

**GLYCONEX INCORPORATION AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
SEPTEMBER 30, 2023 AND 2022**

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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.

## REPORT ON REVIEW OF FINANCIAL STATEMENTS

To GlycoNex Incorporation

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of GlycoNex Incorporation and its subsidiary (the “Group”) as at September 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine 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” 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” of 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, 2023 and 2022, and of its consolidated financial performance for the three months and nine months then ended, and its consolidated cash flows for the nine 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” that came into effect as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan

November 9, 2023

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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  
SEPTEMBER 30, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS			September 30, 2023		December 31, 2022		September 30, 2022	
Notes			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 109,847	7	\$ 82,187	5	\$ 159,358	9
1136	Financial assets at amortised cost -	6(2)						
	current		626,965	39	596,582	35	572,332	32
1170	Accounts receivable, net		1,211	-	46	-	80	-
1200	Other receivables		15,427	1	4,325	-	3,224	-
1220	Current income tax assets		209	-	199	-	161	-
1410	Prepayments	6(3)	17,352	1	29,478	2	33,980	2
1470	Other current assets		322	-	310	-	352	-
11XX	Total current assets		771,333	48	713,127	42	769,487	43
Non-current assets								
1517	Financial assets at fair value	6(4)						
	through other comprehensive							
	income - non-current		13,453	1	13,518	1	13,251	1
1600	Property, plant and equipment	6(5) and 8	811,145	51	989,919	57	998,492	56
1900	Other non-current assets		5,789	-	384	-	437	-
15XX	Total non-current assets		830,387	52	1,003,821	58	1,012,180	57
1XXX	Total assets		\$ 1,601,720	100	\$ 1,716,948	100	\$ 1,781,667	100

(Continued)

**GLYCONEX INCORPORATION AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

LIABILITIES AND EQUITY		Notes	September 30, 2023		December 31, 2022		September 30, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>								
2100	Current borrowings	6(7) and 8	\$ -	-	\$ 5,000	1	\$ 15,000	1
2120	Current financial liabilities at fair value through profit or loss	6(9)	261	-	-	-	-	-
2130	Contract liabilities - current	6(18)	82	-	76	-	76	-
2150	Notes payable		1,350	-	900	-	1,350	-
2200	Other payables	6(8)	26,516	2	36,996	2	24,738	1
2230	Current tax liabilities		14,645	1	-	-	-	-
2300	Other current liabilities	6(10) and 8	212,082	13	1,512	-	435	-
21XX	<b>Total current liabilities</b>		<u>254,936</u>	<u>16</u>	<u>44,484</u>	<u>3</u>	<u>41,599</u>	<u>2</u>
<b>Non-current liabilities</b>								
2500	Non-current financial liabilities at fair value through profit or loss	6(9)	-	-	274	-	312	-
2530	Corporate bonds payable	6(10) and 8	-	-	218,679	13	248,196	14
2600	Other non-current liabilities	6(11)	6,085	-	7,900	-	9,053	1
25XX	<b>Total non-current liabilities</b>		<u>6,085</u>	<u>-</u>	<u>226,853</u>	<u>13</u>	<u>257,561</u>	<u>15</u>
2XXX	<b>Total liabilities</b>		<u>261,021</u>	<u>16</u>	<u>271,337</u>	<u>16</u>	<u>299,160</u>	<u>17</u>
<b>Equity attributable to owners of parent</b>								
	Share capital	6(14)						
3110	Common stock		1,086,401	68	1,070,980	62	1,019,728	57
3130	Certificate of entitlement to new shares from convertible bonds		-	-	11,685	1	51,282	3
	Capital surplus	6(15)						
3200	Capital surplus		374,857	23	587,473	34	568,644	31
	Accumulated deficit	6(16)						
3350	Accumulated deficit		( 114,667)	( 7)	( 218,700)	( 13)	( 150,619)	( 8)
	Other equity interest	6(17)						
3400	Other equity interest		( 5,892)	-	( 5,827)	-	( 6,528)	-
3XXX	<b>Total equity</b>		<u>1,340,699</u>	<u>84</u>	<u>1,445,611</u>	<u>84</u>	<u>1,482,507</u>	<u>83</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 1,601,720</u>	<u>100</u>	<u>\$ 1,716,948</u>	<u>100</u>	<u>\$ 1,781,667</u>	<u>100</u>

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

**GLYCONEX INCORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR LOSS PER SHARE AMOUNTS)

	Items	Notes	Three months ended September 30				Nine months ended September 30			
			2023		2022		2023		2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18)	\$ 933	100	\$ 73	100	\$ 2,542	100	\$ 28,435	100
5000	Operating costs	6(23)(24)	( 423)	( 45)	( 21)	( 29)	( 1,547)	( 61)	( 14,661)	( 52)
5950	Gross profit		510	55	52	71	995	39	13,774	48
	Operating expenses	6(23)(24)								
6100	Selling expenses		( 1,383)	( 148)	( 1,278)	( 1751)	( 4,193)	( 165)	( 3,308)	( 12)
6200	General and administrative expenses		( 10,904)	( 1169)	( 14,940)	( 20466)	( 35,489)	( 1396)	( 40,453)	( 142)
6300	Research and development expenses		( 56,784)	( 6086)	( 51,636)	( 70734)	( 154,515)	( 6079)	( 135,344)	( 476)
6000	Total operating expenses		( 69,071)	( 7403)	( 67,854)	( 92951)	( 194,197)	( 7640)	( 179,105)	( 630)
6900	Operating loss		( 68,561)	( 7348)	( 67,802)	( 92880)	( 193,202)	( 7601)	( 165,331)	( 582)
	Non-operating income and expenses									
7100	Interest income	6(2)(19)	2,802	300	1,525	2089	6,564	258	2,732	10
7010	Other income	6(6)(20)	5,046	541	4,975	6815	16,338	643	14,770	52
7020	Other gains and losses	6(21)	2,047	220	985	1349	74,565	2933	-	-
7050	Finance costs	6(22)	( 1,424)	( 153)	( 2,608)	( 3572)	( 4,287)	( 168)	( 2,790)	( 10)
7000	Total non-operating income and expenses		8,471	908	4,877	6681	93,180	3666	14,712	52
7900	Loss before income tax		( 60,090)	( 6440)	( 62,925)	( 86199)	( 100,022)	( 3935)	( 150,619)	( 530)
7950	Income tax expense	6(25)	-	-	-	-	( 14,645)	( 576)	-	-
8200	Net loss		( \$ 60,090)	( 6440)	( \$ 62,925)	( 86199)	( \$ 114,667)	( 4511)	( \$ 150,619)	( 530)
	Other comprehensive (loss) income									
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss									
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(4)(17)	( \$ 829)	( 89)	\$ 878	1203	( \$ 65)	( 2)	( \$ 954)	( 3)
8300	Total other comprehensive (loss) income for the period		( \$ 829)	( 89)	\$ 878	1203	( \$ 65)	( 2)	( \$ 954)	( 3)
8500	Total comprehensive loss for the period		( \$ 60,919)	( 6529)	( \$ 62,047)	( 84996)	( \$ 114,732)	( 4513)	( \$ 151,573)	( 533)
	Loss attributable to:									
8610	Owners of the parent		( \$ 60,090)	( 6440)	( \$ 62,925)	( 86199)	( \$ 114,667)	( 4511)	( \$ 150,619)	( 530)
	Comprehensive loss attributable to:									
8710	Owners of the parent		( \$ 60,919)	( 6529)	( \$ 62,047)	( 84996)	( \$ 114,732)	( 4513)	( \$ 151,573)	( 533)
	Loss per share (in dollars)	6(27)								
9750	Basic loss per share		( \$ 0.55)		( \$ 0.64)		( \$ 1.06)		( \$ 1.54)	
9850	Diluted loss per share		( \$ 0.55)		( \$ 0.64)		( \$ 1.06)		( \$ 1.54)	

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

GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity attributable to owners of the parent								Other Equity Interest	
		Capital	Capital Reserves								
			Certificate of entitlement to new shares from convertible bonds	Additional paid in capital	Stock warrants	Restricted stock to employees	Others	Accumulated deficit	Unrealised losses on financial assets measured at fair value through other comprehensive income	Unearned compensation of restricted stock to employees	Total equity
Notes		Common stock									
<u>Nine months ended September 30, 2022</u>											
		\$ 974,818	\$ -	\$ 559,678	\$ -	\$ 3,947	\$ 9	(\$ 172,645 )	(\$ 5,140 )	(\$ 1,734 )	\$ 1,358,933
		Net loss for the period	-	-	-	-	-	( 150,619 )	-	-	( 150,619 )
	6(17)	Other comprehensive loss for the period	-	-	-	-	-	-	( 954 )	-	( 954 )
		Total comprehensive loss	-	-	-	-	-	( 150,619 )	( 954 )	-	( 151,573 )
	6(14)	Issuance of common stock for cash	45,000	57,500	-	-	-	-	-	-	102,500
	6(13)	Compensation costs of common stock for cash	-	1,835	-	-	-	-	-	-	1,835
	6(16)	Capital reserve used to offset against accumulated deficit	-	( 172,645 )	-	-	-	172,645	-	-	-
	6(10)	Issuance of convertible bonds	-	-	35,870	-	-	-	-	-	35,870
	6(10)	Conversion of convertible bonds	-	51,282	95,210	( 12,680 )	-	-	-	-	133,812
	6(13)	Retirement of restricted stocks to employees	( 90 )	-	-	( 80 )	-	-	-	170	-
	6(13)	Compensation costs of restricted stocks to employees	-	-	-	-	-	-	-	1,130	1,130
		Balance at September 30, 2022	\$ 1,019,728	\$ 51,282	\$ 541,578	\$ 23,190	\$ 3,867	\$ 9	(\$ 150,619 )	(\$ 6,094 )	\$ 1,482,507
<u>Nine months ended September 30, 2023</u>											
		\$ 1,070,980	\$ 11,685	\$ 563,323	\$ 20,300	\$ 3,841	\$ 9	(\$ 218,700 )	(\$ 5,827 )	\$ -	\$ 1,445,611
		Net loss for the period	-	-	-	-	-	( 114,667 )	-	-	( 114,667 )
	6(17)	Other comprehensive loss for the period	-	-	-	-	-	-	( 65 )	-	( 65 )
		Total comprehensive loss	-	-	-	-	-	( 114,667 )	( 65 )	-	( 114,732 )
	6(16)	Capital reserve used to offset against accumulated deficit	-	( 218,700 )	-	-	-	218,700	-	-	-
	6(10)	Conversion of convertible bonds	15,421	( 11,685 )	7,007	( 923 )	-	-	-	-	9,820
		Balance at September 30, 2023	\$ 1,086,401	\$ -	\$ 351,630	\$ 19,377	\$ 3,841	\$ 9	(\$ 114,667 )	(\$ 5,892 )	\$ 1,340,699

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

GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Nine months ended September 30 2023	2022
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Loss before tax		( \$ 100,022 )	( \$ 150,619 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5)(23)	22,812	29,768
Amortisation	6(23)	932	391
Interest expense	6(22)	4,287	2,790
Interest income	6(19)	( 6,564 )	( 2,732 )
Compensation costs of restricted stocks to employees	6(13)	-	1,130
Compensation costs of common stock for cash	6(13)	-	1,835
Gain on disposal of property, plan and equipment	6(21)	( 73,812 )	-
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		( 1,165 )	270
Other receivables		( 10,888 )	( 2,078 )
Prepayments		12,126	( 8,454 )
Other current assets		( 12 )	( 212 )
Changes in operating liabilities			
Contract liabilities - current		6	-
Notes payable		450	450
Other payables		( 10,937 )	2,139
Other current liabilities		( 1,020 )	( 1,088 )
Other non-current liabilities		( 92 )	( 104 )
Cash outflow generated from operations		( 163,899 )	( 126,514 )
Interest received		6,350	2,425
Interest paid		( 1,569 )	( 1,060 )
Income tax refund		-	79
Income tax paid		( 10 )	-
Net cash flows used in operating activities		( 159,128 )	( 125,070 )
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Increase in financial assets measured at amortised cost		( 30,383 )	( 365,806 )
Acquisition of property, plant and equipment	6(28)	( 7,232 )	( 8,427 )
Proceeds from disposal of property, plant and equipment	6(5)	237,463	-
Increase in prepayments for equipment (shown as other non-current assets)		( 3,998 )	-
(Increase) decrease in refundable deposits (shown as other non-current assets)		( 770 )	6
Increase in other non-current assets		( 1,569 )	( 660 )
Net cash flows from (used in) investing activities		193,511	( 374,887 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Issuance of common stock for cash	6(14)	-	103,500
Cost on issuance of common stock for cash (shown as deduction of capital reserve)		-	( 1,000 )
Increase in short-term loans	6(29)	10,000	61,000
Decrease in short-term loans	6(29)	( 15,000 )	( 46,000 )
(Decrease) increase in deposits received (shown as other non-current liabilities)		( 1,723 )	293
Issuance of convertible bonds	6(10)	-	420,630
Cost on issuance of convertible bonds	6(10)	-	( 4,175 )
Net cash flows (used in) provided by financing activities		( 6,723 )	534,248
Net increase in cash and cash equivalents		27,660	34,291
Cash and cash equivalents at beginning of period		82,187	125,067
Cash and cash equivalents at end of period		<u>\$ 109,847</u>	<u>\$ 159,358</u>

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