

**GLYCONEX INCORPORATION AND  
SUBSIDIARY  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
JUNE 30, 2022 AND 2021**

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

## INDEPENDENT AUDITORS' REVIEW REPORT

To GlycoNex Incorporation

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of GlycoNex Incorporation and its subsidiary (the "Group") as at June 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant 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" 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 Statement of Auditing Standards No. 65, "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 June 30, 2022 and 2021, and of its consolidated financial performance for the three months and six months then ended, and its consolidated cash flows for the six months 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.

PricewaterhouseCoopers, Taiwan

August 11, 2022

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

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

**GLYCONEX INCORPORATION AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
**JUNE 30, 2022, DECEMBER 31, 2021 AND JUNE 30, 2021**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**  
**(THE CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2022 AND 2021**  
**ARE REVIEWED, NOT AUDITED IN CONFORMITY WITH R.O.C GAAS )**

ASSETS		Notes	June 30, 2022		December 31, 2021		June 30, 2021	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 482,681	28	\$ 125,067	9	\$ 74,482	5
1136	Financial assets at amortised cost -	6(2)						
	current		217,514	12	206,526	15	328,258	22
1170	Accounts receivable, net		370	-	350	-	244	-
1200	Other receivables		7,907	-	911	-	97	-
1220	Current income tax assets		131	-	168	-	124	-
1410	Prepayments	6(3)	30,807	2	25,526	2	19,123	2
1470	Other current assets		742	-	140	-	83	-
11XX	<b>Total current assets</b>		<u>740,152</u>	<u>42</u>	<u>358,688</u>	<u>26</u>	<u>422,411</u>	<u>29</u>
<b>Non-current assets</b>								
1517	Financial assets at fair value	6(4)						
	through other comprehensive							
	income - non-current		12,373	1	14,205	1	16,687	1
1600	Property, plant and equipment	6(5) and 8	1,002,863	57	1,021,936	73	1,035,918	70
1900	Other non-current assets		374	-	174	-	1,030	-
15XX	<b>Total non-current assets</b>		<u>1,015,610</u>	<u>58</u>	<u>1,036,315</u>	<u>74</u>	<u>1,053,635</u>	<u>71</u>
1XXX	<b>Total assets</b>		<u>\$ 1,755,762</u>	<u>100</u>	<u>\$ 1,395,003</u>	<u>100</u>	<u>\$ 1,476,046</u>	<u>100</u>

(Continued)

GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS  
JUNE 30, 2022, DECEMBER 31, 2021 AND JUNE 30, 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)  
(THE CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2022 AND 2021  
ARE REVIEWED, NOT AUDITED IN CONFORMITY WITH R.O.C GAAS )

LIABILITIES AND EQUITY			June 30, 2022		December 31, 2021		June 30, 2021	
			Notes	AMOUNT	%	AMOUNT	%	AMOUNT
Current liabilities								
2100	Current borrowings	6(7) and 8	\$ 30,000	2	\$ -	-	\$ -	-
2130	Contract liabilities - current	6(18)	121	-	76	-	46	-
2150	Notes payable		1,800	-	900	-	-	-
2200	Other payables	6(8)	26,512	2	24,707	2	17,683	1
2300	Other current liabilities		1,582	-	1,523	-	1,434	-
21XX	Total current liabilities		60,015	4	27,206	2	19,163	1
Non-current liabilities								
2500	Non-current financial liabilities at fair value through profit or loss	6(9)	480	-	-	-	-	-
2530	Corporate bonds payable	6(10)	380,201	22	-	-	-	-
2600	Other non-current liabilities	6(11)	9,084	-	8,864	1	8,790	1
25XX	Total non-current liabilities		389,765	22	8,864	1	8,790	1
2XXX	Total liabilities		449,780	26	36,070	3	27,953	2
Equity attributable to owners of parent								
	Share capital	6(14)						
3110	Common stock		974,728	55	974,818	70	974,818	66
	Capital surplus	6(15)						
3200	Capital surplus		426,779	24	563,634	40	723,630	49
	Accumulated deficit	6(16)						
3350	Accumulated deficit		( 87,694)	( 5)	( 172,645)	( 13)	( 245,096)	( 17)
	Other equity interest	6(17)						
3400	Other equity interest		( 7,831)	-	( 6,874)	-	( 5,259)	-
3XXX	Total equity		1,305,982	74	1,358,933	97	1,448,093	98
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the reporting period	11						
3X2X	Total liabilities and equity		\$ 1,755,762	100	\$ 1,395,003	100	\$ 1,476,046	100

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

**GLYCONEX INCORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**SIX MONTHS ENDED JUNE 30, 2022 AND 2021**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT LOSS PER SHARE AMOUNTS)  
(REVIEWED, NOT AUDITED)

	Items	Notes	Three months ended June 30				Six months ended June 30			
			2022		2021		2022		2021	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18)	\$ 14,982	100	\$ 337	100	\$ 28,362	100	\$ 854	100
5000	Operating costs	6(23)(24)	( 6,039)	( 40)	( 233)	( 69)	( 14,640)	( 52)	( 440)	( 52)
5950	Gross profit		8,943	60	104	31	13,722	48	414	48
	Operating expenses	6(23)(24)								
6100	Selling expenses		( 1,154)	( 8)	( 1,081)	( 321)	( 2,030)	( 7)	( 2,182)	( 255)
6200	General and administrative expenses		( 14,723)	( 98)	( 13,657)	( 4052)	( 25,513)	( 90)	( 26,037)	( 3049)
6300	Research and development expenses		( 52,665)	( 352)	( 31,778)	( 9430)	( 83,708)	( 295)	( 67,294)	( 7880)
6000	Total operating expenses		( 68,542)	( 458)	( 46,516)	( 13803)	( 111,251)	( 392)	( 95,513)	( 11184)
6900	Operating loss		( 59,599)	( 398)	( 46,412)	( 13772)	( 97,529)	( 344)	( 95,099)	( 11136)
	Non-operating income and expenses									
7100	Interest income	6(2)(19)	642	4	710	211	1,207	4	1,445	169
7010	Other income	6(6)(20)	4,972	33	4,729	1403	9,795	35	9,242	1082
7020	Other gains and losses	6(21)	( 1,986)	( 13)	( 410)	( 122)	( 985)	( 3)	( 698)	( 81)
7050	Finance costs	6(22)	( 182)	( 1)	-	-	( 182)	( 1)	-	-
7000	Total non-operating income and expenses		3,446	23	5,029	1492	9,835	35	9,989	1170
7900	Loss before income tax		( 56,153)	( 375)	( 41,383)	( 12280)	( 87,694)	( 309)	( 85,110)	( 9966)
7950	Income tax expense	6(25)	-	-	-	-	-	-	-	-
8200	Net loss		( \$ 56,153)	( 375)	( \$ 41,383)	( 12280)	( \$ 87,694)	( 309)	( \$ 85,110)	( 9966)
	Other comprehensive loss									
	Components of other comprehensive loss that will not be reclassified to profit or loss									
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(4)(17)	( \$ 1,107)	( 7)	( \$ 1,679)	( 498)	( \$ 1,832)	( 7)	( \$ 2,679)	( 314)
8300	Total other comprehensive loss for the period		( \$ 1,107)	( 7)	( \$ 1,679)	( 498)	( \$ 1,832)	( 7)	( \$ 2,679)	( 314)
8500	Total comprehensive loss for the period		( \$ 57,260)	( 382)	( \$ 43,062)	( 12778)	( \$ 89,526)	( 316)	( \$ 87,789)	( 10280)
	Loss attributable to:									
8610	Owners of the parent		( \$ 56,153)	( 375)	( \$ 41,383)	( 12280)	( \$ 87,694)	( 309)	( \$ 85,110)	( 9966)
	Comprehensive loss attributable to:									
8710	Owners of the parent		( \$ 57,260)	( 382)	( \$ 43,062)	( 12778)	( \$ 89,526)	( 316)	( \$ 87,789)	( 10280)
	Loss per share (in dollars)	6(27)								
9750	Basic loss per share		( \$ 0.57)		( \$ 0.43)		( \$ 0.90)		( \$ 0.88)	
9850	Diluted loss per share		( \$ 0.57)		( \$ 0.43)		( \$ 0.90)		( \$ 0.88)	

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

GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
SIX MONTHS ENDED JUNE 30, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)  
(REVIEWED, NOT AUDITED)

		Equity attributable to owners of the parent								
		Capital	Capital Reserves				Other Equity Interest			Total equity
							Unrealised gains or losses on financial assets measured at fair value through other comprehensive income	Unearned compensation of restricted stock to employees		
Notes		Common stock	Additional paid in capital	Stock warrants	Restricted stock to employees	Others	Accumulated deficit			
<u>Six months ended June 30, 2021</u>										
	Balance at January 1, 2021	\$ 975,078	\$ 719,518	\$ -	\$ 4,546	\$ 9	(\$ 159,996)	\$ 31	\$ 391	\$1,539,577
	Net loss for the period	-	-	-	-	-	( 85,110)	-	-	( 85,110)
	Other comprehensive loss for the period	6(17)	-	-	-	-	-	( 2,679)	-	( 2,679)
	Total comprehensive loss	-	-	-	-	-	( 85,110)	( 2,679)	-	( 87,789)
	Disposal of financial assets at fair value through other comprehensive income - non-current	6(4)(17)	-	-	-	-	10	( 10)	-	-
	Vesting of restricted stocks to employees	6(13)	-	156	-	( 156)	-	-	-	-
	Retirement of restricted stocks to employees	6(13)	( 260)	-	-	( 443)	-	-	703	-
	Compensation costs of restricted stocks to employees	6(13)	-	-	-	-	-	-	( 3,695)	( 3,695)
	Balance at June 30, 2021	\$ 974,818	\$ 719,674	\$ -	\$ 3,947	\$ 9	(\$ 245,096)	(\$ 2,658)	(\$ 2,601)	\$1,448,093
<u>Six months ended June 30, 2022</u>										
	Balance at January 1, 2022	\$ 974,818	\$ 559,678	\$ -	\$ 3,947	\$ 9	(\$ 172,645)	(\$ 5,140)	(\$ 1,734)	\$1,358,933
	Net loss for the period	-	-	-	-	-	( 87,694)	-	-	( 87,694)
	Other comprehensive loss for the period	6(17)	-	-	-	-	-	( 1,832)	-	( 1,832)
	Total comprehensive loss	-	-	-	-	-	( 87,694)	( 1,832)	-	( 89,526)
	Capital reserve used to offset against accumulated deficit	6(16)	-	( 172,645)	-	-	172,645	-	-	-
	Issuance of convertible bonds	6(10)	-	-	35,870	-	-	-	-	35,870
	Retirement of restricted stocks to employees	6(13)	( 90)	-	-	( 80)	-	-	170	-
	Compensation costs of restricted stocks to employees	6(13)	-	-	-	-	-	-	705	705
	Balance at June 30, 2022	\$ 974,728	\$ 387,033	\$ 35,870	\$ 3,867	\$ 9	(\$ 87,694)	(\$ 6,972)	(\$ 859)	\$1,305,982

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

**GLYCONEX INCORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**SIX MONTHS ENDED JUNE 30, 2022 AND 2021**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)  
(REVIEWED, NOT AUDITED)

		Six months ended June 30	
	Notes	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		( \$ 87,694 )	( \$ 85,110 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5)(23)	19,901	19,804
Amortisation	6(23)	216	244
Interest expense	6(22)	182	-
Interest income	6(19)	( 1,207 )	( 1,445 )
Compensation costs of restricted stocks to employees	6(13)	705	( 3,695 )
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		( 20 )	( 228 )
Other receivables		( 6,976 )	129
Prepayments		( 5,281 )	482
Other current assets		( 602 )	72
Other non-current assets		( 422 )	( 168 )
Changes in operating liabilities			
Contract liabilities - current		45	( 249 )
Notes payable		900	( 900 )
Other payables		12	( 3,233 )
Other current liabilities		59	( 129 )
Other non-current liabilities		( 73 )	( 78 )
Cash outflow generated from operations		( 80,255 )	( 74,504 )
Interest received		1,188	1,454
Interest paid		( 91 )	-
Income taxes refund		36	69
Net cash flows used in operating activities		( 79,122 )	( 72,981 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in financial assets measured at amortised cost		( 10,988 )	( 2,042 )
Acquisition of property, plant and equipment	6(5)(28)	( 3,030 )	( 2,969 )
Proceeds from disposal of financial asset at fair value	6(4)	-	617
through other comprehensive income - non-current		-	-
Decrease in refundable deposits (shown as other non-current assets)		6	-
Increase in other non-current assets		-	( 857 )
Net cash flows used in investing activities		( 14,012 )	( 5,251 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in short-term loans	6(29)	30,000	-
Increase (decrease) in deposits received (shown as other non-current liabilities)		293	( 26 )
Issuance of convertible bonds	6(10)	420,630	-
Cost on issuance of convertible bonds	6(10)	( 175 )	-
Net cash flows provided by (used in) financing activities		450,748	( 26 )
Net increase (decrease) in cash and cash equivalents		357,614	( 78,258 )
Cash and cash equivalents at beginning of period		125,067	152,740
Cash and cash equivalents at end of period		\$ 482,681	\$ 74,482

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