

**FORESEE PHARMACEUTICALS CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REVIEW REPORT
THEREON
SEPTEMBER 30, 2025 AND 2024**

For the convenience of readers and for information purpose only, the independent auditors' review 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 independent auditors' review report and financial statements shall prevail.

Independent Auditors' Review Report

To the Board of Directors and Shareholders of Foresee Pharmaceuticals Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Foresee Pharmaceuticals Co., Ltd. and subsidiaries (the "Group") as at September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine-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 the Group as at September 30, 2025 and 2024, and of its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-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” as endorsed by the Financial Supervisory Commission.

Tsai, Pei-Hua

Yen, Yu-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

November 13, 2025

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’ review report are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the consolidated 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 drive from the translation.

FORESEE PHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	September 30, 2025		December 31, 2024		September 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 854,570	54	\$ 1,367,299	63	\$ 714,809	49
1136	Financial assets at amortised cost	6(1)(3) and 8						
	- current		125,000	8	75,000	3	125,000	8
1170	Accounts receivable, net	6(4)	71,577	5	32,328	2	52,789	4
1200	Other receivables		1,030	-	3,810	-	2,870	-
1220	Current income tax assets		8,103	-	9,948	-	8,168	1
130X	Inventories	6(5)	140,116	9	183,874	9	143,949	10
1410	Prepayments	6(2) and 7	73,025	5	145,273	7	58,392	4
11XX	Total current assets		<u>1,273,421</u>	<u>81</u>	<u>1,817,532</u>	<u>84</u>	<u>1,105,977</u>	<u>76</u>
Non-current assets								
1600	Property, plant and equipment	6(6) and 8	178,783	12	205,951	10	218,296	15
1755	Right-of-use assets	6(7)	2,139	-	11,668	1	14,483	1
1780	Intangible assets	6(8)	112,935	7	117,791	5	116,239	8
1840	Deferred income tax assets		1,214	-	1,307	-	1,262	-
1915	Prepayments for business facilities		2,986	-	3,305	-	5,182	-
1920	Guarantee deposits paid		1,982	-	1,598	-	1,555	-
15XX	Total non-current assets		<u>300,039</u>	<u>19</u>	<u>341,620</u>	<u>16</u>	<u>357,017</u>	<u>24</u>
1XXX	Total assets		<u>\$ 1,573,460</u>	<u>100</u>	<u>\$ 2,159,152</u>	<u>100</u>	<u>\$ 1,462,994</u>	<u>100</u>
Liabilities and Equity								
Current liabilities								
2100	Short-term borrowings	6(9)	\$ 250,000	16	\$ 150,000	7	\$ 250,000	17
2130	Contract liabilities - current	6(17)	-	-	50,030	2	158,580	11
2170	Accounts payable		2	-	64,418	3	40,498	3
2200	Other payables	6(10)	71,766	5	87,574	4	110,683	7
2220	Other payables - related parties	7	11,282	1	5,370	-	1,229	-
2230	Current income tax liabilities		6,475	-	8,822	-	9,098	1
2280	Lease liabilities - current		2,276	-	12,408	1	12,958	1
2320	Long-term liabilities - current portion	6(11)	5,000	-	5,000	-	5,000	-
2399	Other current liabilities		304	-	9,587	1	357	-
21XX	Total current liabilities		<u>347,105</u>	<u>22</u>	<u>393,209</u>	<u>18</u>	<u>588,403</u>	<u>40</u>
Non-current liabilities								
2527	Contract liabilities - non-current	6(17)	72,620	4	72,620	4	72,620	5
2540	Long-term borrowings	6(11)	89,167	6	92,917	4	94,166	7
2570	Deferred income tax liabilities		1,306	-	1,406	-	1,358	-
2580	Lease liabilities - non-current		-	-	-	-	2,349	-
25XX	Total non-current liabilities		<u>163,093</u>	<u>10</u>	<u>166,943</u>	<u>8</u>	<u>170,493</u>	<u>12</u>
2XXX	Total liabilities		<u>510,198</u>	<u>32</u>	<u>560,152</u>	<u>26</u>	<u>758,896</u>	<u>52</u>
Equity								
Share capital								
3110	Common shares	6(14)	1,575,418	100	1,547,878	72	1,367,786	94
Capital surplus								
3200	Capital surplus	6(15)	6,085,862	387	5,906,317	274	4,713,999	322
Accumulated deficit								
3350	Deficit yet to be compensated	6(16)	(6,547,430)	(416)	(5,810,639)	(269)	(5,321,730)	(364)
Other equity								
3400	Other equity interest		(50,588)	(3)	(44,556)	(3)	(55,957)	(4)
31XX	Equity attributable to shareholders of the parent		<u>1,063,262</u>	<u>68</u>	<u>1,599,000</u>	<u>74</u>	<u>704,098</u>	<u>48</u>
3XXX	Total equity		<u>1,063,262</u>	<u>68</u>	<u>1,599,000</u>	<u>74</u>	<u>704,098</u>	<u>48</u>
Significant contingent liabilities and unrecognised contract commitments								
Significant events after the balance sheet date								
3X2X	Total liabilities and equity		<u>\$ 1,573,460</u>	<u>100</u>	<u>\$ 2,159,152</u>	<u>100</u>	<u>\$ 1,462,994</u>	<u>100</u>

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

FORESEE PHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT LOSS PER SHARE DATA)

Items	Notes	For the three-month periods ended				For the nine-month periods ended			
		September 30,		September 30,		September 30,		September 30,	
		2025	2024	2025	2024	2025	2024	2025	2024
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(17)	\$ 156,951	100	\$ 80,103	100	\$ 379,060	100	\$ 278,142	100
5000 Operating costs	6(5)(6)(8)								
	(22)(23)	(4,901)	(3)	(46,486)	(58)	(119,956)	(32)	(160,099)	(58)
5900 Net operating margin		<u>152,050</u>	<u>97</u>	<u>33,617</u>	<u>42</u>	<u>259,104</u>	<u>68</u>	<u>118,043</u>	<u>42</u>
Operating expenses	6(6)(7)(8)								
	(12)(13)(22)								
	(23) and 7								
6100 Selling expenses		(7,161)	(5)	(5,287)	(7)	(21,833)	(6)	(15,585)	(6)
6200 General and administrative expenses		(44,341)	(28)	(33,965)	(43)	(108,769)	(28)	(96,124)	(34)
6300 Research and development expenses		(216,547)	(138)	(287,065)	(358)	(856,198)	(226)	(598,032)	(215)
6000 Total operating expenses		(268,049)	(171)	(326,317)	(408)	(986,800)	(260)	(709,741)	(255)
6900 Operating loss		(115,999)	(74)	(292,700)	(366)	(727,696)	(192)	(591,698)	(213)
Non-operating income and expenses									
7100 Interest income	6(3)(18)	3,843	2	6,775	8	14,749	4	23,893	9
7010 Other income	6(19)	8,578	6	840	1	9,169	3	840	-
7020 Other gains and losses	6(20)	3,421	2	(7,391)	(9)	(21,608)	(6)	16,536	6
7050 Finance costs	6(7)(9)(11)								
	(21)	(1,928)	(1)	(1,850)	(2)	(3,663)	(1)	(4,672)	(2)
7000 Total non-operating income and expenses		<u>13,914</u>	<u>9</u>	<u>(1,626)</u>	<u>(2)</u>	<u>(1,353)</u>	<u>-</u>	<u>36,597</u>	<u>13</u>
7900 Loss before income tax		(102,085)	(65)	(294,326)	(368)	(729,049)	(192)	(555,101)	(200)
7950 Income tax expense	6(24)	(12,202)	(8)	(13,957)	(17)	(7,742)	(2)	(37,062)	(13)
8200 Loss for the period		(\$ 114,287)	(73)	(\$ 308,283)	(385)	(\$ 736,791)	(194)	(\$ 592,163)	(213)
Other comprehensive income (loss)									
Components of other comprehensive income (loss) that will be reclassified to profit									
8361 Financial statements translation differences of foreign operations		\$ 12,427	8	(\$ 5,500)	(7)	(\$ 26,276)	(7)	\$ 4,668	2
8300 Other comprehensive income (loss) for the period		<u>\$ 12,427</u>	<u>8</u>	<u>(\$ 5,500)</u>	<u>(7)</u>	<u>(\$ 26,276)</u>	<u>(7)</u>	<u>\$ 4,668</u>	<u>2</u>
8500 Total comprehensive loss for the period		(\$ 101,860)	(65)	(\$ 313,783)	(392)	(\$ 763,067)	(201)	(\$ 587,495)	(211)
Loss attributable to:									
8610 Shareholders of the parent		(\$ 114,287)	(73)	(\$ 308,283)	(385)	(\$ 736,791)	(194)	(\$ 592,163)	(213)
Comprehensive loss attributable to:									
8710 Shareholders of the parent		(\$ 101,860)	(65)	(\$ 313,783)	(392)	(\$ 763,067)	(201)	(\$ 587,495)	(211)
Basic loss per share	6(25)								
9750 Loss per share		(\$ 0.74)		(\$ 2.25)		(\$ 4.78)		(\$ 4.35)	
Diluted loss per share	6(25)								
9850 Loss per share		(\$ 0.74)		(\$ 2.25)		(\$ 4.78)		(\$ 4.35)	

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

FORESEE PHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Equity attributable to shareholders of the parent										
	Notes	Capital Reserves						Other Equity Interest			Total equity
		Common shares	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Employee stock options	Employee restricted stocks	Others	Deficit yet to be compensated	Financial statements translation differences of foreign operations	Unearned employee compensation	
For the nine-month period ended September 30, 2024											
Balance at January 1, 2024		\$ 1,358,173	\$ 4,453,783	\$ 21,984	\$ 135,197	\$ -	\$ 6,432	(\$ 4,729,567)	(\$ 1,490)	\$ -	\$ 1,244,512
Loss for the period		-	-	-	-	-	-	(592,163)	-	-	(592,163)
Other comprehensive income for the period		-	-	-	-	-	-	-	4,668	-	4,668
Total comprehensive (loss) income for the period		-	-	-	-	-	-	(592,163)	4,668	-	(587,495)
Compensation cost of employee stock options	6(13)(23)	-	-	-	27,153	-	-	-	-	-	27,153
Employee stock options exercised	6(13)(14)	1,713	13,665	-	(3,070)	-	-	-	-	-	12,308
Employee stock options expired		-	-	-	(8,316)	-	8,316	-	-	-	-
Issuance of employee restricted shares		7,900	-	-	-	58,855	-	-	-	(66,755)	-
Compensation cost of employee restricted stocks		-	-	-	-	-	-	-	-	7,620	7,620
Balance at September 30, 2024		\$ 1,367,786	\$ 4,467,448	\$ 21,984	\$ 150,964	\$ 58,855	\$ 14,748	(\$ 5,321,730)	\$ 3,178	(\$ 59,135)	\$ 704,098
For the nine-month period ended September 30, 2025											
Balance at January 1, 2025		\$ 1,547,878	\$ 5,653,536	\$ 21,984	\$ 157,260	\$ 58,789	\$ 14,748	(\$ 5,810,639)	\$ 6,618	(\$ 51,174)	\$ 1,599,000
Loss for the period		-	-	-	-	-	-	(736,791)	-	-	(736,791)
Other comprehensive loss for the period		-	-	-	-	-	-	-	(26,276)	-	(26,276)
Total comprehensive loss for the period		-	-	-	-	-	-	(736,791)	(26,276)	-	(763,067)
Compensation cost of employee stock options	6(13)(23)	-	-	-	11,650	-	-	-	-	-	11,650
Issuance of common shares for cash	6(14)	25,000	155,000	-	-	-	-	-	-	-	180,000
Employee stock options exercised	6(13)(14)	2,540	17,306	-	(4,411)	-	-	-	-	-	15,435
Employee stock options expired		-	-	-	(3,146)	-	3,146	-	-	-	-
Compensation cost of employee restricted stocks	6(13)(23)	-	-	-	-	-	-	-	-	20,244	20,244
Balance at September 30, 2025		\$ 1,575,418	\$ 5,825,842	\$ 21,984	\$ 161,353	\$ 58,789	\$ 17,894	(\$ 6,547,430)	(\$ 19,658)	(\$ 30,930)	\$ 1,063,262

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

FORESEE PHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	For the nine-month periods ended September 30,	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before income tax		(\$ 729,049)	(\$ 555,101)
Reconciling items			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(7)(22)	38,797	49,319
Amortisation	6(8)(22)	14,407	10,574
Interest expense	6(21)	3,663	4,672
Interest income	6(18)	(14,749)	(23,893)
Compensation cost of share-based payment	6(13)(23)	31,894	34,773
Loss on disposal of property, plant and equipment	6(20)	-	30
Unrealised foreign exchange loss		-	89
Gains arising from lease modifications		-	(228)
Changes in assets and liabilities relating to operating activities			
Changes in assets relating to operating activities			
Accounts receivable, net		(39,249)	13,123
Other receivables		1,956	(2,318)
Inventories		43,758	(17,150)
Prepayments		76,124	(21,743)
Changes in liabilities relating to operating activities			
Contract liabilities		(50,030)	(5,946)
Accounts payable		(64,416)	28,365
Other payables		(15,760)	1,457
Other payables - related parties		5,912	(14,190)
Other current liabilities		(9,283)	120
Cash outflow generated from operations		(706,025)	(498,047)
Receipt of interest		15,573	24,735
Payment of interest		(3,622)	(4,567)
Payment of income tax		(12,120)	(39,726)
Net cash flows used in operating activities		(706,194)	(517,605)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost - current		(50,000)	(75,000)
Proceeds from disposal of financial assets at amortised cost - current		-	292,500
Acquisition of property, plant and equipment	6(26)	(2,565)	(148,060)
Proceeds from disposal of property, plant and equipment		-	211
Acquisition of intangible assets	6(8)	(9,551)	-
Increase in prepayments for equipment		-	(3,260)
(Increase) decrease in guarantee deposits		(384)	1,107
Net cash flows (used in) from investing activities		(62,500)	67,498
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(27)	100,000	550,000
Decrease in short-term borrowings	6(27)	-	(500,000)
Proceeds from long-term borrowings		-	99,166
Repayment of short-term borrowings	6(27)	(3,750)	-
Issuance of common shares for cash	6(14)	180,000	-
Repayment of lease liabilities	6(27)	(9,709)	(11,548)
Employee stock options exercised		15,435	12,308
Net cash flows from financing activities		281,976	149,926
Effects due to changes in exchange rate		(26,011)	5,311
Net decrease in cash and cash equivalents		(512,729)	(294,870)
Cash and cash equivalents at beginning of period		1,367,299	1,009,679
Cash and cash equivalents at end of period		\$ 854,570	\$ 714,809

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

FORESEE PHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

(1) Foresee Pharmaceuticals Co., Ltd. (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 February 8, 2013. The main activity of the Company and its subsidiaries (the “Group”) is applying for stabilised injectable formulation (SIF) platform technology in order to produce the products for anticancer and treatment of chronic diseases.

(2) Starting from June 29, 2018, the Company’s stocks were listed on the Taiwan Over-The-Counter Securities Exchange.

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 November 13, 2025.

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 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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

New standards, interpretations and amendments endorsed by the FSC 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.

(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

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 adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. 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.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

- A. These consolidated financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations 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:
The basis for preparation of consolidated financial statements is consistent with the basis used in the 2024 consolidated financial statements.
- B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		
			September 30, 2025	December 31, 2024	September 30, 2024
The Company	Foresee Pharmaceuticals USA, Inc.	Research and development of pharmaceuticals	100	100	100
The Company	Foresee Pharmaceuticals Canada, Inc.	Business development	100	100	100
The Company	Foresee Pharmaceuticals Australia Pty Ltd.	Research and development of pharmaceuticals	100	100	100

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Income tax

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.

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

There have been no significant changes as of September 30, 2025. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Petty cash	\$ 30	\$ 30	\$ 30
Checking accounts	185,452	43,274	217,655
Demand deposits	130,798	193,140	128,099
Time deposits	538,290	1,130,855	369,025
	<u>\$ 854,570</u>	<u>\$ 1,367,299</u>	<u>\$ 714,809</u>

A. The Group transacts with the financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. The Group's maximum exposure to credit risk at the balance sheet date is the carrying amount of all cash and cash equivalents.

B. On September 30, 2025, December 31, 2024 and September 30, 2024, time deposits amounting to \$125,000, \$75,000 and \$125,000, respectively were pledged to others as collateral for short-term bank borrowings and were classified as financial assets at amortised cost - current. Refer to Notes 6(3) and 8.

(2) Prepayments

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Net input VAT	\$ 11,708	\$ 12,795	\$ 9,568
Prepaid experiment expenses	54,626	116,088	43,350
Prepaid service expenses	2,340	9,764	3,079
Others	4,351	6,626	2,395
	<u>\$ 73,025</u>	<u>\$ 145,273</u>	<u>\$ 58,392</u>

(3) Financial assets at amortised cost

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current items:			
Pledged time deposits	<u>\$ 125,000</u>	<u>\$ 75,000</u>	<u>\$ 125,000</u>

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

	<u>For the three-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Interest income	<u>\$ 243</u>	<u>\$ 274</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Interest income	<u>\$ 599</u>	<u>\$ 1,123</u>

B. As at September 30, 2025, December 31, 2024 and September 30, 2024, 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 was \$125,000, \$75,000 and \$125,000, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

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

(4) Accounts receivable

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Accounts receivable	<u>\$ 71,577</u>	<u>\$ 32,328</u>	<u>\$ 52,789</u>

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Not past due	<u>\$ 71,577</u>	<u>\$ 32,328</u>	<u>\$ 47,250</u>
30 days	<u>-</u>	<u>-</u>	<u>3,323</u>
31-60 days	<u>-</u>	<u>-</u>	<u>2,216</u>
	<u>\$ 71,577</u>	<u>\$ 32,328</u>	<u>\$ 52,789</u>

The above ageing analysis was based on past due date.

B. As of September 30, 2025, December 31, 2024, September 30, 2024 and January 1, 2023, the balances of receivables from contracts with customers amounted to \$71,577, \$32,328, \$52,789 and \$65,912, respectively.

C. The Group has no accounts receivable pledged to others as collateral.

D. As at September 30, 2025, December 31, 2024 and September 30, 2024, 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 was \$71,577, \$32,328 and \$52,789, respectively.

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

(5) Inventories

		September 30, 2025		
	Cost	Allowance for valuation loss	Book value	
Raw materials	\$ 79,458	\$ -	\$ 79,458	
Work in progress	60,658	-	60,658	
	<u>\$ 140,116</u>	<u>\$ -</u>	<u>\$ 140,116</u>	
		December 31, 2023		
	Cost	Allowance for valuation loss	Book value	
Raw materials	\$ 64,761	\$ -	\$ 64,761	
Work in progress	118,904	-	118,904	
Finished goods	209	-	209	
	<u>\$ 183,874</u>	<u>\$ -</u>	<u>\$ 183,874</u>	
		September 30, 2024		
	Cost	Allowance for valuation loss	Book value	
Raw materials	\$ 29,727	\$ -	\$ 29,727	
Work in progress	100,584	-	100,584	
Finished goods	219	-	219	
Inventory in transit	13,419	-	13,419	
	<u>\$ 143,949</u>	<u>\$ -</u>	<u>\$ 143,949</u>	

A. The abovementioned inventories were not pledged to others.

B. The cost of inventories recognised as expense for the period:

		For the three-month periods ended September 30,	
		2025	2024
Cost of goods sold		\$ -	\$ 32,820
		For the nine-month periods ended September 30,	
		2025	2024
Cost of goods sold		\$ 82,009	\$ 141,565
Loss on scrapped inventory		13,210	-
		<u>\$ 95,219</u>	<u>\$ 141,565</u>

(6) Property, plant and equipment

	2025							
	Land	Buildings and structures	Machinery and equipment	Computer and telecommunication equipment	Office equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1								
Cost	\$ 123,068	\$ 9,959	\$ 172,065	\$ 50,475	\$ 4,051	\$ 30,444	\$ -	\$ 390,062
Accumulated depreciation and impairment	-	(199)	(120,911)	(37,709)	(2,696)	(22,596)	-	(184,111)
	<u>\$ 123,068</u>	<u>\$ 9,760</u>	<u>\$ 51,154</u>	<u>\$ 12,766</u>	<u>\$ 1,355</u>	<u>\$ 7,848</u>	<u>\$ -</u>	<u>\$ 205,951</u>
At January 1	\$ 123,068	\$ 9,760	\$ 51,154	\$ 12,766	\$ 1,355	\$ 7,848	\$ -	\$ 205,951
Additions	-	-	1,493	608	129	-	246	2,476
Reclassifications (Note)	-	-	319	-	-	-	-	319
Depreciation	-	(299)	(15,907)	(7,280)	(310)	(5,884)	-	(29,680)
Net exchange differences	-	-	(274)	-	(9)	-	-	(283)
At September 30	<u>\$ 123,068</u>	<u>\$ 9,461</u>	<u>\$ 36,785</u>	<u>\$ 6,094</u>	<u>\$ 1,165</u>	<u>\$ 1,964</u>	<u>\$ 246</u>	<u>\$ 178,783</u>
At September 30								
Cost	\$ 123,068	\$ 9,959	\$ 173,603	\$ 51,083	\$ 4,171	\$ 30,444	\$ 246	\$ 392,574
Accumulated depreciation and impairment	-	(498)	(136,818)	(44,989)	(3,006)	(28,480)	-	(213,791)
	<u>\$ 123,068</u>	<u>\$ 9,461</u>	<u>\$ 36,785</u>	<u>\$ 6,094</u>	<u>\$ 1,165</u>	<u>\$ 1,964</u>	<u>\$ 246</u>	<u>\$ 178,783</u>

Note: Reclassifications refers to prepayments for business facilities, plant and equipment.

2024

	Land	Buildings and structures	Machinery and equipment	Computer and telecommunication equipment	Office equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1								
Cost	\$ -	\$ -	\$ 154,260	\$ 50,934	\$ 4,253	\$ 30,444	\$ 4,904	\$ 244,795
Accumulated depreciation and impairment	-	-	(93,245)	(26,393)	(2,591)	(14,750)	-	(136,979)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,015</u>	<u>\$ 24,541</u>	<u>\$ 1,662</u>	<u>\$ 15,694</u>	<u>\$ 4,904</u>	<u>\$ 107,816</u>
At January 1	\$ -	\$ -	\$ 61,015	\$ 24,541	\$ 1,662	\$ 15,694	\$ 4,904	\$ 107,816
Additions	123,068	9,959	11,903	-	121	-	124	145,175
Reclassifications (Note)	-	-	7,996	-	-	-	(4,903)	3,093
Disposals	-	-	-	(235)	(6)	-	-	(241)
Depreciation	-	(100)	(22,567)	(8,662)	(321)	(5,884)	-	(37,534)
Net exchange differences	-	-	(15)	-	2	-	-	(13)
At September 30	<u>\$ 123,068</u>	<u>\$ 9,859</u>	<u>\$ 58,332</u>	<u>\$ 15,644</u>	<u>\$ 1,458</u>	<u>\$ 9,810</u>	<u>\$ 125</u>	<u>\$ 218,296</u>
At September 30								
Cost	\$ 123,068	\$ 9,959	\$ 171,473	\$ 50,475	\$ 4,040	\$ 30,444	\$ 125	\$ 389,584
Accumulated depreciation and impairment	-	(100)	(113,141)	(34,831)	(2,582)	(20,634)	-	(171,288)
	<u>\$ 123,068</u>	<u>\$ 9,859</u>	<u>\$ 58,332</u>	<u>\$ 15,644</u>	<u>\$ 1,458</u>	<u>\$ 9,810</u>	<u>\$ 125</u>	<u>\$ 218,296</u>

Note: Reclassifications refers to prepayments for business facilities and guarantee deposits paid reclassified into property, plant and equipment.

A. Information relating to collaterals for the property, plant and equipment is provided in Note 8.

B. No borrowing costs were capitalised as part of property, plant and equipment.

(7) Leasing arrangements - lessee

- A. The Group leases various assets including buildings and business vehicles, etc. Rental contracts are typically made for periods of 1 to 3 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 Group's short-term leases with terms of less than 12 months and low-value assets pertain to the lease of business printers.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 2,139	\$ 11,507	\$ 14,261
Other equipment	-	161	222
	<u>\$ 2,139</u>	<u>\$ 11,668</u>	<u>\$ 14,483</u>

	<u>For the three-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 2,909	\$ 3,052
Other equipment	40	60
	<u>\$ 2,949</u>	<u>\$ 3,112</u>

	<u>For the nine-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 8,956	\$ 11,604
Other equipment	161	181
	<u>\$ 9,117</u>	<u>\$ 11,785</u>

- D. For the nine-month periods ended September 30, 2025 and 2024, there were no additions to right-of-use assets.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>For the three-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 26	\$ 112
Expense on short-term lease contracts	452	444
Expense on leases of low-value assets	46	31
Gains arising from lease modifications	-	72

	For the nine-month periods ended September 30,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 146	\$ 429
Expense on short-term lease contracts	1,316	1,890
Expense on leases of low-value assets	152	114
Gains arising from lease modifications	-	279

F. For the nine-month periods ended September 30, 2025 and 2024, the Group's total cash outflow for leases were \$11,323 and \$13,981, respectively.

(8) Intangible assets

	2025			
	<u>Patent rights</u>	<u>Computer software</u>	<u>Internally generated intangible assets</u>	<u>Total</u>
At January 1				
Cost	\$ 48,872	\$ 12,976	\$ 166,007	\$ 227,855
Accumulated amortisation	(41,577)	(7,934)	(60,553)	(110,064)
	<u>\$ 7,295</u>	<u>\$ 5,042</u>	<u>\$ 105,454</u>	<u>\$ 117,791</u>
At January 1	\$ 7,295	\$ 5,042	\$ 105,454	\$ 117,791
Additions	-	9,551	-	9,551
Amortisation	(3,034)	(4,072)	(7,301)	(14,407)
At September 30	<u>\$ 4,261</u>	<u>\$ 10,521</u>	<u>\$ 98,153</u>	<u>\$ 112,935</u>
At September 30				
Cost	\$ 48,872	\$ 22,527	\$ 166,007	\$ 237,406
Accumulated amortisation	(44,611)	(12,006)	(67,854)	(124,471)
	<u>\$ 4,261</u>	<u>\$ 10,521</u>	<u>\$ 98,153</u>	<u>\$ 112,935</u>

2024				
	Patent rights	Computer software	Internally generated intangible assets	Total
At January 1				
Cost	\$ 48,872	\$ 6,619	\$ 166,007	\$ 221,498
Accumulated amortisation	(37,349)	(6,517)	(50,819)	(94,685)
	<u>\$ 11,523</u>	<u>\$ 102</u>	<u>\$ 115,188</u>	<u>\$ 126,813</u>
At January 1	\$ 11,523	\$ 102	\$ 115,188	\$ 126,813
Amortisation	(3,171)	(102)	(7,301)	(10,574)
At September 30	<u>\$ 8,352</u>	<u>\$ -</u>	<u>\$ 107,887</u>	<u>\$ 116,239</u>
At September 30				
Cost	\$ 48,872	\$ 6,619	\$ 166,007	\$ 221,498
Accumulated amortisation	(40,520)	(6,619)	(58,120)	(105,259)
	<u>\$ 8,352</u>	<u>\$ -</u>	<u>\$ 107,887</u>	<u>\$ 116,239</u>

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

	For the three-month periods ended September 30,	
	2025	2024
Operating costs	\$ 2,434	\$ 2,434
General and administrative expenses	541	24
Research and development expenses	1,822	1,057
	<u>\$ 4,797</u>	<u>\$ 3,515</u>
	For the nine-month periods ended September 30,	
	2025	2024
Operating costs	\$ 7,301	\$ 7,301
General and administrative expenses	1,527	102
Research and development expenses	5,579	3,171
	<u>\$ 14,407</u>	<u>\$ 10,574</u>

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

(9) Short-term borrowings

Type of borrowings	September 30, 2025	Interest rate	Collateral
Bank borrowings			
Secured borrowings	<u>\$ 250,000</u>	2.485%~2.5%	Time deposits
Type of borrowings	December 31, 2024	Interest rate	Collateral
Bank borrowings			
Secured borrowings	<u>\$ 150,000</u>	2.485%~2.5%	Time deposits

Type of borrowings	September 30, 2024	Interest rate	Collateral
Bank borrowings			
Secured borrowings	\$ 250,000	2.485%~2.707%	Time deposits

Interest expense recognised in profit or loss amounted to \$1,424, \$1,323, \$2,083 and \$3,828 for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively.

(10) Other payables

	September 30, 2025	December 31, 2024	September 30, 2024
Research and experiment expense payable	\$ 14,815	\$ 43,324	\$ 67,636
Services payable	1,526	2,669	2,089
Wages and salaries payable	48,723	34,203	35,524
Payable on equipment	-	89	105
Others	6,702	7,289	5,329
	<u>\$ 71,766</u>	<u>\$ 87,574</u>	<u>\$ 110,683</u>

(11) Long-term borrowings

Type of borrowings	Borrowing period	Interest rate	Collateral	September 30, 2025
Secured borrowings (Note)	2024.07.16~ 2044.07.15	2%	Land, Buildings and structures	\$ 94,167
Less: Current portion				(5,000)
				<u>\$ 89,167</u>

Type of borrowings	Borrowing period	Interest rate	Collateral	December 31, 2024
Secured borrowings (Note)	2024.07.16~ 2044.07.15	2%	Land, Buildings and structures	\$ 97,917
Less: Current portion				(5,000)
				<u>\$ 92,917</u>

Type of borrowings	Borrowing period	Interest rate	Collateral	September 30, 2024
Secured borrowings (Note)	2024.07.16~ 2044.07.15	2%	Land, Buildings and structures	\$ 99,166
Less: Current portion				(5,000)
				<u>\$ 94,166</u>

A. The Group's interest expense recognised in profit or loss amounted to \$478, \$415, \$1,434 and \$415 for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively.

B. Information relating to collaterals for the long-term borrowings is provided in Note 8.

Note: (a) The Company entered into a long-term borrowing agreement for 20 years with a financial institution. The principal shall be repaid in equal monthly installments starting from August 2024.

(b) The interest rate is the index interest rate plus 0.28% from the borrowing day.

(12) 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.
- B. The overseas subsidiary has a defined contribution pension plan. Contributions are based on a certain percentage of the employees’ monthly salaries and wages. Other than the contribution, the Company’s subsidiary has no further obligations.
- C. The pension costs under the defined contribution pension plan of the Group for the three-month and nine-month periods ended September 30, 2025 and 2024 were \$1,818, \$1,732, \$5,046 and \$4,982, respectively.

(13) Share-based payment

- A. As of September 30, 2025, the Group’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (in shares)	Contract period	Vesting conditions
Employee stock options	2018/06/26	516,000	8 years	Note 1
Employee stock options	2018/11/13	828,000	8 years	Note 1
Employee stock options	2019/10/03	897,000	8 years	Note 1
Employee stock options	2019/12/12	200,000	8 years	Note 1
Employee stock options	2020/09/30	1,600,000	8 years	Note 1
Employee stock options	2021/03/09	200,000	8 years	Note 1
Employee stock options	2021/05/03	40,000	8 years	Note 1
Employee stock options	2021/05/19	100,000	8 years	Note 1
Employee stock options	2021/05/24	75,000	8 years	Note 1
Employee stock options	2021/09/30	965,000	8 years	Note 1
Employee stock options	2021/12/20	40,000	8 years	Note 1
Employee stock options	2022/02/07	240,000	8 years	Note 1
Employee stock options	2022/09/30	1,760,000	8 years	Note 1
Employee stock options	2023/03/31	190,000	8 years	Note 1
Cash capital increase reserved for employee pre-emption	2023/06/09	505,999	Not applicable	Immediately vested
Employee stock options	2023/09/28	566,000	8 years	Note 1
Restricted stocks to employees	2024/07/01	790,000	4 years	Note 2
Restricted stocks to employees	2024/10/07	30,000	4 years	Note 2
Cash capital increase reserved for employee pre-emption	2024/11/05	207,578	Not applicable	Immediately vested
Employee stock options	2024/11/29	650,000	8 years	Note 1

Note 1: Stock options are vested based on the following timetable:

Accumulated ratio of exercisable stock options, 40% vested after 2 years, 65% vested after 3 years and 100% vested after 4 years.

Note 2: For the employees who are currently working in the Company since the allocation of restricted stocks, they could acquire shares in several times when the Company achieves the operating target performance.

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

B. Details of the share-based payment arrangements are as follows:

(a) Employee stock options

	2025		2024	
	Number of options (shares in thousands)	Weighted average exercise price (in dollars)	Number of options (shares in thousands)	Weighted average exercise price (in dollars)
Options outstanding at January 1	6,834	\$ 80.9	7,164	\$ 81.4
Options exercised	(254)	65.6	(171)	72.7
Options forfeited	(934)	74.4	(800)	81.3
Options outstanding at September 30	<u>5,646</u>	82.7	<u>6,193</u>	81.3
Options exercisable at September 30	<u>4,560</u>	77.2	<u>4,140</u>	73.9

(b) Restricted stocks

	2025	2024
	Options (shares in thousands)	Options (shares in thousands)
At January 1	790	-
Options granted	-	790
Options forfeited (Note)	-	(30)
At September 30	<u>790</u>	<u>760</u>

Note: The Board of Directors during its meeting on June 4, 2024 adopted a resolution to issue employee restricted ordinary shares of 790 thousand shares for no consideration with the effective date set on July 1, 2024. The subscription price is \$0 per share. The employee restricted ordinary shares issued are subject to certain transfer restrictions before their vesting conditions are met. In addition to these restrictions, the rights and obligations of these shares issued are the same as other issued ordinary shares. For the three-month period ended September 30, 2024, certain employees resigned during the vesting period, thus, the granted employee restricted shares of 30 thousand shares shall be returned because they did not meet the vesting conditions specified in the issuance terms. Of the total shares to be returned, the 30 thousand shares had been redeemed and retired for the capital reduction as approved by the Board of Directors on November 13, 2024. The effective date for the capital reduction was set on November 13, 2024, and the registration has been completed.

C. The weighted-average stock price of stock options at exercise dates for the nine-month periods ended September 30, 2025 and 2024 was \$77.94 and \$86.7 (in dollars), respectively.

D. The expiry date and exercise price of stock options outstanding at the balance sheet date are as follows:

Issue date approved	Expiry date	September 30, 2025		December 31, 2024		September 30, 2024	
		Number of shares (Shares in thousands)	Exercise price (in dollars)	Number of shares (Shares in thousands)	Exercise price (in dollars)	Number of shares (Shares in thousands)	Exercise price (in dollars)
2017.02.22	2025.02.21	-	\$ -	200	\$ 64.4	200	\$ 64.5
2017.08.01	2025.07.31	-	-	284	61.3	284	61.4
2018.06.26	2026.06.25	192	61.5	192	61.5	192	61.6
2018.11.13	2026.11.12	340	54.8	395	54.8	395	54.9
2019.10.03	2027.10.02	291	59.3	352	59.3	352	59.4
2019.12.12	2027.12.11	190	58.3	190	58.3	190	58.4
2020.09.30	2028.09.29	1,039	84.0	1,058	84.0	1,058	84.2
2021.03.09	2029.03.08	200	103.8	200	103.8	200	104.0
2021.05.03	2029.05.02	40	89.4	40	89.4	40	89.6
2021.05.19	2029.05.18	100	85.1	100	85.1	100	85.3
2021.05.24	2029.05.23	75	90.5	75	90.5	75	90.7
2021.09.30	2029.09.29	802	75.4	836	75.4	836	75.6
2021.12.20	2029.12.19	40	123.4	40	123.4	40	123.6
2022.09.30	2030.09.29	1,463	81.0	1,604	81.0	1,613	81.2
2023.03.31	2031.03.30	70	118.5	115	118.5	115	118.7
2023.09.28	2031.09.27	406	80.1	503	80.1	503	80.3
2024.11.29	2032.11.28	398	76.8	650	76.8	-	-

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

Agreement type	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends rate	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options	2018/06/26	\$ 44.79	\$ 61.5	34.66%	5~6 years	0%	0.65%	\$8.2000
Employee stock options	2018/11/13	58.30	54.8	0.726%~0.758%	5~6 years	0%	~0.72%	~9.7000
Employee stock options	2019/10/03	61.60	59.3	25.74%	5~6 years	0%	0.60%	~29.7000
Employee stock options	2019/10/03	61.60	59.3	25.74%	5~6 years	0%	0.61%	14.6000
Employee stock options	2019/12/12	60.50	58.3	39.00%	5~6 years	0%	~0.62%	~16.1000
Employee stock options	2019/12/12	60.50	58.3	39.00%	5~6 years	0%	0.58%	20.9834
Employee stock options	2020/09/30	87.10	84.0	45.31%	5~6 years	0%	~0.61%	~22.9125
Employee stock options	2020/09/30	87.10	84.0	45.31%	5~6 years	0%	0.29%	34.1428
Employee stock options	2021/03/09	106.0	103.8	45.31%	5~6 years	0%	~0.33%	~37.1737
Employee stock options	2021/03/09	106.0	103.8	~45.94%	5~6 years	0%	0.36%	41.6644
Employee stock options	2021/05/03	91.3	89.4	45.88%	5~6 years	0%	~0.40%	~45.9221
Employee stock options	2021/05/03	91.3	89.4	45.88%	5~6 years	0%	0.29%	35.9330
Employee stock options	2021/05/19	87.0	85.1	46.11%	5~6 years	0%	~0.33%	~39.5389
Employee stock options	2021/05/19	87.0	85.1	46.11%	5~6 years	0%	0.30%	34.4895
Employee stock options	2021/05/24	92.5	90.5	46.18%	5~6 years	0%	~0.33%	~37.8028
Employee stock options	2021/05/24	92.5	90.5	46.18%	5~6 years	0%	0.33%	36.7889
Employee stock options	2021/05/24	92.5	90.5	46.18%	5~6 years	0%	~0.33%	~40.2682

Agreement type	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends rate	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options	2021/09/30	77.1	75.4	46.25%	5~6 years	0%	0.34%	31.2316 ~33.4342
Employee stock options	2021/12/20	126.0	123.4	47.08%	5~6 years	0%	0.47%	52.1545
Employee stock options	2022/02/07	115.0	112.6	45.98%	5~6 years	0%	0.62%	48.1025
Employee stock options	2022/09/30	82.8	81.0	46.42%	5~6 years	0%	1.51%	36.4424
Employee stock options	2023/03/31	121.0	118.5	47.04%	5~6 years	0%	1.14%	53.3561
Cash capital increase reserved for employee preemption	2023/06/09	86.5	75.0	34.09%	0.03 years	0%	1.09%	11.5444
Employee stock options	2023/09/28	80.3	80.1	45.92%	5~6 years	0%	1.17%	34.4438
Restricted stocks to employees	2024/07/01	84.5	-	0.00%	4 years	0%	0.00%	Note
Restricted stocks to employees	2024/10/07	82.3	-	0.00%	4 years	0%	0.00%	Note
Cash capital increase reserved for employee preemption	2024/11/05	76.6	76.0	26.65%	0.07 years	0%	1.22%	2.4936
Employee stock options	2024/11/29	77.0	76.8	44.59%	5~6 years	0%	1.49%	31.5881 ~34.4245

Note: The par value of employee restricted stocks issued by the Group was \$10 (in dollars) per share with the issuance price of NT\$0 (in dollars) per share (without consideration), and the fair value of employee restricted stocks was measured at the closing price on the grant date.

F. For the three-month and nine-month periods ended September 30, 2025 and 2024, the Group recognised compensation cost arising from the abovementioned employee stock options and employee restricted stocks amounting to \$2,073, \$15,045, \$31,894 and \$34,773, respectively.

(14) Share capital

A. As of September 30, 2025, the Company's authorised capital was \$3,000,000, consisting of 300 million shares of ordinary stock (including 24 million shares reserved for employee stock options issued by the Company), with a par value of \$10 (in dollars) per share, and the outstanding common shares amounted to \$1,575,418 (157,541,763 shares). All proceeds from shares issued have been collected.

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

	2025	2024
	Number of shares (shares)	Number of shares (shares)
At January 1	154,787,818	135,817,285
Issuance of common shares for cash	2,500,000	-
Employee stock options exercised (Note)	253,945	171,333
Issuance of common shares for cash	-	790,000
At September 30	<u>157,541,763</u>	<u>136,778,618</u>

Note: There were 184,097 shares of stock options exercised by employees during the three-month period ended September 30, 2025. In accordance with the regulations, the registration of stock options exercised can be done after the new shares are issued. As of September 30, 2025, 184,097 shares of exercised stock options have not yet been registered.

- B. The Company completed the payment of the ordinary shares raised through the private placement with a par value of NT\$10 (in dollars) per share on July 28, 2020. There were 1,200,000 shares issued at a subscription price of NT\$75 (in dollars) per share totalling \$90,000. 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 and met 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. The Company completed the payment of the ordinary shares raised through the private placement with a par value of NT\$10 (in dollars) per share on September 22, 2025. There were 2,500,000 shares issued at a subscription price of NT\$72 (in dollars) per share totalling \$180,000. As of September 30, 2025, the registration of the change for the aforementioned private placement ordinary shares has not yet been completed. 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 and met 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.

(15) 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. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(16) Accumulated deficit

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses 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 for the 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 dividend policy of the Company should be consistent with the current and future development of the Company, the investment environment, needs for funding and competition domestic and abroad, and the protection of shareholders. The Company may distribute bonuses to shareholders from the remaining profit of the relevant financial year. The bonus to shareholders may be distributed in cash or stock dividends and the dividends (including cash or in the form of shares) shall be no less than 10% of the after tax earnings. The cash dividends shall comprise no less than 10% of the aggregate of the cash and stock dividends declared in such year.
- 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. The Company had an accumulated deficit as of September 30, 2025 and 2024 and thus had no distributable earnings.

(17) Operating revenue

	<u>For the three-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Revenue from licensing intellectual property	\$ 151,518	\$ 30,356
Sales revenue	-	43,801
Other revenue	4,037	-
Revenue from commissioned service	1,396	5,946
	<u>\$ 156,951</u>	<u>\$ 80,103</u>

	For the nine-month periods ended September 30,	
	2025	2024
Revenue from licensing intellectual property	\$ 261,485	\$ 93,473
Sales revenue	101,825	178,723
Other revenue	11,822	-
Revenue from commissioned service	3,928	5,946
	<u>\$ 379,060</u>	<u>\$ 278,142</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the completion of services and the exclusive licensing for research and development of new drugs over time and at a point in time in the following major regions:

For the three-month period ended September 30, 2025

	<u>USA</u>	<u>China</u>	<u>Europe</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 71,926</u>	<u>\$ 38,922</u>	<u>\$ 46,103</u>	<u>\$ 156,951</u>
Timing of revenue recognition				
At a point in time	\$ 70,530	\$ 38,922	\$ 46,103	\$ 155,555
Over time	1,396	-	-	1,396
	<u>\$ 71,926</u>	<u>\$ 38,922</u>	<u>\$ 46,103</u>	<u>\$ 156,951</u>

For the three-month period ended September 30, 2024

	<u>USA</u>	<u>China</u>	<u>Europe</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 74,404</u>	<u>\$ 5,699</u>	<u>\$ -</u>	<u>\$ 80,103</u>
Timing of revenue recognition				
At a point in time	\$ 68,458	\$ 5,699	\$ -	\$ 74,157
Over time	5,946	-	-	5,946
	<u>\$ 74,404</u>	<u>\$ 5,699</u>	<u>\$ -</u>	<u>\$ 80,103</u>

For the nine-month period ended September 30, 2025

	<u>USA</u>	<u>China</u>	<u>Europe</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 220,536</u>	<u>\$ 112,421</u>	<u>\$ 46,103</u>	<u>\$ 379,060</u>
Timing of revenue recognition				
At a point in time	\$ 216,608	\$ 112,421	\$ 46,103	\$ 375,132
Over time	3,928	-	-	3,928
	<u>\$ 220,536</u>	<u>\$ 112,421</u>	<u>\$ 46,103</u>	<u>\$ 379,060</u>

For the nine-month period ended September 30, 2024

	<u>USA</u>	<u>China</u>	<u>Europe</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 271,914</u>	<u>\$ 6,228</u>	<u>\$ -</u>	<u>\$ 278,142</u>
Timing of revenue recognition				
At a point in time	\$ 265,968	\$ 6,228	\$ -	\$ 272,196
Over time	<u>5,946</u>	<u>-</u>	<u>-</u>	<u>5,946</u>
	<u>\$ 271,914</u>	<u>\$ 6,228</u>	<u>\$ -</u>	<u>\$ 278,142</u>

B. Contract liabilities

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>	<u>January 1, 2024</u>
- Exclusive licensing and commissioned service contract - current	\$ -	\$ 50,030	\$ 158,580	\$ 105,480
- Exclusive licensing and commissioned service contract - non-current	<u>72,620</u>	<u>72,620</u>	<u>72,620</u>	<u>131,666</u>
	<u>\$ 72,620</u>	<u>\$ 122,650</u>	<u>\$ 231,200</u>	<u>\$ 237,146</u>

Revenue recognised that was included in the contract liability balance at the beginning of the period:

	<u>For the three-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Exclusive licensing and commissioned service contract	<u>\$ 47,498</u>	<u>\$ 5,946</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Exclusive licensing and commissioned service contract	<u>\$ 50,030</u>	<u>\$ 5,946</u>

C. Details on revenue, mainly for intellectual property of drugs and commissioned service granted to the pharmaceutical company, are as follows:

- (a) On February 11, 2019, the Group entered into an exclusive license agreement for the commercialization in the territory of FP-001 program, which is the new depot injection of Leuprolide prostate cancer (“Camcevi”), with Accord Healthcare Ltd. (“Accord”), and the license agreement will cover the global market with the exception of the USA, China,

- Japan, Taiwan, Israel, Turkey and certain Middle East countries. Under the terms of this agreement, the Group will receive a combination of upfront payment, product development milestone and sales milestone payments totaling up to US\$86 million in addition to a significant share of the product revenue in the territory. The Group also entered into a manufacturing and supply agreement for the related products with Accord. Revenue recognised by the Group for the three-month and nine-month periods ended September 30, 2025 and 2024 amounted to \$46,103, \$0, \$46,103 and \$0, respectively. As of September 30, 2025, the cumulative revenue recognised since the contract was signed amounted to \$199,620.
- (b) On November 17, 2020, the Group entered into an exclusive license agreement for the commercialization in the territory of Camcevi, with GeneScience Pharmaceuticals Co., Ltd. (“GeneScience”). GeneScience will be responsible for the product research, development, manufacture and sales of Camcevi in Mainland China market. Under the terms of this agreement, the Group will receive a combination of upfront payment by US\$8 million, and based on achievement of the milestones will receive product development and regulatory milestone, technology transfer milestone and sales milestone payments totaling up to US\$123.85 million in addition to a significant share of the revenue after Camcevi receive the marketing authorization. The Group also entered into a manufacturing and supply agreement for the related products with GeneScience. Revenue recognised by the Group for the three-month and nine-month periods ended September 30, 2025 and 2024 amounted to \$38,922, \$5,699, \$112,421 and \$6,228, respectively. As of September 30, 2025, cumulative revenue recognised since the contract was signed amounted to \$411,999.
- (c) On March 4, 2021, the Group entered into an exclusive license agreement with Intas Pharmaceuticals Ltd. (“Intas”) for the commercialization of Camcevi in the U.S market. Intas will be responsible for the sales and commercialization costs of Camcevi in the U.S market. Under the terms of the agreement, the Group received upfront payment of US\$10 million, and based on achievement of the milestones, the Group will receive product development milestone and sales milestone payments totaling up to US\$207 million in addition to a significant share of the revenue after the marketing authorization for Camcevi is received. The Group also entered into a manufacturing and supply agreement for the related products with Intas. Revenue recognised by the Group for the three-month and nine-month periods ended September 30, 2025 and 2024 amounted to \$71,926, \$74,040, \$220,536 and \$271,914, respectively. As of September 30, 2025, cumulative revenue recognised since the contract was signed amounted to \$1,214,340.

(18) Interest income

	For the three-month periods ended September 30,	
	2025	2024
Interest income from bank deposits	\$ 3,599	\$ 6,500
Interest income from financial assets measured at amortised cost	243	274
Other interest income	1	1
	<u>\$ 3,843</u>	<u>\$ 6,775</u>

	For the nine-month periods ended September 30,	
	2025	2024
Interest income from bank deposits	\$ 14,131	\$ 22,739
Interest income from financial assets measured at amortised cost	599	1,123
Other interest income	19	31
	<u>\$ 14,749</u>	<u>\$ 23,893</u>

(19) Other income

	For the three-month periods ended September 30,	
	2025	2024
Government grants revenue (Note)	\$ -	\$ 30
Others	8,578	810
	<u>\$ 8,578</u>	<u>\$ 840</u>

	For the nine-month periods ended September 30,	
	2025	2024
Government grants revenue (Note)	\$ -	\$ 30
Others	9,169	810
	<u>\$ 9,169</u>	<u>\$ 840</u>

Note: The government grants revenue in 2024 pertained to biotechnology exhibition grants received by the Group from the Taipei City Government.

(20) Other gains and losses

	For the three-month periods ended September 30,	
	2025	2024
Net currency exchange gains (losses)	\$ 3,421	(\$ 7,463)
Gains arising from lease modifications	-	72
	<u>\$ 3,421</u>	<u>(\$ 7,391)</u>

	<u>For the nine-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Net currency exchange (losses) gains	(\$ 21,608)	\$ 16,287
Gains arising from lease modifications	-	279
Loss on disposal of property, plant and equipment	-	(30)
	<u>(\$ 21,608)</u>	<u>\$ 16,536</u>

(21) Finance costs

	<u>For the three-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Interest expense:		
Interest on borrowings	\$ 1,902	\$ 1,738
Lease liabilities	26	112
	<u>\$ 1,928</u>	<u>\$ 1,850</u>

	<u>For the nine-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Interest expense:		
Interest on borrowings	\$ 3,517	\$ 4,243
Lease liabilities	146	429
	<u>\$ 3,663</u>	<u>\$ 4,672</u>

(22) Expenses by nature

	<u>For the three-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Employee benefit expense	\$ 94,792	\$ 92,777
Depreciation (Note)	10,466	15,855
Amortisation charges	4,797	3,515

	<u>For the nine-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Employee benefit expense	\$ 309,545	\$ 266,970
Depreciation (Note)	38,797	49,319
Amortisation charges	14,407	10,574

Note: Includes the depreciation charge on right-of-use assets.

(23) Employee benefit expense

	For the three-month periods ended September 30,	
	2025	2024
Wages and salaries	\$ 87,168	\$ 72,194
Share-based payment	2,073	15,045
Labour and health insurance fees	2,812	2,210
Pension costs	1,818	1,732
Other personnel expenses	921	1,596
	<u>\$ 94,792</u>	<u>\$ 92,777</u>

	For the nine-month periods ended September 30,	
	2025	2024
Wages and salaries	\$ 261,478	\$ 216,893
Share-based payment	31,894	34,773
Labour and health insurance fees	8,763	6,876
Pension costs	5,046	4,982
Other personnel expenses	2,364	3,446
	<u>\$ 309,545</u>	<u>\$ 266,970</u>

- A. According to the Articles of Incorporation of the Company, when there are earnings for distribution in a given financial year, at least 1% up to 10% and not more than 2% of the pre-tax income before distribution of employees' compensation and directors' remuneration shall be distributed as employees' compensation and directors' remuneration, respectively. The employees' compensation may be distributed in cash or in the form of shares. The aforesaid employees include the employees of certain affiliates of the Company, who are qualified to receive such compensation. The distribution of the employees' compensation and directors' remuneration shall be approved by the Board of Directors and be reported during the shareholders' meeting. If the Company has incurred losses from previous years, the Company shall first offset such losses and then set aside compensation for employees and remuneration for directors pursuant to the preceding paragraph.
- B. Due to the loss incurred for the nine-month periods ended September 30, 2025 and 2024, the Company did not accrue employees' compensation and directors' remuneration. As the Company had an accumulated deficit as of December 31, 2024, the Company did not accrue and distribute employees' compensation and directors' remuneration.
- C. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(24) Income tax

A. Components of income tax expense:

	For the three-month periods ended September 30,	
	2025	2024
Current income tax expense	\$ 12,202	\$ 13,957

	For the nine-month periods ended September 30,	
	2025	2024
Current income tax expense	\$ 7,742	\$ 37,062

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

(25) Loss per share

	For the three-month period ended September 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 114,287)	154,073	(\$ 0.74)
<u>Diluted loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 114,287)	154,073	(\$ 0.74)

	For the three-month period ended September 30, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 308,283)	136,764	(\$ 2.25)
<u>Diluted loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 308,283)	136,764	(\$ 2.25)

	For the nine-month period ended September 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 736,791)	154,160	(\$ 4.78)
<u>Diluted loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 736,791)	154,160	(\$ 4.78)

For the nine-month period ended September 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 592,163)	136,196	(\$ 4.35)
<u>Diluted loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 592,163)	136,196	(\$ 4.35)

Due to the loss incurred for the three-month and nine-month periods ended September 30, 2025 and 2024, the assumed conversion of dilutive potential ordinary shares will generate anti-dilutive effect, so the calculation of diluted loss per share did not include the effect of conversion of dilutive potential ordinary shares.

(26) Supplemental cash flow information

Investing activities with partial cash payments:

	For the nine-month periods ended September 30,	
	2025	2024
Purchase of property, plant and equipment	\$ 2,476	\$ 145,175
Add: Opening balance of payable on equipment	89	2,990
Less: Ending balance of payable on equipment	-	(105)
Cash paid during the period	<u>\$ 2,565</u>	<u>\$ 148,060</u>

(27) Changes in liabilities from financing activities

	2025			
	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ 150,000	\$ 97,917	\$ 12,408	\$ 260,325
Changes in cash flow from financing activities	100,000	(3,750)	(9,709)	86,541
Impact of changes in foreign exchange rate	-	-	(423)	(423)
At September 30	<u>\$ 250,000</u>	<u>\$ 94,167</u>	<u>\$ 2,276</u>	<u>\$ 346,443</u>

	2024			
	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities (Note)	Liabilities from financing activities-gross
At January 1	\$ 200,000	\$ -	\$ 28,257	\$ 228,257
Changes in cash flow from financing activities	50,000	99,166	(11,548)	137,618
Changes in other non-cash items	-	-	(1,907)	(1,907)
Impact of changes in foreign exchange rate	-	-	505	505
At September 30	<u>\$ 250,000</u>	<u>\$ 99,166</u>	<u>\$ 15,307</u>	<u>\$ 364,473</u>

Note: Including current portion of liabilities.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company was originally controlled by Foresee Pharmaceuticals, Inc. who held 100% shares of the Company. Foresee Pharmaceuticals, Inc.'s shareholding ratio decreased to 36.68% after the organisation restructuring, and the share transfer and settlement was on July 16, 2015. However, Foresee Pharmaceuticals, Inc. still holds more than half of the members of the Board of Directors and has substantial control over the Company.

After the election of additional directors and supervisor in the extraordinary shareholders' meeting on March 31, 2016, Foresee Pharmaceuticals, Inc. did not hold more than half of the seats in the Board of Directors, but still has significant influence over the Company.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
Ming-Ta Chien	Chairman
QPS, LLC	The Company shares the same chairman with the related party
QPS Austria GmbH	The Company shares the same chairman with the related party
QPS Netherland B.V.	The Company shares the same chairman with the related party
Quest Pharmaceutical Services, Taiwan	The Company shares the same chairman with the related party
QPS-Qualitix Clinical Research Co., Ltd.	The Company shares the same chairman with the related party

(3) Significant related party transactions

A. Research and experiment expenses

	For the three-month periods ended September 30,	
	2025	2024
QPS, LLC	\$ 47,163	\$ 32,782
Other related parties	20,909	16,693
	<u>\$ 68,072</u>	<u>\$ 49,475</u>
	For the nine-month periods ended September 30,	
	2025	2024
QPS, LLC	\$ 209,936	\$ 55,388
Other related parties	44,835	25,728
	<u>\$ 254,771</u>	<u>\$ 81,116</u>

The research and experiment expenses arise from clinical trial services provided by related parties. The transaction price is based on the mutual agreement.

B. Prepayments

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
QPS, LLC	\$ 53,838	\$ 80,538	\$ -

The prepayments arise from clinical trial services provided by the related party.

C. Other payables

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Other related parties	\$ 11,282	\$ 5,370	\$ 1,229

The payables arise from clinical trial services, research and experiment services provided by related party, without interest. The terms of transactions are based on the mutual agreement.

(4) Key management compensation

	For the three-month periods ended September 30,	
	2025	2024
Salaries and other short-term employee benefits	\$ 29,629	\$ 29,718
Post-employment benefits	529	497
Share-based payments	4,566	12,622
	<u>\$ 34,724</u>	<u>\$ 42,837</u>

	<u>For the nine-month periods ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Salaries and other short-term employee benefits	\$ 105,441	\$ 92,426
Post-employment benefits	1,632	1,465
Share-based payments	25,107	23,349
	<u>\$ 132,180</u>	<u>\$ 117,240</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

<u>Pledged asset</u>	<u>Book value</u>			<u>Purpose</u>
	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>	
Financial assets at amortised costs - current				
- Time deposits	\$ 125,000	\$ 75,000	\$ 125,000	Secured borrowings
Property, plant and equipment				
- Land	\$ 123,068	\$ 123,068	\$ 123,068	Secured borrowings
- Buildings and structures	\$ 9,461	\$ 9,760	\$ 9,859	Secured borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. The total contract signed for clinical trial services and unrecognised expenses is \$1,123,938.

B. The Company entered into an exclusive license contract with Aviv Therapeutics, Inc. ("Aviv"). Aviv agreed to license the technology in relation to ALDH2 activator to the Company. Based on the contract, the Company shall additionally pay the maintenance fee of US\$100 thousand to Aviv if the progress of the licensed technology does not go into clinical trials by December 31, 2019. The Company is not liable for the additional maintenance fee as the progress of the licensed technology went to clinical trials before the agreed deadline. In addition, the maximum agreed milestone payment amounted to US\$2,150 thousand. The royalty is paid based on the percentage of the net sales revenue or sub-license revenue when the products are successfully sold in the market or the license is sub-licensed in the future.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

As resolved by the Company's Board of Directors on November 13, 2025, the Company plans to grant the worldwide exclusive license of MMP-12 inhibitor, which is owned by its US subsidiary, Foresee Pharmaceuticals USA Inc., to Jabbly Pharmaceuticals, LLC ("Jabbly", a related party of the Company). The subsequent development costs related to MMP-12 inhibitor will be borne by Jabbly. As consideration, in addition to receiving an upfront payment of US\$10 million, subsequent milestone payments and royalties paid by Jabbly, the US subsidiary will also acquire 19% equity interest in Jabbly.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide stable returns for shareholders after turning into profit in the future operations and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, or raise additional cash through issued shares to reduce debts or substantiate operating capital. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet.

During 2025, the Group's strategy, which was the same with 2024 was to maintain the reasonable ratio.

(2) Financial instruments

A. Financial instruments by category

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Financial assets</u>			
Financial assets at amortised cost			
Cash and cash equivalents	\$ 854,570	\$ 1,367,299	\$ 714,809
Financial assets at amortised cost			
- current	125,000	75,000	125,000
Accounts receivable	71,577	32,328	52,789
Other receivables	1,030	3,810	2,870
Guarantee deposits paid	1,982	1,598	1,555
	<u>\$ 1,054,159</u>	<u>\$ 1,480,035</u>	<u>\$ 897,023</u>

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 250,000	\$ 150,000	\$ 250,000
Accounts payable	2	64,418	40,498
Other payables (including related parties)	83,048	92,944	111,912
Long-term borrowings (including current portion)	94,167	97,917	99,166
Other current liabilities	304	9,587	357
	<u>\$ 427,521</u>	<u>\$ 414,866</u>	<u>\$ 501,933</u>
Lease liabilities	<u>\$ 2,276</u>	<u>\$ 12,408</u>	<u>\$ 15,307</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), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department ("Group treasury") under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. 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. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.
- ii. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; the subsidiary's functional currency: USD and CAD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

September 30, 2025							
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	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	\$ 5,800	30.445	\$ 176,573	2.77%	\$ 4,893	\$	-
AUD:NTD	113	20.11	2,269	5.63%	128		-
<u>Non-Monetary items</u>							
USD:NTD	6,248	30.445	190,218	-	-		-
AUD:NTD	2,372	20.11	47,709	-	-		-
CAD:NTD	778	21.89	17,034	-	-		-
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD:NTD	1,124	30.445	34,233	2.77%	949		-
EUR:NTD	102	35.77	3,637	0.33%	12		-
CHF:NTD	38	38.245	1,456	1.74%	25		-
December 31, 2024							
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	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	\$ 4,557	32.785	\$ 149,410	3.07%	\$ 4,587	\$	-
<u>Non-Monetary items</u>							
USD:NTD	3,366	32.785	92,319	-	-		-
CAD:NTD	687	22.820	15,682	-	-		-
AUD:NTD	1,064	20.390	21,696	-	-		-
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD:NTD	2,701	32.785	88,478	3.07%	2,716		-
EUR:NTD	869	34.140	29,676	3.09%	917		-
CHF:NTD	128	32.265	4,703	5.11%	240		-
CAD:NTD	57	22.820	1,311	1.53%	20		-

September 30, 2024

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	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	\$ 11,233	31.650	\$ 355,526	2.78%	\$ 9,884	\$	-
CAD:NTD	26	21.93	579	2.89%	17		-
AUD:NTD	1	23.42	13	2.01%	-		-
<u>Non-Monetary items</u>							
USD:NTD	7,599	31.650	240,494	-	-		-
CAD:NTD	634	23.420	14,849	-	-		-
AUD:NTD	1,003	21.930	22,001	-	-		-
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD:NTD	3,286	31.650	103,991	2.78%	2,891		-
EUR:NTD	683	35.380	24,166	3.49%	843		-
CHF:NTD	348	37.545	13,052	5.10%	666		-
SEK:NTD	115	3.140	361	12.97%	47		-

- iii. The 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 and nine-month periods ended September 30, 2025 and 2024 amounted to \$3,421, (\$7,463), (\$21,608) and \$16,287, respectively.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. For the nine-month periods ended September 30, 2025 and 2024, the Group's borrowings at variable rate were denominated in New Taiwan dollars.
- ii. If the borrowing interest rate of New Taiwan dollars had increased/decreased by 1% with all other variables held constant, profit before tax for the nine-month periods ended September 30, 2025 and 2024 would have decreased/increased by \$1,589 and \$1,773, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. 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.

- ii. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only optimised credit rating are accepted. According to the Group's internal 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.
- iii. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- iv. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the modified approach based on the loss rate methodology to estimate the expected credit loss.
- vii. 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. As at September 30, 2025, December 31, 2024 and September 30, 2024, the Group has no written-off financial assets that are still under recourse procedures.
- viii. 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. However, the expected credit impairment loss was assessed to be insignificant, and thus the Group did not recognise provision for loss allowance.

(c) Liquidity risk

- i. Cash flow forecasting is performed by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational research and development needs.
- ii. Surplus cash held by the Group over and above balance required for working capital management are transferred to investing surplus cash in interest bearing current accounts, time deposits or beneficiary certificates, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.
- iii. The Group has the following undrawn borrowing facilities:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Floating rate			
Expiring within one year	\$ -	\$ 100,000	\$ -

- iv. 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. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

<u>September 30, 2025</u>	<u>Less than 1 year</u>	<u>Within 1~2 years</u>	<u>Within 2~5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 250,000	\$ -	\$ -	\$ -
Accounts payable	2	-	-	-
Other payables (including related parties)	83,048	-	-	-
Lease liabilities	2,286	-	-	-
Long-term borrowings (including current portion)	6,837	6,737	19,617	78,798
Other current liabilities	304	-	-	-
<u>December 31, 2024</u>	<u>Less than 1 year</u>	<u>Within 1~2 years</u>	<u>Within 2~5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 150,000	\$ -	\$ -	\$ -
Accounts payable	64,418	-	-	-
Other payables (including related parties)	92,944	-	-	-
Lease liabilities	12,570	-	-	-
Long-term borrowings (including current portion)	6,912	6,813	19,842	83,617
Other current liabilities	9,587	-	-	-

September 30, 2024	Less than 1 year	Within 1~2 years	Within 2~5 years	Over 5 years
Short-term borrowings	\$ 250,000	\$ -	\$ -	\$ -
Accounts payable	40,498	-	-	-
Other payables (including related parties)	111,912	-	-	-
Lease liabilities	13,198	2,358	-	-
Long-term borrowings (including current portion)	6,937	6,837	19,917	85,235
Other current liabilities	357	-	-	-

(3) Fair value information

The carrying amounts of the Group's financial instruments not measured at fair value, including cash and cash equivalents, financial assets at amortised cost - current, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, accounts payable, lease liabilities, other payables (including related parties), and long term borrowings (including current portion) are reasonably approximate to their fair values.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

(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

None.

14. SEGMENT INFORMATION

(1) General information

The Group operates business only in a single industry of new drug development. The chief operating decision-maker, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(3) Measurement of segment information

The significant accounting policies and estimates of the operating segment and the accounting policies, estimates and assumptions described in Note 4 of the consolidated financial statements are the same. The chief operating decision-maker evaluates the performance of the operating segments based on income (loss) after tax.

(4) Reconciliation for segment income (loss)

The segment information of 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 sheet and consolidated statement of comprehensive income and do not need to be reconciled.

Foresee Pharmaceuticals Co., Ltd. and Subsidiaries
Significant inter-company transactions during the reporting period
For the nine-month period ended September 30, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Foresee Pharmaceuticals Co., Ltd.	Foresee Pharmaceutioanals USA, Inc.	1	Service expenses	\$ 187,065	Mutual agreement	49.35%
0	Foresee Pharmaceuticals Co., Ltd.	Foresee Pharmaceutioanals USA, Inc.	1	Other payables - related parties	25,652	Mutual agreement	1.64%
0	Foresee Pharmaceuticals Co., Ltd.	Foresee Pharmaceutioanals USA, Inc.	1	Revenue from commissioned service	32,206	Mutual agreement	8.50%
0	Foresee Pharmaceuticals Co., Ltd.	Foresee Pharmaceutioanals USA, Inc.	1	Accounts receivable - related parties	4,612	Mutual agreement	0.29%
0	Foresee Pharmaceuticals Co., Ltd.	Foresee Pharmaceutioanals Canada, Inc.	1	Service expenses	5,213	Mutual agreement	1.38%
0	Foresee Pharmaceuticals Co., Ltd.	Foresee Pharmaceutioanals Canada, Inc.	1	Other payables - related parties	582	Mutual agreement	0.04%
1	Foresee Pharmaceuticals USA, Inc.	Foresee Pharmaceutioanals Canada, Inc.	3	Service expenses	9,479	Mutual agreement	2.50%
1	Foresee Pharmaceuticals USA, Inc.	Foresee Pharmaceutioanals Canada, Inc.	3	Other payables - related parties	582	Mutual agreement	0.04%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Foresee Pharmaceuticals Co., Ltd. and Subsidiaries
Information on investees (excluding information on investments in Mainland China)
For the nine-month period ended September 30, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2025			Net profit (loss) of the investee for the nine-month period ended September 30, 2025	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2025	Footnote
				Balance as at September 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Foresee Pharmaceuticals Co., Ltd.	Foresee Pharmaceuticals USA, Inc.	USA	Research and development of pharmaceuticals	\$ 1,368,404	\$ 963,718	936,528	100	\$ 190,218	(\$ 336,066)	(\$ 302,405)	Note 1
Foresee Pharmaceuticals Co., Ltd.	Foresee Pharmaceuticals Canada, Inc.	Canada	Business development	4,776	4,776	1,500	100	17,034	(380)	(380)	Note 2
Foresee Pharmaceuticals Co., Ltd.	Foresee Pharmaceuticals Australia Pty Ltd	Australia	Research and development of pharmaceuticals	106,239	106,239	5,000,100	100	47,709	26,125	26,125	Note 3

Note 1: Initial investment amount was USD 42,652,801 (in dollars).

Note 2: Initial investment amount was CAD 200,000 (in dollars).

Note 3: Initial investment amount was AUD 5,000,100 (in dollars).