

**GLYCONEX INCORPORATION AND  
SUBSIDIARY  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
JUNE 30, 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 June 30, 2024 and 2023, 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 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 June 30, 2024 and 2023, 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” that came into effect as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan

August 8, 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  
JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS			June 30, 2024		December 31, 2023		June 30, 2023				
			Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%		
Current assets											
1100	Cash and cash equivalents	6(1)	\$	117,960	8	\$	149,467	10	\$	330,074	20
1136	Financial assets at amortised cost -	6(2)									
	current			425,600	30		550,308	35		480,747	29
1170	Accounts receivable, net			20	-		25	-		563	-
1200	Other receivables			5,248	1		5,310	-		3,540	-
1220	Current income tax assets			52	-		243	-		188	-
1410	Prepayments	6(3)		12,919	1		11,850	1		19,944	1
1470	Other current assets			123	-		1,130	-		91	-
11XX	Total current assets			561,922	40		718,333	46		835,147	50
Non-current assets											
1517	Financial assets at fair value	6(4)									
	through other comprehensive										
	income - non-current			15,209	1		12,613	1		14,282	1
1600	Property, plant and equipment	6(5) and 8		834,339	59		813,650	52		816,574	49
1780	Intangible assets	6(7)		3,956	-		-	-		-	-
1900	Other non-current assets			728	-		8,218	1		998	-
15XX	Total non-current assets			854,232	60		834,481	54		831,854	50
1XXX	Total assets		\$	1,416,154	100	\$	1,552,814	100	\$	1,667,001	100

(Continued)

GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS  
JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

LIABILITIES AND EQUITY		Notes	June 30, 2024		December 31, 2023		June 30, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2120	Current financial liabilities at fair value through profit or loss	6(10)	\$ 261	-	\$ 261	-	\$ -	-
2130	Contract liabilities - current	6(19)	1,021	-	104	-	76	-
2150	Notes payable		1,868	-	900	-	1,800	-
2200	Other payables	6(9)	35,786	3	40,443	3	28,405	2
2230	Current tax liabilities		-	-	14,645	1	14,645	1
2300	Other current liabilities	6(11) and 8	215,462	15	214,230	14	1,600	-
21XX	Total current liabilities		254,398	18	270,583	18	46,526	3
Non-current liabilities								
2500	Non-current financial liabilities at fair value through profit or loss	6(10)	-	-	-	-	261	-
2530	Corporate bonds payable	6(11) and 8	-	-	-	-	210,687	13
2600	Other non-current liabilities	6(12)	5,465	-	5,816	-	7,909	-
25XX	Total non-current liabilities		5,465	-	5,816	-	218,857	13
2XXX	Total liabilities		259,863	18	276,399	18	265,383	16
Equity attributable to owners of parent								
	Share capital	6(15)						
3110	Common stock		1,086,401	77	1,086,401	70	1,086,328	65
3130	Certificate of entitlement to new shares from convertible bonds		-	-	-	-	73	-
	Capital surplus	6(16)						
3200	Capital surplus		196,746	14	374,857	24	374,857	22
	Accumulated deficit	6(17)						
3350	Accumulated deficit		( 122,720)	( 9)	( 178,111)	( 12)	( 54,577)	( 3)
	Other equity interest	6(18)						
3400	Other equity interest		( 4,136)	-	( 6,732)	-	( 5,063)	-
3XXX	Total equity		1,156,291	82	1,276,415	82	1,401,618	84
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		\$ 1,416,154	100	\$ 1,552,814	100	\$ 1,667,001	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, 2024 AND 2023**

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

	Items	Notes	Three months ended June 30				Six months ended June 30			
			2024		2023		2024		2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19)	\$ 95	100	\$ 1,408	100	\$ 9,333	100	\$ 1,609	100
5000	Operating costs	6(24)(25)	( 24)	( 25)	( 943)	( 67)	( 3,639)	( 39)	( 1,124)	( 70)
5950	Gross profit		71	75	465	33	5,694	61	485	30
	Operating expenses	6(24)(25)								
6100	Selling expenses		( 1,154)	( 1215)	( 1,202)	( 86)	( 2,242)	( 24)	( 2,810)	( 175)
6200	General and administrative expenses		( 12,981)	( 13664)	( 13,366)	( 949)	( 22,638)	( 243)	( 24,585)	( 1528)
6300	Research and development expenses		( 40,466)	( 42596)	( 46,903)	( 3331)	( 112,664)	( 1207)	( 97,731)	( 6074)
6000	Total operating expenses		( 54,601)	( 57475)	( 61,471)	( 4366)	( 137,544)	( 1474)	( 125,126)	( 7777)
6900	Operating loss		( 54,530)	( 57400)	( 61,006)	( 4333)	( 131,850)	( 1413)	( 124,641)	( 7747)
	Non-operating income and expenses									
7100	Interest income	6(2)(20)	2,191	2306	1,988	141	4,586	49	3,762	234
7010	Other income	6(6)(21)	2,788	2935	6,443	458	5,680	61	11,292	702
7020	Other gains and losses	6(22)	979	1031	72,467	5147	1,726	18	72,518	4507
7050	Finance costs	6(23)	( 1,419)	( 1494)	( 1,414)	( 101)	( 2,838)	( 30)	( 2,863)	( 178)
7000	Total non-operating income and expenses		4,539	4778	79,484	5645	9,154	98	84,709	5265
7900	<b>(Loss) income before income tax</b>		( 49,991)	( 52622)	18,478	1312	( 122,696)	( 1315)	( 39,932)	( 2482)
7950	Income tax expense	6(26)	( 24)	( 25)	( 14,645)	( 1040)	( 24)	-	( 14,645)	( 910)
8200	<b>Net (loss) income</b>		<u>( \$ 50,015)</u>	<u>( 52647)</u>	<u>\$ 3,833</u>	<u>272</u>	<u>( \$ 122,720)</u>	<u>( 1315)</u>	<u>( \$ 54,577)</u>	<u>( 3392)</u>
	<b>Other comprehensive income (loss)</b>									
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>									
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(4)(18)	\$ 3,779	3978	( \$ 496)	( 35)	\$ 2,596	28	\$ 764	47
8300	<b>Total other comprehensive income (loss) for the period</b>		<u>\$ 3,779</u>	<u>3978</u>	<u>( \$ 496)</u>	<u>( 35)</u>	<u>\$ 2,596</u>	<u>28</u>	<u>\$ 764</u>	<u>47</u>
8500	<b>Total comprehensive (loss) income for the period</b>		<u>( \$ 46,236)</u>	<u>( 48669)</u>	<u>\$ 3,337</u>	<u>237</u>	<u>( \$ 120,124)</u>	<u>( 1287)</u>	<u>( \$ 53,813)</u>	<u>( 3345)</u>
	(Loss) income attributable to:									
8610	Owners of the parent		<u>( \$ 50,015)</u>	<u>( 52647)</u>	<u>\$ 3,833</u>	<u>272</u>	<u>( \$ 122,720)</u>	<u>( 1315)</u>	<u>( \$ 54,577)</u>	<u>( 3392)</u>
	Comprehensive (loss) income attributable to:									
8710	Owners of the parent		<u>( \$ 46,236)</u>	<u>( 48669)</u>	<u>\$ 3,337</u>	<u>237</u>	<u>( \$ 120,124)</u>	<u>( 1287)</u>	<u>( \$ 53,813)</u>	<u>( 3345)</u>
	(Loss) earnings per share (in dollars)	6(28)								
9750	Basic (loss) earnings per share		( \$ 0.46)		\$ 0.04		( \$ 1.13)		( \$ 0.51)	
9850	Diluted (loss) earnings per share		<u>( \$ 0.46)</u>		<u>\$ 0.04</u>		<u>( \$ 1.13)</u>		<u>( \$ 0.51)</u>	

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, 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>Six months ended June 30, 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	-	-	-	-	-	-	( 54,577 )	-	( 54,577 )
Other comprehensive income for the period	6(18)	-	-	-	-	-	-	764	764
Total comprehensive (loss) income		-	-	-	-	-	( 54,577 )	764	( 53,813 )
Capital reserve used to offset against accumulated deficit	6(17)	-	-	( 218,700 )	-	-	218,700	-	-
Conversion of convertible bonds	6(11)	15,348	( 11,612 )	7,007	( 923 )	-	-	-	9,820
Balance at June 30, 2023		<u>\$ 1,086,328</u>	<u>\$ 73</u>	<u>\$ 351,630</u>	<u>\$ 19,377</u>	<u>\$ 3,841</u>	<u>(\$ 54,577 )</u>	<u>(\$ 5,063 )</u>	<u>\$ 1,401,618</u>
<u>Six months ended June 30, 2024</u>									
Balance at January 1, 2024		\$ 1,086,401	\$ -	\$ 351,630	\$ 19,377	\$ 3,841	(\$ 178,111 )	(\$ 6,732 )	\$ 1,276,415
Net loss for the period		-	-	-	-	-	( 122,720 )	-	( 122,720 )
Other comprehensive income for the period	6(18)	-	-	-	-	-	-	2,596	2,596
Total comprehensive (loss) income		-	-	-	-	-	( 122,720 )	2,596	( 120,124 )
Capital reserve used to offset against accumulated deficit	6(17)	-	-	( 178,111 )	-	-	178,111	-	-
Balance at June 30, 2024		<u>\$ 1,086,401</u>	<u>\$ -</u>	<u>\$ 173,519</u>	<u>\$ 19,377</u>	<u>\$ 3,841</u>	<u>(\$ 122,720 )</u>	<u>(\$ 4,136 )</u>	<u>\$ 1,156,291</u>

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

GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
SIX MONTHS ENDED JUNE 30, 2024 AND 2023  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Six months ended June 30	
	Notes	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		( \$ 122,696 )	( \$ 39,932 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	15,160	15,673
Amortisation	6(24)	1,015	566
Interest expense	6(23)	2,838	2,863
Interest income	6(20)	( 4,586 )	( 3,762 )
Gain on disposal of property, plant and equipment	6(22)	-	( 73,812 )
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		5	( 517 )
Other receivables		( 97 )	703
Prepayments		( 1,069 )	9,534
Other current assets		1,007	219
Changes in operating liabilities			
Contract liabilities - current		917	-
Notes payable		968	900
Other payables		( 14,913 )	( 9,130 )
Other current liabilities		( 575 )	88
Other non-current liabilities		( 64 )	( 61 )
Cash outflow generated from operations		( 122,090 )	( 96,668 )
Interest received		4,746	3,844
Interest paid		( 1,031 )	( 1,048 )
Income tax refund		-	11
Income tax paid		( 14,478 )	-
Net cash flows used in operating activities		( 132,853 )	( 93,861 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease in financial assets measured at amortised cost		124,708	115,835
Acquisition of property, plant and equipment	6(29)	( 21,224 )	( 5,440 )
Acquisition of intangible assets	6(29)	( 2,000 )	-
Proceeds from disposal of property, plant and equipment	6(5)	-	237,463
Decrease (increase) in other non-current assets		149	( 1,180 )
Net cash flows from investing activities		101,633	346,678
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in short-term loans	6(30)	-	10,000
Decrease in short-term loans	6(30)	-	( 15,000 )
(Decrease) increase in deposits received (shown as other non-current liabilities)		( 287 )	70
Net cash flows used in financing activities		( 287 )	( 4,930 )
Net (decrease) increase in cash and cash equivalents		( 31,507 )	247,887
Cash and cash equivalents at beginning of period		149,467	82,187
Cash and cash equivalents at end of period		\$ 117,960	\$ 330,074

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