

- A. The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (“IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- B. Subsidiaries included in the consolidated financial statements:

		Ownership (%)				
Name of investor	Name of subsidiary	Main business activities	March 31, 2026	December 31, 2025	March 31, 2025	Description
Lumosa	Lumosa Therapeutics Co., Ltd. (Cayman) (“Lumosa Cayman”)	Investment	100	100	100	
Lumosa	Cytoengine Co., Ltd. (“Cytoengine”)	New Drug Development	60	60	60	
Lumosa Cayman	Shanghai Lumosa Therapeutics Co., Ltd. (“Lumosa SH”)	Consulting, service and transfer of techniques	100	100	100	

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Adjustments for subsidiaries with different balance sheet dates: Not applicable.
- E. Significant restrictions: None.
- F. Subsidiaries that have non-controlling interests that are material to the Group:

As of March 31, 2026, December 31, 2025 and March 31, 2025, the non-controlling interest amounted to \$8,708, \$9,757 and \$14,618, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest					
		March 31, 2026		December 31, 2025		March 31, 2025	
		Ownership		Ownership		Ownership	
		Amount	(%)	Amount	(%)	Amount	(%)
Cytoengine Co., Ltd.	Taiwan	\$ 8,708	40%	\$ 9,757	40%	\$ 14,618	40%

Summarised financial information of the subsidiaries:

Balance sheets

	Cytoengine Co., Ltd.		
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 10,458	\$ 13,349	\$ 23,493
Non-current assets	12,290	13,132	15,558
Current liabilities	(978)	(2,089)	(1,731)
Non-current liabilities	-	-	(773)
Total net assets	<u>\$ 21,770</u>	<u>\$ 24,392</u>	<u>\$ 36,547</u>

Statements of comprehensive income

	Cytoengine Co., Ltd.	
	For the three-month periods ended March 31,	
	2026	2025
Total operating expenses	(\$ 2,618)	(\$ 3,034)
Total non-operating income and expenses	(4)	(9)
Loss for the period	<u>(\$ 2,622)</u>	<u>(\$ 3,043)</u>
Total comprehensive loss for the period	<u>(\$ 2,622)</u>	<u>(\$ 3,043)</u>
Comprehensive loss attributable to non-controlling interest	<u>(\$ 1,049)</u>	<u>(\$ 1,217)</u>

Statements of cash flows

		Cytoengine Co., Ltd.	
		For the three-month periods ended March 31,	
		2026	2025
Net cash used in operating activities	(\$	1,286)	(\$ 2,736)
Net cash used in financing activities	(	255)	-
Decrease in cash and cash equivalents	(	1,541)	(2,736)
Cash and cash equivalents, beginning of period		7,865	16,056
Cash and cash equivalents, end of period	\$	6,324	\$ 13,320

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - a. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - b. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - c. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

- (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
- (b) Assets held primarily for the purpose of trading;
- (c) Assets that are expected to be realised within twelve months after the reporting period;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

Otherwise they are classified as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

- (a) Liabilities that are expected to be settled in the normal operating cycle;
- (b) Liabilities arising primarily from trading activities;
- (c) Liabilities that are due to be settled within twelve months after the reporting period;
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

Otherwise they are classified as non-current liabilities.

(6) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(7) Financial assets at amortised cost

The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts receivable

- A. Accounts receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For financial assets at amortised cost, including accounts receivable that have a significant financing component at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, other direct/indirect costs. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated cost to complete the sale.

(12) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Experiment equipment: 2 ~ 10 years

Machinery and office equipment: 3 ~ 5 years

Leasehold improvements: 3 years

(13) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date; and
 - (c) Any initial direct costs incurred by the lessee.
- The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.
- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(14) Intangible assets

A. Patents and proprietary technology

Separately acquired proprietary technology is stated at cost and amortised on a straight-line basis over its estimated useful life of 2 years. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date and amortised on a straight-line basis over its estimated useful life of 3 ~ 9 years.

B. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 2~6 years.

C. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(15) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(16) Accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and accounts payable are those resulting from operating and non-operating activities.
- B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(17) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(18) Employee benefits

- A. Short-term employee benefits
Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.
- B. Pensions - defined contribution plans
For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(19) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.
- B. Employee restricted shares:
 - (a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.
 - (b) For restricted stocks where employees do not need to pay to acquire those stocks, if employees resign during the vesting period, the Group will redeem at no consideration and retire those stocks.
- C. The share-based payment for employee restricted shares grant date of the Group is the date approved by shareholders meeting.
- D. The cash capital increase reserved for employee preemption grant date of the Group is the date approved by Board of Directors.

(20) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.

- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.
- F. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(21) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(22) Revenue recognition

- A. Sales of goods
 - (a) The Group manufactures and sells new drugs. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers, the customers has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, or the Group has objective evidence that all

criteria for acceptance have been satisfied.

- (b) Revenue from sales of goods is recognised based on the price specified in the contract, net of the estimated sales discounts and allowances. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. The sales usually are made with a credit term of 90 days. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Service revenue

- (a) The Group provides technical service, clinical trial and related services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.
- (b) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

C. Revenue from licencing intellectual property

- (a) The Group entered into a contract with a customer to grant a licence of intellectual property to the customer. Because licencing is divisible from the contract, the Group recognises licencing revenue when the licence is transferred to a customer at a point in time based on the nature of licencing. The nature of the Group's promise in granting a licence is a promise to provide a right to use the Group's intellectual property and therefore the revenue is recognised when the licence is transferred to a customer at a point in time.
- (b) Some contracts require a sales-based royalty in exchange for a licence of intellectual property. The Group recognises revenue when the performance obligation has been satisfied and the subsequent sale occurs.

(23) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Group has assessed that there are no critical accounting estimates and key sources of assumption uncertainty.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Cash on hand and revolving funds	\$ 26	\$ 30	\$ 37
Demand deposits	<u>180,211</u>	<u>181,564</u>	<u>252,749</u>
	<u>\$ 180,237</u>	<u>\$ 181,594</u>	<u>\$ 252,786</u>

A. The Group transacts with a variety of financial institutions and all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash pledged to others.

(2) Financial assets at fair value through profit or loss

<u>Items</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed and OTC stocks	\$ 232,496	\$ 265,679	\$ 311,200
Emerging stocks	190,940	205,190	188,055
Non-public stocks	<u>185,083</u>	<u>198,134</u>	<u>71,579</u>
	<u>\$ 608,519</u>	<u>\$ 669,003</u>	<u>\$ 570,834</u>

- A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	For the three-month periods ended March 31,	
	2026	2025
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 58,119)	(\$ 4,590)

- B. The Group has no financial assets at fair value through profit or loss pledged to others.

(3) Financial assets at amortised cost

	March 31, 2026	December 31, 2025	March 31, 2025
Current item:			
Time deposits - maturing over three months	\$ 567,196	\$ 616,744	\$ 1,017,664

- A. Amounts recognised in profit or (loss) in relation to financial assets at amortised cost are listed below:

	For the three-month periods ended March 31,	
	2026	2025
Interest income	\$ 2,476	\$ 4,398

- B. As of March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were \$567,196, \$616,744 and \$1,017,664, respectively.

- C. The Group has no financial assets at amortised cost pledged to others.

- D. The counterparties of the Group's investment in certificates of deposit are financial institutions with high credit quality, so it expects that the probability of counterparty default is remote.

(4) Accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	\$ 4,948	\$ 13,218	\$ 5,106
Less: Loss allowance	(320)	(314)	(332)
	<u>\$ 4,628</u>	<u>\$ 12,904</u>	<u>\$ 4,774</u>

- A. The ageing analysis of accounts receivable is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Not past due	\$ 4,628	\$ 12,904	\$ 4,774
Over 181 days	320	314	332
	<u>\$ 4,948</u>	<u>\$ 13,218</u>	<u>\$ 5,106</u>

The above ageing analysis is based on past due date.

B. As of March 31, 2026, December 31, 2025, March 31, 2025, and January 1, 2025, the balances of receivables from contracts with customers amounted to \$4,948, \$13,218, \$5,106 and \$20,962, respectively.

C. The Group does not hold financial assets as security for accounts receivable.

D. As of March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$4,628, \$12,904 and \$4,774, respectively.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

March 31, 2026			
	Cost	Allowance for valuation loss	Book value
Raw materials and supplies	\$ 10,160	\$ -	\$ 10,160
Semi-finished goods	86,181	-	86,181
Finished goods	681	(681)	-
	<u>\$ 97,022</u>	<u>(\$ 681)</u>	<u>\$ 96,341</u>
December 31, 2025			
	Cost	Allowance for valuation loss	Book value
Raw materials and supplies	\$ 10,159	\$ -	\$ 10,159
Semi-finished goods	86,181	-	86,181
Finished goods	3,121	(681)	2,440
	<u>\$ 99,461</u>	<u>(\$ 681)</u>	<u>\$ 98,780</u>
March 31, 2025			
	Cost	Allowance for valuation loss	Book value
Raw materials and supplies	\$ 12,374	\$ -	\$ 12,374
Semi-finished goods	84,122	-	84,122
Finished goods	888	(705)	183
	<u>\$ 97,384</u>	<u>(\$ 705)</u>	<u>\$ 96,679</u>

The cost of inventories recognised as expense for the period:

	For the three-month periods ended March 31,	
	2026	2025
Cost of goods sold	\$ 2,440	\$ 2,628
Cost of royalty	225	1,078
	<u>\$ 2,665</u>	<u>\$ 3,706</u>

(6) Property, plant and equipment

	Experiment equipment	Machinery and office equipment	Leasehold improvements	Total
<u>January 1, 2026</u>				
Cost	\$ 40,857	\$ 920	\$ 3,212	\$ 44,989
Accumulated depreciation	(33,863)	(828)	(2,673)	(37,364)
	<u>\$ 6,994</u>	<u>\$ 92</u>	<u>\$ 539</u>	<u>\$ 7,625</u>
<u>2026</u>				
At January 1	\$ 6,994	\$ 92	\$ 539	\$ 7,625
Depreciation	(749)	(8)	(268)	(1,025)
At March 31	<u>\$ 6,245</u>	<u>\$ 84</u>	<u>\$ 271</u>	<u>\$ 6,600</u>
<u>March 31, 2026</u>				
Cost	\$ 40,857	\$ 920	\$ 3,212	\$ 44,989
Accumulated depreciation	(34,612)	(836)	(2,941)	(38,389)
	<u>\$ 6,245</u>	<u>\$ 84</u>	<u>\$ 271</u>	<u>\$ 6,600</u>
	Experiment equipment	Machinery and office equipment	Leasehold improvements	Total
<u>January 1, 2025</u>				
Cost	\$ 40,851	\$ 920	\$ 3,212	\$ 44,983
Accumulated depreciation	(31,305)	(794)	(1,603)	(33,702)
	<u>\$ 9,546</u>	<u>\$ 126</u>	<u>\$ 1,609</u>	<u>\$ 11,281</u>
<u>2025</u>				
At January 1	\$ 9,546	\$ 126	\$ 1,609	\$ 11,281
Additions	668	-	-	668
Depreciation	(786)	(9)	(267)	(1,062)
At March 31	<u>\$ 9,428</u>	<u>\$ 117</u>	<u>\$ 1,342</u>	<u>\$ 10,887</u>
<u>March 31, 2025</u>				
Cost	\$ 41,519	\$ 920	\$ 3,212	\$ 45,651
Accumulated depreciation	(32,091)	(803)	(1,870)	(34,764)
	<u>\$ 9,428</u>	<u>\$ 117</u>	<u>\$ 1,342</u>	<u>\$ 10,887</u>

- A. No borrowing costs were capitalized as part of property, plant and equipment.
 B. The Group has no property, plant and equipment pledged to others.

(7) Leasing arrangements - lessee

- A. The Group leases various assets including buildings and other equipment. Rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 5,111	\$ 6,815	\$ 11,926

	<u>For the three-month periods ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 1,704	\$ 1,704

- C. For the three-month periods ended March 31, 2026 and 2025, the additions to right-of-use assets were \$0 and \$5,230, respectively.

- D. The information on income and expense accounts relating to lease contracts is as follows:

	<u>For the three-month periods ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 29	\$ 63
Expense on short-term lease contracts	80	81
Expense on leases of low-value assets	23	23

- E. For the three-month periods ended March 31, 2026 and 2025, the Group's total cash outflow for leases were \$1,850 and \$1,851, respectively.

(8) Intangible assets

	Patents and proprietary technology	Computer software	Goodwill	Total
<u>January 1, 2026</u>				
Cost	\$ 361,173	\$ 1,190	\$ 78,490	\$ 440,853
Accumulated impairment	(34,405)	-	(78,490)	(112,895)
Accumulated amortisation	(326,768)	(821)	-	(327,589)
	<u>\$ -</u>	<u>\$ 369</u>	<u>\$ -</u>	<u>\$ 369</u>
<u>2026</u>				
At January 1	\$ -	\$ 369	\$ -	\$ 369
Amortisation	-	(29)	-	(29)
At March 31	<u>\$ -</u>	<u>\$ 340</u>	<u>\$ -</u>	<u>\$ 340</u>
<u>March 31, 2026</u>				
Cost	\$ 361,173	\$ 1,190	\$ 78,490	\$ 440,853
Accumulated impairment	(34,405)	-	(78,490)	(112,895)
Accumulated amortisation	(326,768)	(850)	-	(327,618)
	<u>\$ -</u>	<u>\$ 340</u>	<u>\$ -</u>	<u>\$ 340</u>
	Patents and proprietary technology	Computer software	Goodwill	Total
<u>January 1, 2025</u>				
Cost	\$ 361,173	\$ 1,190	\$ 78,490	\$ 440,853
Accumulated impairment	(34,405)	-	(78,490)	(112,895)
Accumulated amortisation	(326,768)	(704)	-	(327,472)
	<u>\$ -</u>	<u>\$ 486</u>	<u>\$ -</u>	<u>\$ 486</u>
<u>2025</u>				
At January 1	\$ -	\$ 486	\$ -	\$ 486
Amortisation	-	(29)	-	(29)
At March 31	<u>\$ -</u>	<u>\$ 457</u>	<u>\$ -</u>	<u>\$ 457</u>
<u>March 31, 2025</u>				
Cost	\$ 361,173	\$ 1,190	\$ 78,490	\$ 440,853
Accumulated impairment	(34,405)	-	(78,490)	(112,895)
Accumulated amortisation	(326,768)	(733)	-	(327,501)
	<u>\$ -</u>	<u>\$ 457</u>	<u>\$ -</u>	<u>\$ 457</u>

A. Details of amortisation on intangible assets are as follows:

	For the three-month periods ended March 31,	
	2026	2025
Research and development expenses	\$ 29	\$ 29

B. The Group has no intangible assets pledged to others.

C. As a result of the Covid-19 pandemic, deliveries of the supplies which were purchased for ECC series development project were suspended, causing significant delay in the overall progress of the project. Further, as the cell therapy technology on other similar indications and the therapeutic techniques of antibody-drug conjugates continue to flourish, the subsequent market share is expected to decrease because the project's progress was behind schedule. Based on the Group's assessment, the recoverable amount of ECC series project was less than its carrying amount, thus, the Group recognised a full impairment loss on the related intangible assets in 2023. The accumulated impairment loss amounted to \$34,405 as of March 31, 2026, December 31, 2025 and March 31, 2025.

D. Details of licence granted are as follows:

In July 2012, Cheng Pang Medical Technology Inc. (hereinafter referred to as "Cheng Pang") entered into a "Novel Long-acting Analgesic Injection" technology transfer agreement with the Ministry of Science and Technology (originally as the "National Science Council, Executive Yuan"), the National Defense Medical Center, and the co-inventor(s). The Company obtained such proprietary technology when Cheng Pang merged with the Company in June 2014. Such proprietary technology was recognised based on the fair value at the acquisition date, in accordance with the accounting standards of enterprise merger.

The abovementioned technology transfer agreement provides that when relevant technology (or product) is sub-licensed to a third party, the Company shall pay a sublicense fee. The sublicense fee is 10% of the sublicense income received from the sub-licencee less the development costs; also, the sublicense fee shall not be less than 20% of the sublicense income received from the sub-licencee. If the Company manufactures and markets the relevant product, the Company shall pay 1.875%~7.5% of the net sale of the product as royalty during the term of the agreement.

(9) Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Salaries and bonus payable	\$ 9,836	\$ 12,241	\$ 10,583
Service payable	3,600	3,728	3,229
Research expenses payable	2,601	5,127	22,200
Royalties payable	18,474	18,232	17,165
Payable on machinery and equipment	-	-	668
Other payables	1,669	1,956	2,026
	<u>\$ 36,180</u>	<u>\$ 41,284</u>	<u>\$ 55,871</u>

(10) Refund liabilities - current

- A. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group's refund liabilities amounted to \$75,898, \$ 75,898, and \$151,130, respectively.
- B. Refund liabilities pertains to licencing revenue recognised in accordance with contractual terms agreed upon with customers.
- C. The Company received an arbitration notice from the Shanghai Arbitration Commission on November 17, 2023, stating that the applicant, Jemincare Group Co., Ltd. ("Jemincare"), filed a lawsuit regarding the "License Agreement" for LT1001, an extended-release analgesic injection in China on December 2, 2019. Both parties wanted to clarify the licensing fees under the agreement and the basis for allocation of research and development expenses, as well as determine whether there are any related losses. The Company has engaged a legal counsel to negotiate with Jemincare. As a result of arbitration, both parties have agreed to terminate the "License Agreement" on June 4, 2025. Accordingly, the Company regained the license and returned a portion of the signing fee previously received from Jemincare, totaling RMB 17.5 million.

(11) Pensions

- A. The Company has established a defined contribution pension plan (the 'New Plan') under the Labor Pension Act (the 'Act') covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension expense under the defined contribution pension plan of the Group for the three-month periods ended March 31, 2026 and 2025 were \$ 415 and \$475, respectively.
- B. The subsidiaries, Lumosa Cayman, Lumosa SH and Cytoengine, have no formal employee and were not subject to local pension act.

(12) Share-based payments

- A. As of March 31, 2026, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Contract period	Vesting conditions
Restricted stocks to employees	2023/11/09	1,890	4.14 years	Note
Cash capital increase reserved for employee preemption	2024/09/23	166	Not applicable	Vested immediately

Note: Employees can receive shares several times when restricted stocks are granted to employees who continue to serve the Company and when the Company reaches its operational goals.

The above share-based payment arrangements are settled by equity.

- B. The details of the above share-based payment arrangements for employee restricted shares are as follows:

	2026	2025
	Number (shares in thousands)	Number (shares in thousands)
Shares outstanding at January 1	1,390	2,446
Forfeited shares (Note)	-	(80)
Shares outstanding at March 31	1,390	2,366

Note: For the year ended December 31, 2025, certain employees resigned during the vesting period, thus, the granted employee restricted shares of 630 thousand shares shall be returned because they did not meet the vesting conditions specified in the issuance terms. A total of 80 thousand shares during the period from January 1 to March 31, 2025 had been redeemed and retired for the capital reduction as approved by the Board of Directors on May 5, 2025. The effective date for the capital reduction was set on May 5, 2025, and the registration for the capital reduction has been completed in May 2025. The remaining 550 thousand shares had been redeemed and retired for the capital reduction as approved by the Board of Directors on February 23, 2026. The effective date for the capital reduction was set on February 23, 2026, and the registration for the capital reduction had been completed in March 2026.

Additionally, a total of 426 thousand restricted employee shares, issued in July 2021 with a vesting period until December 31, 2025, were forfeited as the recipient employees did not meet the vesting conditions. The capital reduction was approved by the Board of Directors on February 23, 2026. The effective date for the capital reduction was set on February 23, 2026, and the registration for the capital reduction has been completed in March 2026.

- C. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Restricted stocks to employees	2023/11/09	\$ 59.70	-	38.70%	4.14 years	-	1.18%	\$ 60.24
Cash capital increase reserved for employee preemption	2024/09/23	264.50	225	58.78%	0.11 years	-	1.21%	39.81

- D. The compensation costs recognised for the above employee restricted shares for the three-month periods ended March 31, 2026 and 2025 were \$5,056 and \$6,288, respectively.

(13) Share capital

A. As of March 31, 2026, the Company's authorised capital was \$3,000,000, consisting of 300 million shares of ordinary stock (including 11 million shares reserved for employee stock options), and the paid-in capital was \$1,678,408, with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2026	2025
At January 1	167,485,825	168,896,825
Capital reduction through forfeiture of employee restricted shares (Note)	-	(80,000)
At March 31	<u>167,485,825</u>	<u>168,816,825</u>

Note: Refer to Note 6(12)B.

B. In order to increase the Company's working capital, the shareholders during their meeting on June 9, 2020 resolved to raise additional cash through private placement. The maximum number of shares to be issued through the private placement is 70 million shares. As of March 11, 2021, the Board of Directors resolved to implement the second-time cash capital increase through private placement for a total of 3,448 thousand shares of ordinary shares at a subscription price of \$29 (in dollars), and the effective date for the capital increase was set on March 19, 2021. The amount of capital raised through the private placement was \$99,992 which had been registered. Pursuant to the Securities and Exchange Act, the ordinary shares raised through the private placement are subject to certain transfer restrictions and cannot be listed on the stock exchange until three years after they have been issued, have met the requirement of the Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEx and have been offered publicly. Other than these restrictions, the rights and obligations of the ordinary shares raised through the private placement are the same as other issued ordinary shares.

C. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		March 31, 2026	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	Maintain company credit and safeguard shareholders' interests	355 thousand shares	\$ 56,802

		December 31, 2025	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	Maintain company credit and safeguard shareholders' interests	355 thousand shares	\$ 56,802

As of March 31, 2025, there was no repurchase of treasury shares by the Company.

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.
- (e) The Company repurchased a total of 355 thousand shares from April 11, 2025 to June 9, 2025, for a total cost of \$ 56,802. As of March 31, 2026, all repurchased shares remain as treasury shares and have not been retired.

(14) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(15) Deficit yet to be compensated

- A. The current year's earnings net of tax, if any, shall first be used to offset accumulated deficit (including undistributed earnings adjustment) and then 10% of the remaining amount shall be set aside as legal reserve. When such legal reserve amounts to the total authorised capital, the Company shall not be subject to this requirement. The Company may then appropriate or reserve a certain amount as special reserve according to the demand or relevant regulations. After the distribution of earnings, the remaining earnings and prior years' undistributed earnings may be appropriated according to a resolution of the Board of Directors adopted in the shareholders' meeting.
- B. The Company's dividend policies were as follows:
In order to balance strengthening the financial structure and the interest of investors, the Company adopts a dividend equalising policy. The earnings distributed should not be less than 50% of distributable retained earnings and cash dividends should not be less than 10% of earnings distributed. If dividend per share is less than \$3 (in dollars), the Company could distribute all the dividends in stock.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Company had an accumulated deficit. Therefore, there is no surplus available for distribution.
- F. On June 9, 2025, the shareholders during their meeting resolved to offset the accumulated deficit with capital surplus of \$1,918,922.

(16) Other equity items

	2026		
	Currency translation	Unearned employee compensation	Total
At January 1	\$ 2,994	(\$ 40,451)	(\$ 37,457)
Currency translation differences	37	-	37
Compensation costs of employee restricted shares	-	5,056	5,056
At March 31	<u>\$ 3,031</u>	<u>(\$ 35,395)</u>	<u>(\$ 32,364)</u>

	2025		
	Currency translation	Unearned employee compensation	Total
At January 1	\$ 2,991	(\$ 84,585)	(\$ 81,594)
Currency translation differences	28	-	28
Compensation costs of employee restricted shares	-	6,288	6,288
Adjustment on forfeited employee restricted shares due to resignation of employees	-	4,819	4,819
At March 31	<u>\$ 3,019</u>	<u>(\$ 73,478)</u>	<u>(\$ 70,459)</u>

(17) Operating revenue

	For the three-month periods ended March 31,	
	2026	2025
Licencing revenue	\$ -	\$ 4,240
Sales revenue	3,920	4,197
Service revenue and others	563	459
	<u>\$ 4,483</u>	<u>\$ 8,896</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following types:

For the three-month period ended March 31, 2026	Asia	Taiwan	Total
Revenue from external customer contracts	<u>\$ 1,200</u>	<u>\$ 3,283</u>	<u>\$ 4,483</u>
Timing of revenue recognised			
At a point in time			
Sales revenue	<u>\$ 870</u>	<u>\$ 3,050</u>	<u>\$ 3,920</u>
Over time			
Service revenue and others	<u>330</u>	<u>233</u>	<u>563</u>
	<u>\$ 1,200</u>	<u>\$ 3,283</u>	<u>\$ 4,483</u>

For the three-month period ended March 31, 2025	Asia	Taiwan	Total
Revenue from external customer contracts	\$ 5,221	\$ 3,675	\$ 8,896
Timing of revenue recognised			
At a point in time			
Licencing revenue	\$ 4,240	\$ -	\$ 4,240
Sales revenue	642	3,555	4,197
	\$ 4,882	\$ 3,555	\$ 8,437
Over time			
Service revenue and others	339	120	459
	\$ 5,221	\$ 3,675	\$ 8,896

The Company entered into a licencing agreement with Shanghai Pharmaceutical Group Co., Ltd. (“Shanghai Pharma”) on November 6, 2019 for the exclusive development and sales rights for LT3001, a novel drug for the treatment of acute ischemic stroke in China. Shanghai Pharma was granted the right to develop, manufacture, register, market and promote LT3001 in China as well as conduct clinical trials of LT3001 in China. Shanghai Pharma is responsible for the associated costs with subsequent development, commercialization and marketing of LT3001 in China. The Company will receive the upfront payments and milestone payment for up to RMB 260 million and the royalty payment from the sales of LT3001. Revenue recognised by the Group for the three-month periods ended March 31, 2026 and 2025, both amounted to \$0. Revenue recognised from the effective date of the contract to March 31, 2026 amounted to \$93,658.

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Contract liabilities:				
-LT1001 authorised distribution agreement	\$ 2,798	\$ 2,798	\$ 3,036	\$ 3,036

The revenue recognised for the three-month periods ended March 31, 2026 and 2025 from the beginning contract liabilities were both \$0.

(18) Interest income

	For the three-month periods ended March 31,	
	2026	2025
Interest income from bank deposits	\$ 7	\$ 1
Interest income from financial assets measured at amortised cost	2,476	4,398
	\$ 2,483	\$ 4,399

(19) Other income

	For the three-month periods ended March 31,	
	2026	2025
Rent income	\$ 386	\$ 386
Other income - others	245	373
	<u>\$ 631</u>	<u>\$ 759</u>

(20) Other gains and losses

	For the three-month periods ended March 31,	
	2026	2025
Net currency exchange gain	\$ 797	521
Losses on financial assets at fair value through profit or loss	(58,119)	(4,590)
	<u>(\$ 57,322)</u>	<u>(\$ 4,069)</u>

(21) Costs and expenses by nature (all included in operating expenses)

	For the three-month periods ended March 31,	
	2026	2025
Employee benefit expenses	\$ 17,162	\$ 20,315
Depreciation	2,729	2,766
Amortisation	29	29

(22) Employee benefit expenses (classified as operating expenses)

	For the three-month periods ended March 31,	
	2026	2025
Wages and salaries	\$ 9,722	\$ 11,516
Compensation costs of employee restricted shares	5,056	6,288
Labour and health insurance fees	818	934
Pension costs	415	475
Directors' remuneration	480	425
Other personnel expenses	671	677
	<u>\$ 17,162</u>	<u>\$ 20,315</u>

- A. For the three-month periods ended March 31, 2026 and 2025, the Group had an average of 36 and 40 employees, respectively. The Group had an average of 9 non-employee directors for the three-month periods ended March 31, 2026 and 2025.
- B. In accordance with the Articles of Incorporation of the Company, when there are earnings for distribution in a given financial year, the Company shall reserve 2% to 6% as employees' compensation, of which at least 2% shall be allocated to rank-and-file employees, and no more than 2% as directors' remuneration. If the Company has accumulated deficit, the earnings shall first be used to cover accumulated deficit, if any, then be appropriated based on the abovementioned ratios.

- C. For the three-month periods ended March 31, 2026 and 2025, the Company had an accumulated deficit, and thus did not accrue employees' compensation and directors' remuneration.
- D. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors and shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax expense

For the three-month periods ended March 31, 2026 and 2025, the Group has no current income tax expense and deferred income tax.

B. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

C. The income tax returns through 2024 of the subsidiary, Cytoengine, have been assessed and approved by the Tax Authority.

(24) Loss per share

For the three-month period ended March 31, 2026			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic and diluted loss per share (Note)</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 119,687)	166,096	(\$ 0.72)
For the three-month period ended March 31, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic and diluted loss per share (Note)</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 104,186)	166,451	(\$ 0.63)

Note: Due to the loss for the three-month periods ended March 31, 2026 and 2025, there was no dilutive potential common stock impact, thus, the calculation of diluted loss per share did not include the dilutive potential ordinary shares.

(25) Supplemental cash flow information

Investing activities with partial cash payments

	For the three-month periods ended March 31,	
	2026	2025
Purchase of property, plant and equipment	\$ -	\$ 668
Less: Ending balance of payable on machinery and equipment	-	(668)
Cash paid during the period	<u>\$ -</u>	<u>\$ -</u>

(26) Changes in liabilities from financing activities

	2026		2025	
	Lease liabilities	Liabilities from financing activities-gross	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ 6,922	\$ 6,922	\$ 8,477	\$ 8,477
Changes in cash flow from financing activities	(1,718)	(1,718)	(1,684)	(1,684)
Changes in other non-cash items	-	-	5,230	5,230
At March 31	<u>\$ 5,204</u>	<u>\$ 5,204</u>	<u>\$ 12,023</u>	<u>\$ 12,023</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Center Laboratories, Inc.	Entity with significant influence to the Group
Mycenax Biotech Inc.	Other related party
Krisan Biotech Co., Ltd.	Other related party

(2) Significant related party transactions

A. Operating revenue

	For the three-month periods ended March 31,	
	2026	2025
Sales of services:		
Center Laboratories, Inc.	\$ 233	\$ 90
Krisan Biotech Co., Ltd.	-	30
	<u>\$ 233</u>	<u>\$ 120</u>

It refers to research and development consulting services, project management and entrusted research and development services to related parties. The terms of transaction were based on mutual agreement.

B. Accounts receivable

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Accounts receivable			
Center Laboratories, Inc.	\$ <u>182</u>	\$ <u>182</u>	\$ <u>32</u>

It refers to research and development consulting services, project management and entrusted research and development services to related parties. The terms of transaction were based on mutual agreement.

C. Other payables

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Mycenax Biotech Inc.	\$ -	\$ 2,300	\$ -
Center Laboratories, Inc.	<u>-</u>	<u>18</u>	<u>-</u>
	\$ <u>-</u>	\$ <u>2,318</u>	\$ <u>-</u>

The above represents payables arising from office rent and commissioned research project. The terms of transaction were based on mutual agreement.

D. Lease transactions - lessee

(a) The Group leases offices and system equipment from related parties. The lease terms are all 3 to 4 years. Rental is charged based on quotations of nearby location and the payment term is monthly payment.

(b) Lease liabilities

(i) Outstanding balance

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Center Laboratories, Inc.	\$ <u>3,219</u>	\$ <u>4,281</u>	\$ <u>7,436</u>

(ii) Interest expense

	<u>For the three-month periods ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Center Laboratories, Inc.	\$ <u>18</u>	\$ <u>39</u>

E. Operating expenses

Others (including service fee and other operating expenses)

	<u>For the three-month periods ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Center Laboratories, Inc.	\$ 386	\$ 291
Mycenax Biotech Inc.	<u>-</u>	<u>4,424</u>
	\$ <u>386</u>	\$ <u>4,715</u>

The above refers to IT and commissioned research and development services rendered by the related parties. The terms of the transaction were based on mutual agreement.

F. Property transactions

Disposal of property, plant and equipment:

	For the three-month periods ended March 31,			
	2026		2025	
	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
Center Laboratories, Inc.	\$ 33	\$ 33	\$ -	\$ -

The gain is generated from disposal of office equipment, and the gain on disposal is recognised as other income.

(3) Key management compensation

	For the three-month periods ended March 31,	
	2026	2025
Salaries and other short-term employee benefits	\$ 2,964	\$ 3,928
Post-employment benefits	87	120
Share-based payments	1,928	3,579
	<u>\$ 4,979</u>	<u>\$ 7,627</u>

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Refer to Note 6(8)D. for the related information.

B. As of September 2002, the Group entered into a collaboration agreement with Professors Peng and Zhao of Capital Medical University to develop a “thrombolytic drug with therapeutic activities.” The agreement provides that if the relevant proprietary technology is licenced to a third party, 5% of the licence income must be paid as royalty; also, once the product is successfully marketed, 1% of the net sales must be paid to the Professors each year during the patent term.

C. For mutual interests, the Group has paid termination payment to early terminate the collaborative development agreement and drug manufacturing contract with the original contracted manufacturer of Sebacoyl Dinalbuphine Ester (hereafter referred to as SDE) in 2017. The rights and actual contributions to the drug containing SDE will be verified jointly, based on which the Group will pay royalty not exceeding 2% of the global sale of the drug containing SDE.

D. As of March 31, 2026, December 31, 2025 and March 31, 2025, the total price of significant commission research and experiment contract that the Company has signed but not yet completed were \$589,608, \$570,730 and \$1,011,777, of which \$ 137,184, \$132,810 and \$188,252 have yet to be paid, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

Based on the character of the industry, future development, changes in external environment and other factors, the Group plans its capital for future use, research and development expenses, dividend expenses and other demands, to ensure continuous operations, feedback to shareholders, benefit of other shareholders and maintain and optimise capital structure to enhance the value of investors in the future.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debts.

The Group reviews liabilities to assets ratio periodically to monitor the cash flow.

During 2026, the Group's strategy, which was the same with 2025, was to maintain debt ratio in the reasonable range.

The Group's debt ratios are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Total liabilities	\$ 122,920	\$ 131,037	\$ 226,305
Total assets	\$ 1,526,471	\$ 1,650,231	\$ 2,054,722
Debt ratio	8.05%	7.94%	11.01%

(2) Financial instruments

A. Financial instruments by category

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 608,519	\$ 669,003	\$ 570,834
Financial assets at amortised cost			
Cash	180,237	181,594	252,786
Financial assets at amortised cost	567,196	616,744	1,017,664
Accounts receivable	4,628	12,904	4,774
Other receivables	2,577	1,755	3,480
Refundable deposits (shown as other non-current assets)	505	323	323
	\$ 1,363,662	\$ 1,482,323	\$ 1,849,861

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Accounts payable	\$ 30	\$ 1,312	\$ 1,446
Other payables	36,180	41,284	55,871
Other current liabilities, others	2,810	2,823	2,799
	<u>\$ 39,020</u>	<u>\$ 45,419</u>	<u>\$ 60,116</u>
Lease liabilities	<u>\$ 5,204</u>	<u>\$ 6,922</u>	<u>\$ 12,023</u>

B. Financial risk management policies

(A) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk and liquidity risk.

(B) Risk management is carried out by a general management department under approved policies. General management department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(A) Market risk

Foreign exchange risk

- The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency.
- The Group has investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

- d. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

March 31, 2026			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,029	31.995	\$ 32,923
RMB:NTD	2,603	4.629	12,049
<u>Non-monetary items</u>			
RMB:NTD	276	4.629	1,278
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	121	31.995	3,871
December 31, 2025			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,124	31.430	\$ 35,327
RMB:NTD	2,603	4.496	11,703
<u>Non-monetary items</u>			
RMB:NTD	280	4.496	1,257
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	73	31.430	2,294

	March 31, 2025		
	Foreign currency amount (in thousands)		Book value (NTD)
(Foreign currency: functional currency)		Exchange rate	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,496	33.205	\$ 49,675
RMB:NTD	253	4.573	1,157
<u>Non-monetary items</u>			
RMB:NTD	295	4.573	1,347
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	589	33.205	19,558
RMB:NTD	250	4.573	1,143

- e. Refer to the following table for the details of total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group:

	For the three-month period ended March 31, 2026		
	Exchange gain (loss)		
	Foreign currency amount (in thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ -	31.468	\$ 619
RMB:NTD	-	4.553	314
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	-	31.468	(136)

	For the three-month period ended March 31, 2025		
	Exchange gain (loss)		
	Foreign currency amount (in thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ -	32.833	\$ 843
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	-	32.833	(302)
RMB:NTD	-	4.515	(20)

- f. Analysis of foreign currency market risk arising from significant foreign exchange variation:

For the three-month period ended March 31, 2026			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 329	\$ -
RMB:NTD	1%	120	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	39	-

For the three-month periods ended March 31, 2025				
Sensitivity analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	497	\$ -
RMB:NTD	1%		12	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%		196	-
RMB:NTD	1%		11	-

Price risk

- The Group's equity instruments, which are exposed to price risk, are the held financial assets at fair value through profit or loss.
- The Group mainly invests in equity instruments comprised of shares issued by the domestic companies. The value of equity instruments are susceptible to market price risk arising from uncertainties about future performance of equity markets. Assuming a hypothetical increase of 1% in the price of the aforementioned financial assets at fair value through profit or loss while the other conditions remain unchanged could increase the Group's non-operating revenue for the three-month periods ended March 31, 2026 and 2025 by \$6,085 and \$5,708, respectively.

Cash flow and fair value interest rate risk

The Group does not hold any floating rate instrument, thus the Group has no interest risk.

(B) Credit risk

- Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- c. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 365 days.
- d. If the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- e. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (a) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (b) The disappearance of an active market for that financial asset because of financial difficulties;
 - (c) Default or delinquency in interest or principal repayments;
 - (d) Adverse changes in national or regional economic conditions that are expected to cause a default.
- f. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the modified approach using the loss rate methodology to estimate expected credit loss.
- g. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On March 31, 2026, December 31, 2025 and March 31, 2025, the Group has no written-off financial assets that are still under recourse procedures.
- h. The counterparties of the Group's accounts receivable all have good credit quality and are grouped into the same category. The Group used the forecastability to adjust historical and timely information to establish a loss rate for estimating the loss allowance for accounts receivable. On March 31, 2026, December 31, 2025 and March 31, 2025, the provision matrix is as follows:

	Not	Up to 30 days	31~90 days	181 days	365 days	
<u>At March 31, 2026</u>	<u>past due</u>	<u>past due</u>	<u>past due</u>	<u>past due</u>	<u>past due</u>	<u>Total</u>
Expected loss rate	0%	0%	0%	0%	100%	
Total book value	\$ 4,628	\$ -	\$ -	\$ -	\$ 320	\$ 4,948
Loss allowance	-	-	-	-	320	320
	Not	Up to 30 days	31~90 days	181 days	365 days	
<u>At December 31, 2025</u>	<u>past due</u>	<u>past due</u>	<u>past due</u>	<u>past due</u>	<u>past due</u>	<u>Total</u>
Expected loss rate	0%	0%	0%	0%	100%	
Total book value	\$ 12,904	\$ -	\$ -	\$ -	\$ 314	\$ 13,218
Loss allowance	-	-	-	-	314	314

	Not past due	Up to 30 days past due	31~90 days past due	181 days past due	365 days past due	Total
<u>At March 31, 2025</u>						
Expected loss rate	0%	0%	0%	0%	100%	
Total book value	\$ 4,774	\$ -	\$ -	\$ -	\$ 332	\$ 5,106
Loss allowance	-	-	-	-	332	332

- i. The movements of the loss allowance of notes and accounts receivable are as follows:

	2026	2025
At January 1	\$ 314	\$ 328
Provision for impairment loss	6	4
At March 31	<u>\$ 320</u>	<u>\$ 332</u>

(C) Liquidity risk

- Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group's general management department. The Group's general management department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- Surplus cash are held by the operating entities over and above balance required for working capital management. The Group's general management department invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.
- The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

<u>March 31, 2026</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Accounts payable	\$ 30	\$ -	\$ -	\$ -
Other payables	36,180	-	-	-
Lease liabilities	5,239	-	-	-
Refund liabilities	75,898	-	-	-
Other current liabilities	2,810	-	-	-

Non-derivative financial liabilities:

<u>December 31, 2025</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Accounts payable	\$ 1,312	\$ -	\$ -	\$ -
Other payables	41,284	-	-	-
Lease liabilities	6,986	-	-	-
Refund liabilities	75,898	-	-	-
Other current liabilities	2,823	-	-	-

Non-derivative financial liabilities:

<u>March 31, 2025</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Accounts payable	\$ 1,446	\$ -	\$ -	\$ -
Other payables	55,871	-	-	-
Lease liabilities	6,986	5,239	-	-
Refund liabilities	151,130	-	-	-
Other current liabilities	2,799	-	-	-

- d. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier.

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in OTC and emerging stock is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in unlisted stocks is included in Level 3.

- B. Financial instruments not measured at fair value

The carrying amounts of cash, financial assets at amortised cost - current, accounts receivable, other receivables, refundable deposits (shown as part of other non-current assets), accounts payable, lease liabilities and other payables, are reasonably approximate to the fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information about the nature of the assets and liabilities is as follows:

March 31, 2026				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	<u>\$ 423,436</u>	<u>\$ -</u>	<u>\$ 185,083</u>	<u>\$ 608,519</u>
December 31, 2025				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	<u>\$ 470,869</u>	<u>\$ -</u>	<u>\$ 198,134</u>	<u>\$ 669,003</u>
March 31, 2025				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	<u>\$ 499,255</u>	<u>\$ -</u>	<u>\$ 71,579</u>	<u>\$ 570,834</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The Group uses listed stock's/emerging stock's closing prices as market quoted prices for the inputs of fair value.
- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

- D. During the three-month period ended March 31, 2026, the Group had no transfers between Level 1 to Level 2 fair value. During the three-month period ended March 31, 2025, the shares of Shine-On BioMedical Co., Ltd. had active quoted price, therefore the Group transferred the fair value from level 2 to level 1.
- E. The following chart is the movement of Level 3 for the three-month periods ended March 31, 2026 and 2025:

	2026	2025
At January 1	\$ 198,134	\$ 91,544
Valuation adjustment	(13,051)	(19,965)
At March 31	<u>\$ 185,083</u>	<u>\$ 71,579</u>

- F. Finance segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions and periodical reviews. Finance segment cooperatively set up valuation policies, valuation processes and rules for measuring fair value of financial instruments and ensure compliance with the related requirements in IFRSs. The related valuation results are reported to the management monthly. The management is responsible for managing and reviewing valuation processes.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at March 31, 2026	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments:					
Unlisted stocks -GenEditBio Limited	\$ 48,692	Market comparable companies	Price to book ratio	4.49	The higher the multiple, the higher the fair value
			Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks -Innorna Co., Ltd.	136,391	Market comparable companies	Price to book ratio	3.74	The higher the multiple, the higher the fair value
			Discount for lack of marketability	11.7%	The higher the discount for lack of marketability, the lower the fair value

		<u>Fair value at December 31, 2025</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Equity instruments:						
Unlisted stocks	\$	64,333	Market comparable companies	Price to book ratio	5.27	The higher the multiple, the higher the fair value
-GenEditBio Limited				Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks		133,801	Market comparable companies	Price to book ratio	3.78	The higher the multiple, the higher the fair value
-Innorna Co., Ltd.				Discount for lack of marketability	11.5%	The higher the discount for lack of marketability, the lower the fair value
		<u>Fair value at March 31, 2025</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Equity instruments:						
Unlisted stocks	\$	71,579	Market comparable companies	Price to book ratio	4.10	The higher the multiple, the higher the fair value
-GenEditBio Limited				Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			For the three-month period ended March 31, 2026	
			Recognised in profit or loss	
	Input	Change	Favourable change	Unfavourable change
Financial assets				
Equity instrument	Price to book ratio	± 1%	\$ 1,851	(\$ 1,851)

			For the three-month period ended March 31, 2025	
			Recognised in profit or loss	
	Input	Change	Favourable change	Unfavourable change
Financial assets				
Equity instrument	Price to book ratio	± 1%	\$ 716	(\$ 716)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 1.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- F. Significant inter-company transactions during the reporting period: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 2.

(3) Information on investments in Mainland China

- A. Basic information: Refer to table 3.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. SEGMENT INFORMATION

(1) General information

The Group operates business only in a single industry. The Board of Directors, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Measurement of segment information

The accounting policies of the operating segments are in agreement with the significant accounting policies summarised in Note 4(23) of the consolidated financial statements. The Group's segment profit (loss) is measured with the income (loss) after tax, which is used as a basis for the Group in evaluating the performance of the operating segments.

(3) Reconciliation for segment income (loss)

The segment assets, liabilities and income (loss) after tax provided to the chief operating decision-maker is measured in a manner consistent with that in the consolidated balance sheets and consolidated statement of comprehensive income and do not need to be reconciled.

LUMOSA THERAPEUTICS CO., LTD. AND SUBSIDIARIES
HOLDING OF SIGNIFICANT MARKETABLE SECURITIES AT THE END OF THE PERIOD
MARCH 31, 2026

Table 1

Expressed in thousands of NTD

Held Company name	Marketable securities		Relationship with the securities issuer	Financial statement account	As of March 31, 2026				Note
	Type	Name			Shares/Units	Book value	Ownership (%)	Fair value	
Lumosa	Stock	Ever Fortune AI Co., Ltd.	-	Financial assets at fair value through profit or loss - non-current	3,756,000	\$ 232,496	3.94%	\$ 232,496	
Lumosa	Stock	Thevax Genetics Vaccine Co., Ltd.	-	Financial assets at fair value through profit or loss - non-current	10,000,000	-	9.72%	-	
Lumosa	Stock	Shine-On BioMedical Co., Ltd	-	Financial assets at fair value through profit or loss - non-current	2,855,813	190,940	5.73%	190,940	
Lumosa	Stock	GenEditBio Limited	-	Financial assets at fair value through profit or loss - non-current	4,329,996	48,692	2.86%	48,692	
Lumosa	Stock	Innorna Co., Ltd.	-	Financial assets at fair value through profit or loss - non-current	7,384,600	136,391	1.52%	136,391	

LUMOSA THERAPEUTICS CO., LTD. AND SUBSIDIARIES
NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
(EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2026			Net profit (loss) of the investee for the three-month period ended March 31, 2026	Investment income (loss) recognised by the Company for the three-month period ended March 31, 2026	Note
				Balance as at March 31, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value			
Lumosa	Lumosa Cayman	Cayman Islands	Investment	\$ 34,009	\$ 34,009	1,145,188	100	\$ 30,342	\$ 615	\$ 615	
Lumosa	Cytoengine Co., Ltd.	Taiwan	New Drugs Development	\$ 75,000	\$ 75,000	7,500,000	60	\$ 13,062	(\$ 2,622)	(\$ 1,573)	

LUMOSA THERAPEUTICS CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2026	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Net income (loss) of investee for the three-month period ended March 31, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three-month period ended March 31, 2026 (Note 2)	Book value of investments in Mainland China as of March 31, 2026	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2026	Note
Lumosa SH	Consultant, service and transfer of technology	\$ 4,459	2	\$ 4,459	\$ - \$ -	\$ 4,459	(\$ 16)	100	(\$ 16)	\$ 1,278	\$ -	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Lumosa	\$ 4,459	\$ 4,459	\$ 836,906

Note 1: Investment methods are classified into the following three categories:

- a. Directly invest in a company in Mainland China.
- b. Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- c. Others

Note 2: The financial statements were reviewed by independent auditors of the parent company in Taiwan.