

**GLYCONEX INCORPORATION AND  
SUBSIDIARY  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
MARCH 31, 2024 AND 2023**

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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 TRANSLATED FROM CHINESE

To GlycoNex Incorporation

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of GlycoNex Incorporation and its subsidiary (the “Group”) as at March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months 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” 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 March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three 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

May 9, 2024

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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  
MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS			Notes	March 31, 2024		December 31, 2023		March 31, 2023			
				AMOUNT	%	AMOUNT	%	AMOUNT	%		
Current assets											
1100	Cash and cash equivalents	6(1)	\$	148,951	10	\$	149,467	10	\$	83,206	5
1136	Financial assets at amortised cost -	6(2)									
	current			490,600	32		550,308	35		539,188	33
1170	Accounts receivable, net			-	-		25	-		-	-
1200	Other receivables			25,161	2		5,310	-		10,158	1
1220	Current income tax assets			266	-		243	-		229	-
1410	Prepayments	6(3)		12,405	1		11,850	1		24,941	1
1460	Non-current assets or disposal	6(7)									
	groups classified as held for sale,										
	net			-	-		-	-		163,651	10
1470	Other current assets			1,494	-		1,130	-		302	-
11XX	Total current assets			678,877	45		718,333	46		821,675	50
Non-current assets											
1517	Financial assets at fair value	6(4)									
	through other comprehensive										
	income - non-current			11,430	1		12,613	1		14,778	1
1600	Property, plant and equipment	6(5) and 8		830,991	54		813,650	52		818,060	49
1900	Other non-current assets			4,095	-		8,218	1		2,038	-
15XX	Total non-current assets			846,516	55		834,481	54		834,876	50
1XXX	Total assets		\$	1,525,393	100	\$	1,552,814	100	\$	1,656,551	100

(Continued)

**GLYCONEX INCORPORATION AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

LIABILITIES AND EQUITY		Notes	March 31, 2024		December 31, 2023		March 31, 2023				
			AMOUNT	%	AMOUNT	%	AMOUNT	%			
Current liabilities											
2100	Current borrowings	6(8) and 8	\$	-	-	\$	-	-	\$	10,000	1
2120	Current financial liabilities at fair value through profit or loss	6(10)		261	-		261	-		-	-
2130	Contract liabilities - current	6(19)		94	-		104	-		76	-
2150	Notes payable			450	-		900	-		574	-
2200	Other payables	6(9)		86,160	6		40,443	3		29,179	2
2230	Current tax liabilities			14,645	1		14,645	1		-	-
2300	Other current liabilities	6(11) and 8		215,472	14		214,230	14		513	-
21XX	Total current liabilities			317,082	21		270,583	18		40,342	3
Non-current liabilities											
2500	Non-current financial liabilities at fair value through profit or loss	6(10)		-	-		-	-		262	-
2530	Corporate bonds payable	6(11) and 8		-	-		-	-		209,985	13
2600	Other non-current liabilities	6(12)		5,784	-		5,816	-		7,874	-
25XX	Total non-current liabilities			5,784	-		5,816	-		218,121	13
2XXX	Total liabilities			322,866	21		276,399	18		258,463	16
Equity attributable to owners of parent											
	Share capital	6(15)									
3110	Common stock			1,086,401	71		1,086,401	70		1,082,665	65
3130	Certificate of entitlement to new shares from convertible bonds			-	-		-	-		3,663	-
	Capital surplus	6(16)									
3200	Capital surplus			374,857	24		374,857	24		593,437	36
	Accumulated deficit	6(17)									
3350	Accumulated deficit		(	250,816)	( 16)	(	178,111)	( 12)	(	277,110)	( 17)
	Other equity interest	6(18)									
3400	Other equity interest		(	7,915)	-	(	6,732)	-	(	4,567)	-
3XXX	Total equity			1,202,527	79		1,276,415	82		1,398,088	84
	Significant contingent liabilities and unrecognised contract commitments	9									
3X2X	Total liabilities and equity		\$	1,525,393	100	\$	1,552,814	100	\$	1,656,551	100

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

**GLYCONEX INCORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**THREE MONTHS ENDED MARCH 31, 2024 AND 2023**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR LOSS PER SHARE AMOUNTS)

			Three months ended March 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(19)		\$ 9,238	100	\$ 201	100
5000 Operating costs	6(24)(25)		( 3,615)	( 39)	( 181)	( 90)
5950 Gross profit			<u>5,623</u>	<u>61</u>	<u>20</u>	<u>10</u>
Operating expenses	6(24)(25)					
6100 Selling expenses			( 1,088)	( 12)	( 1,608)	( 800)
6200 General and administrative expenses			( 9,657)	( 105)	( 11,219)	( 5582)
6300 Research and development expenses			( 72,198)	( 781)	( 50,828)	( 25287)
6000 Total operating expenses			<u>( 82,943)</u>	<u>( 898)</u>	<u>( 63,655)</u>	<u>( 31669)</u>
6900 Operating loss			<u>( 77,320)</u>	<u>( 837)</u>	<u>( 63,635)</u>	<u>( 31659)</u>
Non-operating income and expenses						
7100 Interest income	6(2)(20)		2,395	26	1,774	883
7010 Other income	6(6)(21)		2,892	31	4,849	2412
7020 Other gains and losses	6(22)		747	8	51	25
7050 Finance costs	6(23)		( 1,419)	( 15)	( 1,449)	( 721)
7000 Total non-operating income and expenses			<u>4,615</u>	<u>50</u>	<u>5,225</u>	<u>2599</u>
7900 <b>Loss before income tax</b>			<u>( 72,705)</u>	<u>( 787)</u>	<u>( 58,410)</u>	<u>( 29060)</u>
7950 Income tax expense	6(26)		-	-	-	-
8200 <b>Net loss</b>			<u>(\$ 72,705)</u>	<u>( 787)</u>	<u>(\$ 58,410)</u>	<u>( 29060)</u>
<b>Other comprehensive (loss) income</b>						
<b>Components of other comprehensive (loss) income that will not be reclassified to profit or loss</b>						
8316 Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(4)(18)		(\$ 1,183)	( 13)	\$ 1,260	627
8300 <b>Total other comprehensive (loss) income for the period</b>			<u>(\$ 1,183)</u>	<u>( 13)</u>	<u>\$ 1,260</u>	<u>627</u>
8500 <b>Total comprehensive loss for the period</b>			<u>(\$ 73,888)</u>	<u>( 800)</u>	<u>(\$ 57,150)</u>	<u>( 28433)</u>
Loss attributable to:						
8610 Owners of the parent			<u>(\$ 72,705)</u>	<u>( 787)</u>	<u>(\$ 58,410)</u>	<u>( 29060)</u>
Comprehensive loss attributable to:						
8710 Owners of the parent			<u>(\$ 73,888)</u>	<u>( 800)</u>	<u>(\$ 57,150)</u>	<u>( 28433)</u>
Loss per share (in dollars)						
9750 Basic loss per share	6(28)		<u>(\$ 0.67)</u>		<u>(\$ 0.55)</u>	
9850 Diluted loss per share			<u>(\$ 0.67)</u>		<u>(\$ 0.55)</u>	

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

GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
THREE MONTHS ENDED MARCH 31, 2024 AND 2023  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Equity attributable to owners of the parent									
Notes	Capital	Capital Reserves					Accumulated deficit	Other Equity Interest Unrealised losses on financial assets measured at fair value through other comprehensive income	Total equity
	Common stock	Certificate of entitlement to new shares from convertible bond	Additional paid in capital	Stock warrants	Restricted stock to employees	Others			
<u>Three months ended March 31, 2023</u>									
Balance at January 1, 2023	\$ 1,070,980	\$ 11,685	\$ 563,323	\$ 20,300	\$ 3,841	\$ 9	(\$ 218,700)	(\$ 5,827)	\$ 1,445,611
Net loss for the period	-	-	-	-	-	-	( 58,410)	-	( 58,410)
Other comprehensive income for the period	6(18)	-	-	-	-	-	-	1,260	1,260
Total comprehensive loss		-	-	-	-	-	( 58,410)	1,260	( 57,150)
Conversion of convertible bonds	6(11)	11,685	( 8,022)	6,869	( 905)	-	-	-	9,627
Balance at March 31, 2023	<u>\$ 1,082,665</u>	<u>\$ 3,663</u>	<u>\$ 570,192</u>	<u>\$ 19,395</u>	<u>\$ 3,841</u>	<u>\$ 9</u>	<u>(\$ 277,110)</u>	<u>(\$ 4,567)</u>	<u>\$ 1,398,088</u>
<u>Three months ended March 31, 2024</u>									
Balance at January 1, 2024	\$ 1,086,401	\$ -	\$ 351,630	\$ 19,377	\$ 3,841	\$ 9	(\$ 178,111)	(\$ 6,732)	\$ 1,276,415
Net loss for the period	-	-	-	-	-	-	( 72,705)	-	( 72,705)
Other comprehensive loss for the period	6(18)	-	-	-	-	-	-	( 1,183)	( 1,183)
Total comprehensive loss		-	-	-	-	-	( 72,705)	( 1,183)	( 73,888)
Balance at March 31, 2024	<u>\$ 1,086,401</u>	<u>\$ -</u>	<u>\$ 351,630</u>	<u>\$ 19,377</u>	<u>\$ 3,841</u>	<u>\$ 9</u>	<u>(\$ 250,816)</u>	<u>(\$ 7,915)</u>	<u>\$ 1,202,527</u>

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

GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
THREE MONTHS ENDED MARCH 31, 2024 AND 2023  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Three months ended March 31 2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Loss before tax		(\$ 72,705 )	(\$ 58,410 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	7,113	8,473
Amortisation	6(24)	542	213
Interest expense	6(23)	1,419	1,449
Interest income	6(20)	( 2,395 )	( 1,774 )
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		25	46
Other receivables		( 19,921 )	( 5,826 )
Prepayments		( 555 )	4,537
Other current assets		( 364 )	8
Changes in operating liabilities			
Contract liabilities - current		( 10 )	-
Notes payable		( 450 )	( 326 )
Other payables		35,809	( 7,169 )
Other current liabilities		339	( 999 )
Other non-current liabilities		( 32 )	( 31 )
Cash outflow generated from operations		( 51,185 )	( 59,809 )
Interest received		2,465	1,767
Interest paid		( 516 )	( 528 )
Income tax paid		( 23 )	( 30 )
Net cash flows used in operating activities		( 49,259 )	( 58,600 )
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Decrease in financial assets measured at amortised cost		59,708	57,394
Acquisition of property, plant and equipment	6(29)	( 10,443 )	( 913 )
Increase in prepayments for equipment (shown as other non-current assets)		-	( 1,486 )
Increase in other non-current assets		( 522 )	( 381 )
Net cash flows from investing activities		48,743	54,614
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term loans	6(30)	-	10,000
Decrease in short-term loans	6(30)	-	( 5,000 )
Increase in deposits received (shown as other non-current liabilities)		-	5
Net cash flows from financing activities		-	5,005
Net (decrease) increase in cash and cash equivalents		( 516 )	1,019
Cash and cash equivalents at beginning of period		149,467	82,187
Cash and cash equivalents at end of period		\$ 148,951	\$ 83,206

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