

**GLYCONEX INCORPORATION AND  
SUBSIDIARY  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
SEPTEMBER 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 September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months the 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 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 September 30, 2024 and 2023, 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 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  
SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS			September 30, 2024		December 31, 2023		September 30, 2023	
Notes			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 137,594	10	\$ 149,467	10	\$ 109,847	7
1136	Financial assets at amortised cost -	6(2)						
	current		367,600	27	550,308	35	626,965	39
1170	Accounts receivable, net		1,076	-	25	-	1,211	-
1200	Other receivables		6,180	-	5,310	-	15,427	1
1220	Current income tax assets		7,400	1	243	-	209	-
1410	Prepayments	6(3)	15,093	1	11,850	1	17,352	1
1470	Other current assets		180	-	1,130	-	322	-
11XX	Total current assets		535,123	39	718,333	46	771,333	48
Non-current assets								
1517	Financial assets at fair value	6(4)						
	through other comprehensive							
	income - non-current		11,888	1	12,613	1	13,453	1
1600	Property, plant and equipment	6(5) and 8	826,280	60	813,650	52	811,145	51
1780	Intangible assets	6(7)	3,856	-	-	-	-	-
1900	Other non-current assets		437	-	8,218	1	5,789	-
15XX	Total non-current assets		842,461	61	834,481	54	830,387	52
1XXX	Total assets		\$ 1,377,584	100	\$ 1,552,814	100	\$ 1,601,720	100

(Continued)

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

LIABILITIES AND EQUITY		Notes	September 30, 2024		December 31, 2023		September 30, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>								
2120	Current financial liabilities at fair value through profit or loss	6(10)	\$ 261	-	\$ 261	-	\$ 261	-
2130	Contract liabilities - current	6(19)	14,254	1	104	-	82	-
2150	Notes payable		1,350	-	900	-	1,350	-
2200	Other payables	6(9)	30,071	2	40,443	3	26,516	2
2230	Current tax liabilities		-	-	14,645	1	14,645	1
2300	Other current liabilities	6(11) and 8	217,405	16	214,230	14	212,082	13
21XX	<b>Total current liabilities</b>		<u>263,341</u>	<u>19</u>	<u>270,583</u>	<u>18</u>	<u>254,936</u>	<u>16</u>
<b>Non-current liabilities</b>								
2600	Other non-current liabilities	6(12)	5,435	1	5,816	-	6,085	-
2XXX	<b>Total liabilities</b>		<u>268,776</u>	<u>20</u>	<u>276,399</u>	<u>18</u>	<u>261,021</u>	<u>16</u>
<b>Equity attributable to owners of parent</b>								
	Share capital	6(15)						
3110	Common stock		1,086,401	79	1,086,401	70	1,086,401	68
	Capital surplus	6(16)						
3200	Capital surplus		196,746	14	374,857	24	374,857	23
	Accumulated deficit	6(17)						
3350	Accumulated deficit		( 166,882)	( 12)	( 178,111)	( 12)	( 114,667)	( 7)
	Other equity interest	6(18)						
3400	Other equity interest		( 7,457)	( 1)	( 6,732)	-	( 5,892)	-
3XXX	<b>Total equity</b>		<u>1,108,808</u>	<u>80</u>	<u>1,276,415</u>	<u>82</u>	<u>1,340,699</u>	<u>84</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 1,377,584</u>	<u>100</u>	<u>\$ 1,552,814</u>	<u>100</u>	<u>\$ 1,601,720</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, 2024 AND 2023**  
(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			
			2024		2023		2024		2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19)	\$ 2,190	100	\$ 933	100	\$ 11,523	100	\$ 2,542	100
5000	Operating costs	6(24)(25)	( 1,492)	( 68)	( 423)	( 45)	( 5,131)	( 44)	( 1,547)	( 61)
5950	Gross profit		698	32	510	55	6,392	56	995	39
	Operating expenses	6(24)(25)								
6100	Selling expenses		( 995)	( 46)	( 1,383)	( 148)	( 3,237)	( 28)	( 4,193)	( 165)
6200	General and administrative expenses		( 12,311)	( 562)	( 10,904)	( 1169)	( 34,949)	( 303)	( 35,489)	( 1396)
6300	Research and development expenses		( 37,429)	( 1709)	( 56,784)	( 6086)	( 150,093)	( 1303)	( 154,515)	( 6079)
6000	Total operating expenses		( 50,735)	( 2317)	( 69,071)	( 7403)	( 188,279)	( 1634)	( 194,197)	( 7640)
6900	Operating loss		( 50,037)	( 2285)	( 68,561)	( 7348)	( 181,887)	( 1578)	( 193,202)	( 7601)
	Non-operating income and expenses									
7100	Interest income	6(2)(20)	1,774	81	2,802	300	6,360	55	6,564	258
7010	Other income	6(6)(21)	2,462	113	5,046	541	8,142	70	16,338	643
7020	Other gains and losses	6(22)	3,074	140	2,047	220	4,800	42	74,565	2933
7050	Finance costs	6(23)	( 1,435)	( 65)	( 1,424)	( 153)	( 4,273)	( 37)	( 4,287)	( 168)
7000	Total non-operating income and expenses		5,875	269	8,471	908	15,029	130	93,180	3666
7900	Loss before income tax		( 44,162)	( 2016)	( 60,090)	( 6440)	( 166,858)	( 1448)	( 100,022)	( 3935)
7950	Income tax expense	6(26)	-	-	-	-	( 24)	-	( 14,645)	( 576)
8200	Net loss		( \$ 44,162)	( 2016)	( \$ 60,090)	( 6440)	( \$ 166,882)	( 1448)	( \$ 114,667)	( 4511)
	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)(18)	( \$ 3,321)	( 152)	( \$ 829)	( 89)	( \$ 725)	( 7)	( \$ 65)	( 2)
8300	Total other comprehensive (loss) income for the period		( \$ 3,321)	( 152)	( \$ 829)	( 89)	( \$ 725)	( 7)	( \$ 65)	( 2)
8500	Total comprehensive loss for the period		( \$ 47,483)	( 2168)	( \$ 60,919)	( 6529)	( \$ 167,607)	( 1455)	( \$ 114,732)	( 4513)
	Loss attributable to:									
8610	Owners of the parent		( \$ 44,162)	( 2016)	( \$ 60,090)	( 6440)	( \$ 166,882)	( 1448)	( \$ 114,667)	( 4511)
	Comprehensive loss attributable to:									
8710	Owners of the parent		( \$ 47,483)	( 2168)	( \$ 60,919)	( 6529)	( \$ 167,607)	( 1455)	( \$ 114,732)	( 4513)
	Loss per share (in dollars)	6(28)								
9750	Basic loss per share		( \$ 0.41)		( \$ 0.55)		( \$ 1.54)		( \$ 1.06)	
9850	Diluted loss per share		( \$ 0.41)		( \$ 0.55)		( \$ 1.54)		( \$ 1.06)	

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

Equity attributable to owners of the parent										
		Capital		Capital Reserves				Other Equity Interest		
			Certificate of entitlement to new shares from convertible bond	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	Total equity
Notes	Common stock									
<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
		-	-	-	-	-	-	( 114,667 )	-	( 114,667 )
	6(18)	-	-	-	-	-	-	-	( 65 )	( 65 )
		-	-	-	-	-	-	( 114,667 )	( 65 )	( 114,732 )
	6(17)	-	-	( 218,700 )	-	-	-	218,700	-	-
	6(11)	15,421	( 11,685 )	7,007	( 923 )	-	-	-	-	9,820
		<u>\$ 1,086,401</u>	<u>\$ -</u>	<u>\$ 351,630</u>	<u>\$ 19,377</u>	<u>\$ 3,841</u>	<u>\$ 9</u>	<u>( \$ 114,667 )</u>	<u>( \$ 5,892 )</u>	<u>\$ 1,340,699</u>
<u>Nine months ended September 30, 2024</u>										
		<u>\$ 1,086,401</u>	<u>\$ -</u>	<u>\$ 351,630</u>	<u>\$ 19,377</u>	<u>\$ 3,841</u>	<u>\$ 9</u>	<u>( \$ 178,111 )</u>	<u>( \$ 6,732 )</u>	<u>\$ 1,276,415</u>
		-	-	-	-	-	-	( 166,882 )	-	( 166,882 )
	6(18)	-	-	-	-	-	-	-	( 725 )	( 725 )
		-	-	-	-	-	-	( 166,882 )	( 725 )	( 167,607 )
	6(17)	-	-	( 178,111 )	-	-	-	178,111	-	-
		<u>\$ 1,086,401</u>	<u>\$ -</u>	<u>\$ 173,519</u>	<u>\$ 19,377</u>	<u>\$ 3,841</u>	<u>\$ 9</u>	<u>( \$ 166,882 )</u>	<u>( \$ 7,457 )</u>	<u>\$ 1,108,808</u>

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

		Nine months ended September 30	
	Notes	2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Loss before tax		( \$ 166,858 )	( \$ 100,022 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	23,912	22,812
Amortisation	6(24)	1,492	932
Interest expense	6(23)	4,273	4,287
Interest income	6(20)	( 6,360 )	( 6,564 )
Gain on disposal of property, plan and equipment	6(22)	-	( 73,812 )
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		( 1,051 )	( 1,165 )
Other receivables		( 1,106 )	( 10,888 )
Prepayments		( 3,243 )	( 12,126 )
Other current assets		950	( 12 )
Changes in operating liabilities			
Contract liabilities - current		14,150	6
Notes payable		450	450
Other payables		( 11,188 )	( 10,937 )
Other current liabilities		455	( 1,020 )
Other non-current liabilities		( 94 )	( 92 )
Cash outflow generated from operations		( 144,218 )	( 163,899 )
Interest received		6,596	6,350
Interest paid		( 1,554 )	( 1,569 )
Income tax paid		( 21,826 )	( 10 )
Net cash flows used in operating activities		( 161,002 )	( 159,128 )
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Decrease (increase) in financial assets measured at amortised cost		182,708	( 30,383 )
Acquisition of property, plant and equipment	6(29)	( 30,998 )	( 7,232 )
Increase in intangible assets	6(29)	( 2,000 )	-
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 )
Decrease (increase) in refundable deposits (shown as other non-current assets)		770	( 770 )
Increase in other non-current assets		( 1,064 )	( 1,569 )
Net cash flows from investing activities		149,416	193,511
<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)	-	( 15,000 )
Decrease in deposits received (shown as other non-current liabilities)		( 287 )	( 1,723 )
Net cash flows used in financing activities		( 287 )	( 6,723 )
Net (decrease) increase in cash and cash equivalents		( 11,873 )	27,660
Cash and cash equivalents at beginning of period		149,467	82,187
Cash and cash equivalents at end of period		\$ 137,594	\$ 109,847

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