

ADIMMUNE CORPORATION
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2025 AND 2024

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' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of ADIMMUNE CORPORATION

Opinion

We have audited the accompanying parent company only balance sheets of ADIMMUNE CORPORATION and its subsidiaries (the "Company") as at December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants" and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with the those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2025 financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2025 parent company only financial statements are stated as follows:

Assessment of allowance for inventory valuation losses

Description

For a description of the accounting policy on inventories, please refer to Note 4(12). For accounting estimates and assumption uncertainty in relation to inventory valuation, please refer to Note 5(2). For a description of allowance for inventory valuation losses, please refer to Note 6(4). As of December 31, 2025, the Company's inventories and allowance for inventory valuation losses amounted to NT \$951,356 thousand and NT \$405,720 thousand, respectively.

The Company is engaged in the development, manufacture and distribution of vaccines. The production time of vaccines is longer than other industries and the validity period of vaccines should also be considered in the estimate of inventory valuation. The Company's inventories which are over the specific inventory aging or identified as having value impairment were measured at the lower of cost and net realisable value based on the Group's inventory valuation policy, and the Company's determination of net realisable value for inventories involves subjective judgement. Considering that the Company's inventories and the allowance for inventory valuation losses were material to the financial

statements, we consider the estimation of the allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the key audit matter mentioned above:

1. Assessed the reasonableness of provision policies on allowance for inventory valuation losses and procedures based on our understanding of the Company's operation and industry.
2. Inspected the annual physical inventory plan and participated in the annual physical inventory count in order to assess how management controls aging inventory.
3. We obtained the valuation data of the lower of cost and net realisable value which was compiled by management, randomly checked selected individual inventory against sales documents and records, and checked the calculation accuracy of the report to assess the basis of net realisable value and the reasonableness of allowance for inventory valuation losses.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hsu, Chien-Yeh

Lai, Chih-Wei

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 11, 2026

The accompanying parent company only 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 parent company only 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 Taiwan 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.

ADIMMUNE CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,963,319	25	\$ 1,822,471	23
1110	Financial assets at fair value through profit or loss - current	6(2)	473	-	-	-
1136	Current financial assets at amortised cost	6(3)	7,600	-	107,600	1
1170	Accounts receivable, net	6(4)	132,341	2	175,311	2
1180	Accounts receivable - related parties	7	3,483	-	-	-
1210	Other receivables - related parties	7	72,852	1	75,678	1
130X	Inventories	6(5)	545,636	7	609,156	8
1410	Prepayments	6(6)	189,771	2	205,065	3
1470	Other current assets	7 and 8	108,110	1	99,622	1
11XX	Current Assets		<u>3,023,585</u>	<u>38</u>	<u>3,094,903</u>	<u>39</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(7)	91,644	1	109,663	1
1535	Non-current financial assets at amortised cost	6(3) and 8	21,208	-	5,017	-
1560	Non-current contract assets	6(20)	334,933	4	334,933	4
1550	Investments accounted for under equity method	6(8)	13,639	-	80,773	1
1600	Property, plant and equipment	6(9) and 8	3,937,517	50	3,739,094	47
1755	Right-of-use assets		62,878	1	74,702	1
1760	Investment property - net		23,239	-	23,239	-
1780	Intangible assets	6(10)	25,332	1	47,707	1
1840	Deferred income tax assets	6(26)	227,257	3	227,415	3
1900	Other non-current assets	6(11)	157,736	2	278,156	3
15XX	Non-current assets		<u>4,895,383</u>	<u>62</u>	<u>4,920,699</u>	<u>61</u>
1XXX	Total assets		<u>\$ 7,918,968</u>	<u>100</u>	<u>\$ 8,015,602</u>	<u>100</u>

(Continued)

ADIMMUNE CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 200,000	3	\$ 400,000	5
2130	Current contract liabilities	6(20) and 7	35,446	-	22,387	-
2170	Accounts payable		16,718	-	28,299	1
2200	Other payables	6(13) and 7	208,660	3	233,872	3
2280	Current lease liabilities		17,135	-	18,243	-
2320	Long-term liabilities, current portion	6(14)	880,800	11	317,800	4
2399	Other current liabilities, others	6(4)	8,408	-	8,472	-
21XX	Current Liabilities		<u>1,367,167</u>	<u>17</u>	<u>1,029,073</u>	<u>13</u>
Non-current liabilities						
2540	Long-term borrowings	6(14) and 8	1,519,700	19	1,700,500	21
2580	Non-current lease liabilities		41,420	1	52,330	1
2600	Other non-current liabilities	6(8)(15)	46,286	1	978	-
25XX	Non-current liabilities		<u>1,607,406</u>	<u>21</u>	<u>1,753,808</u>	<u>22</u>
2XXX	Total Liabilities		<u>2,974,573</u>	<u>38</u>	<u>2,782,881</u>	<u>35</u>
Equity						
Share capital		6(17)				
3110	Share capital - common stock		4,295,078	54	4,295,078	54
Capital surplus		6(18)				
3200	Capital surplus		829,498	10	829,498	10
Retained earnings		6(19)				
3310	Legal reserve		145,781	2	145,781	2
3350	Unappropriated retained earnings		(59,661)	(1)	205,409	2
Other equity interest						
3400	Other equity interest	6(7)	26,237	1	49,493	1
3500	Treasury stocks	6(17)	(292,538)	(4)	(292,538)	(4)
3XXX	Total equity		<u>4,944,395</u>	<u>62</u>	<u>5,232,721</u>	<u>65</u>
Significant contingent liabilities and unrecognised contract commitments		9				
Significant events after the balance sheet date		11				
3X2X	Total liabilities and equity		<u>\$ 7,918,968</u>	<u>100</u>	<u>\$ 8,015,602</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

ADIMMUNE CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for losses per share amount)

	Items	Notes	Year ended December 31			
			2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(20) and 7	\$ 1,416,423	100	\$ 1,538,235	100
5000	Operating costs	6(5)(10)(24)	(1,127,393)	(80)	(1,107,438)	(72)
5900	Net operating margin		289,030	20	430,797	28
5910	Unrealized profit from sales	6(8)	7,722	1	78	-
5920	Realized profit on from sales	6(8)	-	-	2,978	-
5950	Net operating margin		<u>296,752</u>	<u>21</u>	<u>433,853</u>	<u>28</u>
	Operating expenses	6(10)(24) and 7				
6100	Selling expenses		(16,285)	(1)	(126,011)	(8)
6200	General and administrative expenses		(271,692)	(19)	(242,013)	(16)
6300	Research and development expenses		(133,788)	(10)	(203,569)	(13)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(39,600)	(3)	-	-
6000	Total operating expenses		(461,365)	(33)	(571,593)	(37)
6900	Operating loss		(164,613)	(12)	(137,740)	(9)
	Non-operating income and expenses					
7100	Interest income	6(21)	16,171	1	17,026	1
7010	Other income	6(22) and 7	17,798	1	7,238	-
7020	Other gains and losses	6(23)	9,546	1	(6,973)	-
7050	Finance costs	6(25)	(27,147)	(2)	(34,288)	(2)
7070	Share of loss of associates and joint ventures accounted for using equity method, net	6(8)	(91,644)	(6)	(88,013)	(6)
7000	Total non-operating revenue and expenses		(75,276)	(5)	(105,010)	(7)
7900	Loss before income tax		(239,889)	(17)	(242,750)	(16)
7950	Income tax expense	6(26)	-	-	-	-
8200	Loss for the year		<u>(\$ 239,889)</u>	<u>(17)</u>	<u>(\$ 242,750)</u>	<u>(16)</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(15)	\$ 792	-	\$ 937	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(7) and 12	(18,019)	(1)	8,224	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	(158)	-	(187)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(17,385)	(1)	8,974	1
8361	Exchange differences on translation		(5,237)	(1)	2,326	-
8300	Other comprehensive income for the year		<u>(\$ 22,622)</u>	<u>(2)</u>	<u>\$ 11,300</u>	<u>1</u>
8500	Total comprehensive loss for the year		<u>(\$ 262,511)</u>	<u>(19)</u>	<u>(\$ 231,450)</u>	<u>(15)</u>
	Basic losses per share	6(26)				
9750	Total basic losses per share		<u>(\$ 0.57)</u>		<u>(\$ 0.58)</u>	
	Diluted losses per share	6(26)				
9850	Diluted losses per share		<u>(\$ 0.57)</u>		<u>(\$ 0.58)</u>	

The accompanying notes are an integral part of these parent company only financial statements.

ADIMMUNE CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital surplus			Retained earnings		Other equity interest			Treasury stocks	Total equity
		Share capital - common stock	Total capital surplus, additional paid-in capital	Difference between the price for acquisition or disposal of subsidiaries and carrying amount	Employee stock warrants	Legal reserve	Total unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
<u>2024</u>											
Balance at January 1, 2024		\$4,295,078	\$ 817,861	\$ -	\$ 17,545	\$ 145,781	\$ 451,830	(\$ 1,367)	\$ 40,310	(\$ 292,538)	\$5,474,500
Loss		-	-	-	-	-	(242,750)	-	-	-	(242,750)
Other comprehensive income	6(7)	-	-	-	-	-	750	2,326	8,224	-	11,300
Total comprehensive income(loss)		-	-	-	-	-	(242,000)	2,326	8,224	-	(231,450)
Changes in ownership interests in subsidiaries without loss of control	6(8)	-	-	11,637	-	-	-	-	-	-	11,637
Share-based payments	6(16)	-	-	-	(17,545)	-	-	-	-	-	(17,545)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(7)	-	-	-	-	-	(4,421)	-	-	-	(4,421)
Balance at December 31, 2024		\$4,295,078	\$ 817,861	\$ 11,637	\$ -	\$ 145,781	\$ 205,409	\$ 959	\$ 48,534	(\$ 292,538)	\$5,232,721
<u>2025</u>											
Balance at January 1, 2025		\$4,295,078	\$ 817,861	\$ 11,637	\$ -	\$ 145,781	\$ 205,409	\$ 959	\$ 48,534	(\$ 292,538)	\$5,232,721
Loss		-	-	-	-	-	(239,889)	-	-	-	(239,889)
Other comprehensive income	6(7)	-	-	-	-	-	634	(5,237)	(18,019)	-	(22,622)
Total comprehensive income(loss)	6(7)	-	-	-	-	-	(239,255)	(5,237)	(18,019)	-	(262,511)
Changes in ownership interests in subsidiaries without loss of control	6(8)(19)	-	-	-	-	-	(25,815)	-	-	-	(25,815)
Balance at December 31, 2025		\$4,295,078	\$ 817,861	\$ 11,637	\$ -	\$ 145,781	(\$ 59,661)	(\$ 4,278)	\$ 30,515	(\$ 292,538)	\$4,944,395

The accompanying notes are an integral part of these parent company only financial statements.

ADIMMUNE CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 239,889)	(\$ 242,750)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including right-of-use assets)	6(24)	182,255	188,665
Amortisation	6(24)	23,532	24,393
Profit from lease modification	6(23)	-	(1)
Interest expense	6(25)	27,147	34,288
Interest revenue	6(21)	(16,171)	(17,026)
Dividend income	6(22)	(2,634)	(1,996)
Share-based payments	6(16)	10,428	22,405
Gain on financial assets or liabilities at fair value	6(23)	(473)	-
Unrealized profit from sales	6(8)	(7,722)	(78)
Realized profit from sales	6(8)	-	(2,978)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	6(8)	91,644	88,013
Gains on license of intangible assets	6(8)(23)	(4,953)	(4,953)
Loss (gain) on disposal of property, plant and equipment	6(23)	(20)	(19)
Gains on disposals of investment property		-	(206)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		42,970	882,525
Accounts receivable - related parties		(3,483)	18,061
Other receivables - related parties		2,826	(1,410)
Inventories		63,520	(91,895)
Prepayments		15,291	41,787
Other current assets		(8,440)	(18,645)
Changes in operating liabilities			
Current contract liabilities		13,059	(21,363)
Accounts payable		(11,581)	(14,051)
Other payables		(16,534)	(44,328)
Other non-current liabilities		1,520	8
Net defined benefit liability		(318)	(169)
Other current liabilities		(64)	3,412
Cash inflow generated from operations		161,910	841,689
Interest paid		(25,548)	(33,060)
Interest received		16,107	16,972
Dividends received		2,634	1,996
Net cash flows from operating activities		<u>155,103</u>	<u>827,597</u>

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ADIMMUNE CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost-current		\$ 100,000	(\$ 100,000)
Increase in financial assets at amortised cost-non-current		(16,191)	(958)
Increase in investments accounted for using the equity method	6(8) and 7	-	(86,294)
Acquisition of property, plant and equipment	6(28)	(232,308)	(153,720)
Proceeds from disposal of property, plant and equipment		20	19
Increase in intangible assets	6(10)	(250)	(1,030)
Increase in prepaid equipment	6(28)	(17,781)	(76,952)
Increase (decrease) in refundable deposits		(5,213)	25,376
Net cash flows used in investing activities		(171,723)	(393,559)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from (repayment of) short-term borrowings	6(29)	(200,000)	(100,000)
Proceeds from long-term borrowings	6(29)	550,000	-
Repayment of long-term borrowings	6(29)	(167,800)	(517,800)
Increase in guarantee deposits received	6(29)	(140)	6
Payments of principal portion of lease liabilities	6(29)	(24,592)	(21,250)
Exercise of employee share options		-	(17,545)
Net cash flows from (used in) financing activities		157,468	(656,589)
Net increase (decrease) in cash and cash equivalents		140,848	(222,551)
Cash and cash equivalents at beginning of year		1,822,471	2,045,022
Cash and cash equivalents at end of year		\$ 1,963,319	\$ 1,822,471

The accompanying notes are an integral part of these parent company only financial statements.

ADIMMUNE CORPORATION
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Adimmune Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on 1965. The Company is primarily engaged in the development, manufacture and distribution of vaccines and other biological products. The Company’s shares were approved to be traded in the Taiwan Stock Exchange starting from May 3, 2012.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 11, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027(Note)
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency’	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment :

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional currency. The policies about foreign currency transactions and balances are as follows:

A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

- C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- D. All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
 - (b) Assets that are held primarily for the purpose of trading;
 - (c) Assets that are expected to be realised within twelve months after the reporting period;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled in the normal operating cycle;
 - (b) Liabilities that are held primarily for the purpose of trading;
 - (c) Liabilities that are due to be settled within twelve months after the reporting period;
 - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Notes and accounts receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Leasing arrangements (lessor) – lease receivables/ operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

(14) Investments accounted for using equity method / associates

- A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealised gains on transactions between the Company and its subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company recognise loss continuously in proportion to its ownership.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- E. In accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers", the profit or loss and other comprehensive income or loss presented on the parent company only financial statements are consistent with those presented on the consolidated financial statements. In addition, owner's equity presented on the parent company only is consistent with equity attributable to owners of parent presented on the consolidated financial statements.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	10 ~ 56 years
Machinery and equipment	2 ~ 29 years
Transportation equipment	2 ~ 10 years
Other equipment	2 ~ 28 years

(16) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.
The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
 - (a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Land is not depreciated.

(18) Intangible assets

A. Authorisation of technique

Authorisation of technique is mainly technology know-how related to the manufacturing of flu vaccines. Authorisation of technique is stated initially at its cost and amortised on a straight-line basis over its estimated useful life of 16 years.

B. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 2 to 20 years.

C. Internally generated intangible assets—research and development expenditures

(a) Research expenditures are recognised as an expense as incurred.

(b) Development expenditures that do not meet the following criteria are recognised as expenses as incurred, but are recognised as intangible assets when the following criteria are met:

- i. It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- ii. An entity intends to complete the intangible asset and use or sell it;
- iii. An entity has the ability to use or sell the intangible asset;
- iv. It can be demonstrated how the intangible asset will generate probable future economic benefits;
- v. Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- vi. The expenditure attributable to the intangible asset during its development can be reliably measured.

(c) Upon being available for use, internally generated intangible assets are amortised on a straight-line basis over their estimated useful life of 10 to 16 years.

(19) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(20) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(21) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term accounts and notes payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is either discharged or cancelled or expires.

(23) Provisions

- A. Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.
- B. Under the Climate Change Response Act and its regulations in the ROC, carbon fees levied are not applicable under IFRIC 21, 'Levies' but are recognised and measured in accordance with IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. If the estimated annual emissions are probable to exceed the threshold for levying, liabilities in relation to emission fees are estimated and accrued based on the proportion of emissions already incurred to the estimated annual emissions in the interim financial statements.

(24) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date).

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(25) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. And ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(26) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is parent company only, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. A deferred tax asset shall be recognised for the carry forward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(27) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, and is included in equity attributable to the Company's equity holders.

(28) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(29) Revenue recognition

A. Sales of goods:

- (a) The Company manufactures and sells vaccine related products. Sales are recognised when control of the products has transferred. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- (b) The Company's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.
- (d) Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognised for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period.

B. Filling service

The Company provides vaccine filling services. Revenue from providing filling service is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the filled amounts relative to the total amounts of vaccine needed to be filled. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

C. Sales of services

- (a) The Company provides contract testing and development services for biopharmaceuticals. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual hours spent relative to the total expected hours. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a

contract liability is recognised.

- (b) The Company's estimate about revenue, labour hours and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or labour hours due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(30) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. The production time of vaccine is longer than other industries and the validity period of vaccine should also be considered in the estimate of inventory valuation. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2025, the carrying amount of inventories was \$545,636 thousand.

(3) Critical accounting estimates and assumption

The Group assesses the estimated useful lives of property, plant and equipment at each balance sheet date. To truly reflect the actual usage of major assets and accurately report the Company's financial condition, operating performance and changes in financial condition, the Group extended the useful

lives of certain manufacturing plants from 35-36 years to 50 years since April 1, 2024. Effects on depreciation expense arising from the changes in accounting estimates for the year ended December 2025 and future years are as follows:

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>The following years</u>
Increase (decrease) in depreciation	<u>(\$ 14,943)</u>	<u>(\$ 14,943)</u>	<u>(\$ 14,943)</u>	<u>(\$ 14,943)</u>	<u>\$ 70,980</u>

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 1,255	\$ 1,243
Checking accounts and demand deposits	1,342,064	1,384,860
Time deposits	620,000	436,368
	<u>\$ 1,963,319</u>	<u>\$ 1,822,471</u>

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company's time deposits with maturity over three months that did not meet short-term cash commitments were classified as 'current financial assets at amortised cost' and 'non-current financial assets at amortised cost'.

(2) Financial assets at fair value through profit or loss

	<u>December 31, 2025</u>
Current items:	
Financial assets mandatorily measured at fair value through profit or loss	
Forward exchange contract	<u>\$ 473</u>

As of December 31, 2024 : None.

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	<u>2025</u>
Net gains on financial assets at fair value through profit or loss	<u>\$ 473</u>

As of December 31, 2024 : None.

B. The Company entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

Derivative financial instruments	December 31, 2025		
	Contract amount (notional principal)	Contract period	Contract price
Forward foreign exchange contracts	USD 1,000 thousand	2025/12/10~2026/03/02	NTD 30.96

As of December 31, 2024 : None.

The Company entered into forward foreign exchange contracts to hedge exchange rate risk of import and export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. The Company has no financial assets at fair value through profit or loss pledged to others as collateral.

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

Items	December 31, 2025	December 31, 2024
Current items:		
Time deposits maturing in excess of three months	\$ 7,600	\$ 107,600
Non-current items:		
Corporate bonds and the syndicated loan reserve account	\$ 21,208	\$ 5,017

A. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

B. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

The counterparties of the Company's investments in certificates of deposit are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(4) Accounts receivable

	December 31, 2025	December 31, 2024
Accounts receivable	\$ 565,649	\$ 569,019
Less: Allowance for uncollectible accounts	(433,308)	(393,708)
	\$ 132,341	\$ 175,311

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Not past due	\$ 84,874	\$ 108,734
Up to 30 days	6,406	62,925
91 to 120 days	-	3,652
181 to 365 days	76,995	-
Over 365 days	397,374	393,708
	<u>\$ 565,649</u>	<u>\$ 569,019</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2025, December 31, 2024 and January 1, 2024, the balances of receivables from contracts with customers amounted to \$565,649 thousand, \$569,019 thousand, and \$1,689,882 thousand, respectively.

C. The Company does not hold any collateral as security.

D. As at December 31, 2025 and December 31, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable were \$132,341 thousand and \$175,311 thousand, respectively.

E. As of December 31, 2025 and December 31, 2024, loss allowance for accounts receivable amounted to \$433,308 thousand and \$393,708 thousand, respectively, refer to Note 9(1) B for details.

F. Information relating to credit risk is provided in Note 12(2).

(5) Inventories

	<u>December 31, 2025</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 93,079	(\$ 9,103)	\$ 83,976
Work in progress	731,195	(354,485)	376,710
Finished goods	125,632	(41,888)	83,744
Merchandise	1,450	(244)	1,206
	<u>\$ 951,356</u>	<u>(\$ 405,720)</u>	<u>\$ 545,636</u>
	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 111,283	(\$ 7,233)	\$ 104,050
Work in progress	692,439	(310,552)	381,887
Finished goods	146,743	(24,235)	122,508
Merchandise	933	(222)	711
	<u>\$ 951,398</u>	<u>(\$ 342,242)</u>	<u>\$ 609,156</u>

The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2025	2024
Cost of goods sold	\$ 700,507	\$ 761,788
Loss on slow-moving inventories and decline in market	63,478	53,983
Loss on physical inventory	-	2,287
Revenue from sale of scraps	(3)	(4)
Unallocated overhead expense	363,411	289,384
	<u>\$ 1,127,393</u>	<u>\$ 1,107,438</u>

(6) Prepayments

	December 31, 2025	December 31, 2024
Office supplies	\$ 121,830	\$ 136,601
Prepaid purchase	60,032	57,175
Others	7,909	11,289
	<u>\$ 189,771</u>	<u>\$ 205,065</u>

(7) Financial assets at fair value through other comprehensive income- non-current

Items	December 31, 2025	December 31, 2024
Non-current items:		
Shares of listed companies	\$ 61,129	\$ 61,129
Valuation adjustment	30,515	48,534
	<u>\$ 91,644</u>	<u>\$ 109,663</u>

A. The Company has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$91,664 and \$109,663 thousand as at December 31, 2025 and 2024, respectively.

B. On April 16, 2024, the Company recognised the loss arising from derecognition of marketable securities whose fair value was \$135 thousand due to the dissolution of Hematech Biotherapeutics Inc, resulting to an accumulated loss on disposal of \$4,421 thousand.

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below :

	Years ended December 31,	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 18,019)	\$ 8,224
Cumulative losses reclassified to retained earnings due to derecognition	<u>\$ -</u>	<u>(\$ 4,221)</u>

(8) Investments accounted for using equity method

	Years ended December 31,	
	2025	2024
At January 1	\$ 80,773	\$ 67,009
Addition of investments accounted for using equity method	-	86,294
Changes in ownership interests in subsidiaries	(25,815)	11,637
Share of profit or loss of investments accounted for using equity method	(91,644)	(88,013)
Exchange differences on translation of foreign financial statements	(5,237)	2,326
Recognition of employee stock options issued by the parent company	1,582	862
Recognition of employee stock options issued by the subsidiary	(3,734)	(7,351)
Realized profit from sales	-	2,978
Unrealized (loss) profit from sales	7,722	78
Gains on license of intangible assets	4,953	4,953
Reclassified to other non-current liabilities	45,039	-
At December 31	<u>\$ 13,639</u>	<u>\$ 80,773</u>

- A. On May 27, 2024, the Company's subsidiary, ENIMMUNE CORPORATION, increased its capital through a cash issuance of new shares. The Company subscribed for approximately 2,697 thousand shares, representing an investment amounting to NT\$86,294 thousand. As a result of the transaction, the Company's ownership interest in the subsidiary increased, and an increase in equity attributable to owners of the parent amounting to NT\$11,637 thousand was recognized.
- B. Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2025 for the information regarding the Company's subsidiaries.
- C. As of December 31, 2025, the Company's investment in Enimmune Biotech Pte. Ltd. ("EB Company"), the Company's second-tier subsidiary, resulted in a credit balance as a result of the recognition of its accumulated losses in excess of the investment. As the Company has an obligation and continues to provide financial support to EB Company, the related amount has been presented under "Other non-current liabilities".

As of December 31, 2024, the Company did not have any long-term equity investments resulting in a credit balance.

A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	Years ended December 31,	
	2025	2024
Amount capitalised	\$ 40,696	\$ 34,301
Range of the interest rates for capitalisation	2.31~2.45%	2.22 ~ 2.4%

B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(10) Intangible assets

	Year ended December 31, 2025				
	Beginning balance	Additions	Disposals	Transferred	Ending balance
Cost					
Technology transfer royalties	\$ 427,828	\$ -	\$ -	\$ -	\$427,828
Internal production cost	232,706	-	-	-	232,706
Computer software expenditure	46,301	250	-	-	46,551
	<u>706,835</u>	<u>250</u>	<u>-</u>	<u>-</u>	<u>707,085</u>
Accumulated amortisation					
Technology transfer royalties	(270,892)	(12,915)	-	-	(283,807)
Internal production cost	(219,305)	(5,957)	-	-	(225,262)
Computer software expenditure	(41,057)	(3,753)	-	-	(44,810)
	<u>(531,254)</u>	<u>(22,625)</u>	<u>-</u>	<u>-</u>	<u>(553,879)</u>
Accumulated impairment					
Technonlogy transfer royalties	(127,874)	-	-	-	(127,874)
	<u>\$ 47,707</u>				<u>\$ 25,332</u>

	Year ended December 31, 2024				Ending balance
	Beginning balance	Additions	Disposals	Transferred	
Cost					
Technology transfer royalties	\$ 427,828	\$ -	\$ -	\$ -	\$427,828
Internal production cost	232,706	-	-	-	232,706
Computer software expenditure	45,271	1,030	-	-	46,301
	<u>705,805</u>	<u>1,030</u>	<u>-</u>	<u>-</u>	<u>706,835</u>
Accumulated amortisation					
Technology transfer royalties	(257,977)	(12,915)	-	-	(270,892)
Internal production cost	(213,348)	(5,957)	-	-	(219,305)
Computer software expenditure	(36,444)	(4,613)	-	-	(41,057)
	<u>(507,769)</u>	<u>(23,485)</u>	<u>-</u>	<u>-</u>	<u>(531,254)</u>
Accumulated impairment					
Technonlogy transfer royalties	(127,874)	-	-	-	(127,874)
	<u>\$ 70,162</u>				<u>\$ 47,707</u>

Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2025	2024
Operating costs	\$ 18,872	\$ 18,872
Administrative expenses	3,753	4,613
	<u>\$ 22,625</u>	<u>\$ 23,485</u>

A. In March 2007, the Company entered into the technology transfer agreement and exclusive supply agreement with Crucell Switzerland AG (formerly Berna Biotech AG) in relation to flu vaccines and other biological technology. In accordance with the agreement, Crucell Switzerland AG transfers the manufacturing technology of flu vaccines to the Company and charges royalties. In addition, the Company commits to exclusively provide products manufactured under the transferred technology to Crucell Switzerland AG. After the technology is transferred, the royalty charge is capitalised and is amortised over the estimated economic life using the straight-line method. The significant terms and conditions under the agreement are set forth below:

- (a) The Company manufactures the antigens needed for flu vaccine “Inflexal V” under the transferred technology.
- (b) The Company should build a plant at sufficient capacity under the European standards, such as GMP or Europe Pharmacopoeia, and acquire qualifications from domestic and foreign competent authorities to produce the antigens in the plant.

B. Intangible assets generated internally within the Company including all development, production and building up assets so that the intangible assets will be available for use, such as labour costs and materials costs, are amortised after mass production on a straight-line basis over the estimated economic life.

C. The future economic benefits of technique transferred from Crucell Switzerland AG has decreased under the Company's assessment, which resulted in the impairment loss of the intangible assets. The Company has adjusted the carrying amount based on the recoverable amount, and recognised impairment loss. The accumulated impairment loss of abovementioned technique is recognised in the amount of \$127,874 thousand as at December 31, 2025.

(11) Other non-current assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Prepayments for business facilities	\$ 145,026	\$ 269,768
Guarantee deposits paid	8,629	3,400
Others	4,081	4,988
	<u>\$ 157,736</u>	<u>\$ 278,156</u>

(12) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	\$ 200,000	2.48%~2.53%	None
<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	\$ 400,000	2.48%~2.53%	None

Interest expense recognised in profit or loss amounted to \$8,880 thousand and \$10,342 thousand for the years ended December 31, 2025 and 2024, respectively.

(13) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Wages and salaries payable	\$ 95,373	\$ 96,504
Premiums payable	12,888	14,230
Payable on machinery and equipment	42,881	59,848
Others	57,518	63,290
	<u>\$ 208,660</u>	<u>\$ 233,872</u>

(14) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2025</u>
Long-term bank borrowings			
Land Bank (lead and management bank)	From October 8, 2020 to October 7, 2030; Term loan A is to be repaid with installments starting from October 2022; Term loan B is to be repaid with installments starting from October 2023; Term loan C is to be repaid with installments starting from July 2023 and is revolving.	Land, Buildings, Machinery equipment	\$ 2,400,500
Less: Current portion			(880,800)
			<u>\$ 1,519,700</u>
Interest rate range			<u>2.31%~2.84%</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Long-term bank borrowings			
Land Bank (lead and management bank)	From October 8, 2020 to October 7, 2030; Term loan A is to be repaid with installments starting from October 2022; Term loan B is to be repaid with installments starting from October 2023; Term loan C is to be repaid with installments starting from July 2023 and is revolving.	Land, Buildings, Machinery equipment	\$ 2,018,300
Less: Current portion			(317,800)
			<u>\$ 1,700,500</u>
Interest rate range			<u>2.31%~2.84%</u>

- A. On July 14, 2020, the Company entered into a syndicated facility agreement with Land Bank as the management bank and other banks, such as First Commercial Bank, Mega International Commercial Bank Co., Ltd., Taiwan Business Bank, Agribank, Bank of Panhsin, Taichung Commercial Bank, Chang Hwa Bank and Taiwan Cooperative Bank and obtained a credit line in the amount of \$4,200,000 thousand, consisting of Tranche A: non-revolving long-term credit line of \$1,300,000 thousand and Tranche B: non-revolving medium-term credit line of \$1,400,000 thousand and Tranche C: revolving medium-term credit line of \$1,500,000 thousand for the purpose of repaying borrowings from financial institutions, supporting capital expenditures and replenishing working capital. On October 8, 2020, the outstanding of syndicated facility obtained on June 22, 2015 was repaid by using Tranche A.
- B. Under the syndicated secured facility agreement as stated above:
- (a) The Company shall obtain, maintain, update or comply with any grant, approval and certification required by the competent authorities.
 - (b) Before the syndicated facility agreement has made payment, the Company shall maintain its net tangible assets not lower than \$370,000 thousand.
 - (c) The Company has responsibility for notifying the management bank via confirmation letters if the significant or over \$100,000 thousand investment project is agreed by the Board of the Directors.
 - (d) The fund obtained in this agreement shall not be illegally diverted to and used in the Mainland China.
 - (e) Before the syndicated facility agreement has made payment, the Company may not do the following without written approval by all banks:
 - (i) The Company is not allowed to merge with other companies or split up.
 - (ii) The Company is not allowed to change the main operating businesses.
 - (iii) The Company is not allowed to sell, lease, transfer, lend, pledge or dispose of whole or main parts of its business assets.
 - (iv) Unless allowed under the Operational Procedures for Lending of Company Funds and the Operational Procedures for Endorsements and Guarantees, the Company should not provide loans or endorsements and guarantees to others.
 - (v) The Company is not allowed to distribute any cash dividends upon occurrence or expected occurrence of default on the contract.
 - (f) If the borrower fails to comply with any one of the above, the Company shall immediately repay interests and all outstanding balances of the loan. As of December 31, 2025, the Company did not violate the above restrictions.

(15) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to qualified for retirement next year, the Company will make contributions for cover the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 10,194	\$ 10,966
Fair value of plan assets	(11,265)	(10,926)
Net defined benefit liability	<u>(\$ 1,071)</u>	<u>\$ 40</u>

(c) Movements in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
Year ended December 31, 2025			
Balance at January 1	\$ 10,966	(\$ 10,926)	\$ 40
Interest expense (income)	<u>174</u>	<u>(176)</u>	<u>(2)</u>
	<u>11,140</u>	<u>(11,102)</u>	<u>38</u>
Remeasurements:			
Return on plan assets	-	(803)	(803)
Change in financial assumptions	233	-	233
Experience adjustments	<u>(222)</u>	<u>-</u>	<u>(222)</u>
	<u>11</u>	<u>(803)</u>	<u>(792)</u>
Pension fund contribution	<u>-</u>	<u>(317)</u>	<u>(317)</u>
Balance at December 31	<u>\$ 11,151</u>	<u>(\$ 12,222)</u>	<u>(\$ 1,071)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2024			
Balance at January 1	\$ 12,460	(\$ 11,314)	\$ 1,146
Interest expense (income)	154	(142)	12
Settlement profit or loss	(1,788)	1,943	155
	<u>10,826</u>	<u>(9,513)</u>	<u>1,313</u>
Remeasurements:			
Return on plan assets	-	(1,077)	(1,077)
Change in financial assumptions	(520)	-	(520)
Experience adjustments	660	-	660
	<u>140</u>	<u>(1,077)</u>	<u>(937)</u>
Pension fund contribution	-	(336)	(336)
Balance at December 31	<u>\$ 10,966</u>	<u>(\$ 10,926)</u>	<u>\$ 40</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2025	2024
Discount rate	1.40%	1.65%
Future salary increases	2.00%	2.00%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2025 and 2024, respectively.

- (f) Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
<u>December 31, 2025</u>				
Effect on present value of defined benefit obligation	(\$ 233)	\$ 241	\$ 239	(\$ 232)
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligation	(\$ 266)	\$ 276	\$ 274	(\$ 266)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

- (g) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2025 amount to \$ 278 thousand.
- (h) As of December 31, 2025, the weighted average duration of the retirement plan is 9 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	809
1-2 year(s)		522
2-5 years		910
Over 5 years		9,272
	\$	<u>11,513</u>

- B. (a) Effective July 1, 2005, the Company established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2025 and 2024 were \$18,116 thousand and \$17,323 thousand, respectively.

(16) Share-based payment

A. For the years ended December 31, 2025 and 2024, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Footnote
2020~2023 years issuance of employees bonus shares	2020.12.18	920 units	3 years	Service vested	Note 1
2023~2026 years issuance of employees bonus shares	2023.8.11	920 units	3 years	Service vested	Note 2

Note 1: For the years 2020~2023 issuance of employees bonus shares, the fair value of stock price of the Company was \$56.60 (in dollars), and expected option life was not specified. For the years ended December 31, 2025 and 2024, the Company granted 305 units. As of December 31, 2025, it has been fully given and used.

Note 2: For the years 2023~2026 issuance of employees bonus shares, the fair value of stock price of the Company was \$33.85 (in dollars), and expected option life was not specified. As of December 31, 2025, the Company has ungranted 615 units.

B. On June 9, 2022, our company passed a resolution at the board meeting to implement a long-term incentive plan for employees. In accordance with Article 28 of the Securities and Exchange Act and the 'Regulations Governing Share Repurchase by Listed and OTC Companies' issued by the Financial Supervisory Commission, the company has established the 'Regulations for Transferring Repurchased Shares to Employees.' According to the company's 2022 Regulations for Transferring Repurchased Shares to Employees, any employees of our company and Antro Biotechnology Co., Ltd., who are employed as of the share subscription date or have made special contributions, subject to the chairman's approval, including domestic and foreign employees of controlling or subsidiary companies (including part-time staff and consultants), are eligible to subscribe to shares as specified in Article 5 of these regulations.

C. Expenses incurred on share-based payment transactions are shown below:

	Years ended December 31,	
	2025	2024
Equity-settled	\$ 6,694	\$ 15,054
Recognition of employee stock options issued by the subsidiary	3,734	7,351
	<u>10,428</u>	<u>22,405</u>

(17) Share capital

A. As of December 31, 2025, the Company's authorised capital was \$ 7,000,000 thousand, consisting of 700,000 thousand shares of ordinary stock (including 15,000 thousand shares reserved for employee stock options), and the paid-in capital was \$ 4,295,078 thousand with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	<u>2025(thousand shares)</u>	<u>2024(thousand shares)</u>
At January 1 (As December 31)	<u>\$ 421,508</u>	<u>\$ 421,508</u>

B. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		<u>December 31, 2025</u>	
<u>Name of company holding the shares</u>	<u>Reason for reacquisition</u>	<u>Number of shares (thousand shares)</u>	<u>Carrying amount</u>
Adimmune Corporation	To be reissued to employees	8,000	\$ 292,538
		<u>December 31, 2024</u>	
<u>Name of company holding the shares</u>	<u>Reason for reacquisition</u>	<u>Number of shares (thousand shares)</u>	<u>Carrying amount</u>
Adimmune Corporation	To be reissued to employees	8,000	\$ 292,538

(b) To motivate employees and enhance their team cohesiveness, on June 9, 2022 and November 11, 2022, the Board of Directors resolved repurchasing of treasury shares in the expected amount of 8,000 thousand shares in order to transfer them to employees. As of December 31, 2022, the balance of the treasury shares repurchased was \$292,538 thousand.

(c) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(e) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Retained earnings

- A. The Company's Articles of Incorporation requires that 10% of the current year's earnings, after paying taxes and offsetting prior years' operating losses, if any, shall be set aside as legal reserve. The remaining amount, after setting aside or reversing a special reserve in accordance with related laws and regulations, the appropriation of the remaining earnings, along with the accumulated unappropriated earnings, shall be proposed by the Board of Directors and resolved by the shareholders at their meetings as dividends to shareholders.
- B. The Company operates in the biotechnology industry, which has the industry life cycle. Dividends shall be allocated after taking into consideration several factors including current and future investment environment, capital requirements, domestic and foreign competition, capital budget, shareholders' interests, balanced dividends, and the Company's long-term financial plan. Dividend distribution plans are to be proposed by the Board of Directors and presented for a final resolution in the shareholders' meeting on a yearly basis.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. On March 11, 2026, the Board of Directors of the Company proposed not to distribute dividends after taking into account the distributable profit of the current year. The aforementioned proposal of 2025 earnings distribution is pending receipt of approval from the shareholders' meeting.
- E. On March 12, 2025, the Board of Directors of the Company proposed not to distribute dividends after taking into account the distributable profit of the current year. The aforementioned proposal of 2024 earnings distribution obtained approval from the shareholders' meeting on June 26, 2025.
- F. Information relating to employees' compensation and directors' remuneration is provided in Note 6(23).

G. On May 14, 2025, the Company's second-tier subsidiary, EB Company, carried out a cash capital reduction. The proceeds from cash capital reduction amounted to \$156,308 thousand (approximately USD 5.16 million), and the carrying amount of long-term equity investments was decreased. The unappropriated retained earnings were adjusted by \$25,815 thousand due to the changes in ownership interest in subsidiaries.

(20) Operating revenue

Information on products and services

A. The Company engages in the manufacture and trade of vaccines and modern medicine products. Details of revenue is as follows:

	Years ended December 31,	
	2025	2024
Sales revenue	\$ 858,659	\$ 950,460
Revenue from professional packing service	410,801	554,806
Other operating revenues	146,963	32,969
	<u>\$ 1,416,423</u>	<u>\$ 1,538,235</u>

	Years ended December 31,	
	2025	2024
Timing of revenue recognition		
At a point in time	\$ 1,005,622	\$ 983,429
Over time	410,801	554,806
	<u>\$ 1,416,423</u>	<u>\$ 1,538,235</u>

B. Contract assets and liabilities

(a) The Company has recognised the following revenue-related contract assets and liabilities:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Contract assets:			
Service	<u>\$ 334,933</u>	<u>\$ 334,933</u>	<u>\$ 334,933</u>
Contract liabilities:			
Advance sales receipts	<u>\$ 35,446</u>	<u>\$ 22,387</u>	<u>\$ 43,750</u>

(b) Revenue recognised that was included in the contract liability balance at the beginning of 2025 and 2024 was \$52,656 thousand and \$21,363 thousand, respectively.

(c) Long-term contracts that are fully unsatisfied

Aggregate amount of the transaction price and each milestone payment allocated to long-term contract development and manufacturing services agreements that are fully unsatisfied as at December 31, 2025 amounted to \$1,654,154 thousand, and the management expects to recognise those amounts in the future years. The services revenue recognised according to the completion of contract amounted to both \$0 thousand for the years ended December 31, 2025 and 2024.

(21) Interest income

	Years ended December 31,	
	2025	2024
Interest income from bank deposits	\$ 16,148	\$ 16,994
Other interest income	23	32
	<u>\$ 16,171</u>	<u>\$ 17,026</u>

(22) Other income

	Years ended December 31,	
	2025	2024
Grant revenue	\$ 902	\$ 1,217
Dividend income	2,634	1,996
Service revenue	-	717
Other non-operating income	14,262	7,238
	<u>\$ 17,798</u>	<u>\$ 11,168</u>

For the years ended December 31, 2025 and 2024, the grant revenue both are government grants revenue. Details of the contract are provided in Note 9(2).

(23) Other gains and losses

	Years ended December 31,	
	2025	2024
Gains on license of intangible assets	\$ 4,953	\$ 4,953
Losses (gains) on disposal of property, plant and equipment	20	19
Gains arising from lease modifications	-	1
Foreign exchange (losses) gains	5,098	24,186
Net gains on financial assets at fair value through profit or loss	473	-
Other expenditures	(998)	(36,132)
	<u>\$ 9,546</u>	<u>(\$ 6,973)</u>

(24) Employee benefit expense, depreciation and amortisation

Nature	Year ended December 31, 2025		
	Operating cost	Operating expense	Total
Employee benefit expense			
Wages and salaries	\$ 294,741	\$ 140,875	\$ 435,616
Employee stock options	937	9,491	10,428
Labour and health insurance fees	29,470	10,328	39,798
Pension costs	12,757	5,357	18,114
Directors' remuneration	-	4,668	4,668
Other personnel expenses	5,149	11,794	16,943
	<u>\$ 343,054</u>	<u>\$ 182,513</u>	<u>\$ 525,567</u>
Depreciation	<u>\$ 147,823</u>	<u>\$ 34,432</u>	<u>\$ 182,255</u>
Amortisation	<u>\$ 18,872</u>	<u>\$ 4,660</u>	<u>\$ 23,532</u>
Nature	Year ended December 31, 2024		
	Operating cost	Operating expense	Total
Employee benefit expense			
Wages and salaries	\$ 275,364	\$ 120,704	\$ 396,068
Employee stock options	1,938	20,467	22,405
Labour and health insurance fees	28,101	9,616	37,717
Pension costs	12,327	5,163	17,490
Directors' remuneration	-	4,225	4,225
Other personnel expenses	5,340	10,509	15,849
	<u>\$ 323,070</u>	<u>\$ 170,684</u>	<u>\$ 493,754</u>
Depreciation	<u>\$ 156,110</u>	<u>\$ 32,555</u>	<u>\$ 188,665</u>
Amortisation	<u>\$ 18,872</u>	<u>\$ 5,521</u>	<u>\$ 24,393</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 1%~10% for employees' compensation and shall not be higher than 5% for directors' remuneration. For the abovementioned employees' compensation, the ratio of the compensation distributed to the rank-and-file employees shall not be lower than 1% of the Company's profit.
- B. For the year ended December 31, 2025 and 2024, there were no employees' compensation and directors' remuneration accrued as the Company generated loss before tax. Employees' compensation and directors' remuneration will not be distributed as resolved by the Board of Directors on March 11, 2026 since the Company generated loss before tax for the year ended December 31, 2025.

Information regarding employees' compensation and directors' remuneration as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

- C. According to the Company's compensation policy, the Company divides management and professional positions according to the nature of the job, the complexity of the job content, the degree of responsibility, and the required knowledge. The salary shall be assessed according to different job categories and positions, as well as the employee's skills, experience and education background. In addition, the Company periodically conducts salary survey to understand the current salary situation in the market, therefore, to adjust the pay level and structure timely to ensure that the Company's salary standard is competitive.
- D. As of December 31, 2025 and 2024, the Company had approximately 532 and 528 employees, including 11 and 10 non-employee directors.
- E. Average employee benefit expense were \$1,000 and \$945 thousand for the years ended December 31, 2025 and 2024, respectively.
- F. Average employees salaries were \$836 thousand and \$765 thousand for the years ended December 31, 2025 and 2024, respectively.
- G. Adjustments of average employees salaries were 9.28%.

(25) Finance costs

	Years ended December 31,	
	2025	2024
Interest expense		
Bank borrowings	\$ 66,257	\$ 66,904
Interest expense on lease liabilities	1,586	1,685
Less: Capitalisation of qualifying assets	(40,696)	(34,301)
Finance costs	<u>\$ 27,147</u>	<u>\$ 34,288</u>

(26) Income tax

A. Income tax expense

The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2025	2024
Remeasurement of defined benefit obligations	<u>\$ 158</u>	<u>\$ 187</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2025	2024
Tax calculated based on profit (loss) before tax and statutory tax rate	(\$ 47,977)	(\$ 48,550)
Expenses disallowed by tax regulation	18,435	18,277
Tax exempt income by tax regulation	(527)	(399)
Temporary differences not recognised as deferred tax assets	16,857	2,537
Taxable loss not recognised as deferred tax assets	13,212	28,135
Income tax expense	\$ -	\$ -

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, loss carryforward and investment tax credits are as follows:

	Year ended December 31, 2025			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
— Deferred tax assets:				
Unrealised loss on inventory obsolescence	\$ 11,695	\$ -	\$ -	\$ 11,695
Loss carryforward	210,666	-	-	210,666
Others	5,054	-	(158)	4,896
	<u>\$ 227,415</u>	<u>\$ -</u>	<u>(\$ 158)</u>	<u>\$ 227,257</u>
	Year ended December 31, 2024			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
— Deferred tax assets:				
Unrealised loss on inventory obsolescence	\$ 11,695	\$ -	\$ -	\$ 11,695
Loss carryforward	210,666	-	-	210,666
Others	5,241	-	(187)	5,054
	<u>\$ 227,602</u>	<u>\$ -</u>	<u>(\$ 187)</u>	<u>\$ 227,415</u>

D. The Company is eligible for research and development investment tax credits under the Statute for Biotech and New Pharmaceuticals Industry. Details are as follows:

December 31, 2025

Year incurred	Qualifying items	Amount filed/ assessed	Unused tax credits	Unrecognised deferred tax assets
Year 2011	Research and development	Amount assessed	\$ 31,076	\$ 31,076
Year 2012	Research and development	Amount assessed	15,490	15,490
Year 2013	Research and development	Amount assessed	15,696	15,696
Year 2014	Research and development	Amount assessed	14,737	14,737
Year 2015	Research and development	Amount assessed	31,878	31,878
Year 2016	Research and development	Amount assessed	20,364	20,364
Year 2017	Research and development	Amount assessed	18,887	18,887
Year 2018	Research and development	Amount assessed	13,525	13,525
Year 2019	Research and development	Amount assessed	47,880	47,880
Year 2020	Research and development	Amount assessed	44,256	44,256
Year 2021	Research and development	Amount assessed	15,088	15,088
Year 2022	Research and development	Amount assessed	31,730	31,730
Year 2023	Research and development	Amount assessed	18,301	18,301
Year 2024	Research and development	Amount filed	21,223	21,223
			<u>\$ 340,131</u>	<u>\$ 340,131</u>

December 31, 2024

Year incurred	Qualifying items	Amount filed/ assessed	Unused tax credits	Unrecognised deferred tax assets
Year 2011	Research and development	Amount assessed	\$ 31,076	\$ 31,076
Year 2012	Research and development	Amount assessed	15,490	15,490
Year 2013	Research and development	Amount assessed	15,696	15,696
Year 2014	Research and development	Amount assessed	14,737	14,737
Year 2015	Research and development	Amount assessed	31,878	31,878
Year 2016	Research and development	Amount assessed	20,364	20,364
Year 2017	Research and development	Amount assessed	18,887	18,887
Year 2018	Research and development	Amount assessed	13,525	13,525
Year 2019	Research and development	Amount assessed	47,880	47,880
Year 2020	Research and development	Amount assessed	44,256	44,256
Year 2021	Research and development	Amount assessed	15,088	15,088
Year 2022	Research and development	Amount assessed	31,730	31,730
Year 2023	Research and development	Amount assessed	18,301	18,301
Year 2024	Research and development	Amount filed	21,223	21,223
			<u>\$ 340,131</u>	<u>\$ 340,131</u>

E. Expiration dates of unused net operating loss carryforward and amounts of unrecognised deferred tax assets are as follows:

December 31, 2025				
Year incurred	Usable until year	Amount filed/ assessed	Unused tax losses of loss carryforward	Unused tax losses of unrecognised deferred tax assets
Year 2015	Year 2025	Amount assessed	713,800	684,980
Year 2016	Year 2026	Amount assessed	525,450	324,344
Year 2017	Year 2027	Amount assessed	534,417	305,157
Year 2018	Year 2028	Amount assessed	371,811	60,278
Year 2019	Year 2029	Amount assessed	282,612	-
Year 2024	Year 2034	Amount filed	138,677	138,677
Year 2025	Year 2035	Estimated filed amount	63,217	63,217
			<u>\$ 2,629,984</u>	<u>\$ 1,576,653</u>
December 31, 2024				
Year incurred	Usable until year	Amount filed/ assessed	Unused tax losses of loss carryforward	Unused tax losses of unrecognised deferred tax assets
Year 2014	Year 2024	Amount assessed	\$ 445,523	\$ 445,523
Year 2015	Year 2025	Amount assessed	713,800	684,980
Year 2016	Year 2026	Amount assessed	525,450	324,344
Year 2017	Year 2027	Amount assessed	534,417	305,157
Year 2018	Year 2028	Amount assessed	371,811	60,278
Year 2019	Year 2029	Amount assessed	282,612	-
Year 2024	Year 2034	Amount filed	138,677	138,677
			<u>\$ 3,012,290</u>	<u>\$ 1,958,959</u>

F. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Deductible temporary differences	<u>\$ 1,115,237</u>	<u>\$ 1,030,952</u>

G. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(27) Earnings (losses) per share

	<u>Year ended December 31, 2025</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Losses per share (in dollars)</u>
<u>Basic losses per share</u>			
Loss for the year	(\$ 239,889)	421,508	(\$ 0.57)

	<u>Year ended December 31, 2024</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Losses per share (in dollars)</u>
<u>Basic losses per share</u>			
Loss for the year	(\$ 242,750)	421,508	(\$ 0.58)

When calculating diluted earnings per share, the Group assumes that the employees' compensation will all be distributed in the form of shares and the resulting potential shares will be included in the weighted average number of ordinary shares outstanding if those shares have a dilutive effect.

(28) Supplemental cash flow information

A. Investing activities with partial cash payments

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Purchase of property, plant and equipment	\$ 215,342	\$ 195,330
Add: Opening balance of payable on equipment	59,848	18,238
Less: Ending balance of payable on equipment	(42,881)	(59,848)
Cash paid during the year	<u>\$ 232,309</u>	<u>\$ 153,720</u>

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Less: Opening balance of prepayments for business facilities	(\$ 269,768)	(\$ 363,802)
Add: Ending balance of prepayments for business facilities	145,026	269,768
Add: Unfinished construction and equipment under acceptance	142,523	170,986
Cash paid during the year	<u>\$ 17,781</u>	<u>\$ 76,952</u>

(29) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities (Note)	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2025	\$ 400,000	\$ 2,018,300	\$ 70,573	\$ 140	\$ 2,488,873
Changes in cash flow from financing activities	(200,000)	382,200	(24,592)	(140)	357,608
Changes in other non-cash items	-	-	12,574	-	12,574
At December 31, 2025	<u>\$ 200,000</u>	<u>\$ 2,400,500</u>	<u>\$ 58,555</u>	<u>\$ -</u>	<u>\$ 2,459,055</u>

Note: including current portion

	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities (Note)	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2024	\$ 500,000	\$ 2,536,100	\$ 60,797	\$ 134	\$ 3,096,897
Changes in cash flow from financing activities	(100,000)	(517,800)	(21,250)	6	(539,050)
Changes in other non-cash items	-	-	31,026	-	31,026
At December 31, 2024	<u>\$ 400,000</u>	<u>\$ 2,018,300</u>	<u>\$ 70,573</u>	<u>\$ 140</u>	<u>\$ 2,088,873</u>

Note: including current portion

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
ENIMMUNE CORPORATION	The subsidiary of the Company
ANIMMUNE CORPORATION	The Company's second-tier subsidiary
Enimmune Biotech PTE. LTD.	The Company's second-tier subsidiary

(2) Significant related party transactions

A. Net sales revenue

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Subsidiary	<u>\$ 63,073</u>	<u>\$ 21,130</u>

Sales revenue arises mainly from finished goods sold from parent company to subsidiary and the transaction price is based on market prices. Payment is expected to be received within four months following the sale date.

B. Accounts receivable

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Subsidiary	<u>\$ 3,483</u>	<u>\$ -</u>

Accounts receivable arise mainly from sales transactions and are due 4 months after the date of sales. The accounts receivable bear no interest. Goods are sold based on the price lists in force and terms that would be available to third parties.

C. Account collected in advance (shown as contract liabilities)

	Years ended December 31,	
	2025	2024
Subsidiary	\$ -	\$ 12,933

Account collected in advance refers to assist the subsidiary in manufacturing and selling the vaccine of EV71 in accordance with the contract.

D. Other receivables

	Years ended December 31,	
	2025	2024
Subsidiary	\$ 200	\$ 95
Second-tier subsidiary	72,652	75,583
	\$ 72,852	\$ 75,678

Other receivables refer to the rent income of the office, the management service revenue and the amount of clinical trial on Covid-19 pandemic, which are received in accordance with the contract.

E. Other payables

	Years ended December 31,	
	2025	2024
Subsidiary	\$ -	\$ 100

Other payables refers to the expense of the clinical trial and the management service.

F. Acquisition of Financial Assets

As of December 31, 2025 : None.

	<u>Accounting line item</u>	Number of shares	Trading instrument	Acquisition
		traded		price in 2024
Subsidiary	Investments accounted for using equity method	2,697 thousand shares	Common stock	\$ 86,294

G. Management service revenue (shown as other revenue)

	Years ended December 31,	
	2025	2024
Subsidiary	\$ 1,796	\$ 198

(a) Management service revenue is generated from administrative management services such as management of equipment maintenance and general expenses commissioned by the subsidiary, and the secondment of the Company's employees to the subsidiary. The actual service hours per month are reimbursed in accordance with the contract. The contract period is from April 1, 2021 to March 31, 2022, and the contract had been extended on April 1, 2022. The new lease term is between April 1, 2023 and March 31, 2024, but had been terminated in advance on January 31, 2024.

(b) Management service revenue is generated from consulting services provided by the Company to its subsidiary and were settled in full upon the contract's expiration in accordance with the contract terms. The contract was signed on October 1, 2024, the contract period is from October 1, 2024 to May 31, 2025, and the contract had been extended on June 1, 2025. The new contract term is between June 1, 2025 and May 31, 2026.

G. Rent income

	Years ended December 31,	
	2025	2024
Subsidiary	\$ 402	\$ 785
Second-tier subsidiary	514	514
	<u>\$ 916</u>	<u>\$ 1,299</u>

(a) Rent income refers to the property lease contract signed with its subsidiary to rent an office in Taichung for business use with a monthly rent of NT\$67 thousand (including tax). The lease term is from July 1, 2023, to June 30, 2024. The contract was renewed on July 1, 2024, with a revised monthly rent of NT\$70 thousand (including tax), and the new lease term is from July 1, 2024, to June 30, 2025.

(b) Rent income refers to the property lease contract signed with its second-tier subsidiary to rent office in Taipei for business use with a monthly rent of \$45 thousand (including tax). The lease term is from January 1, 2024 to December 31, 2024, and the contract had been extended on January 1, 2025

H. Expense of service (shown as the administration expense)

	Years ended December 31,	
	2025	2024
Subsidiary	\$ 48	\$ 586

Expense of service refers to the contract of the management service, consulting and the clinical trial.

(3) Key management compensation

	Years ended December 31,	
	2025	2024
Salaries and other short-term employee benefits	\$ 84,758	\$ 68,130
Termination benefits	9,411	1,621
Share-based payments	1,812	20,068
	<u>\$ 95,981</u>	<u>\$ 89,819</u>

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

<u>Pledged asset</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>	
Property, plant and equipment	\$ 1,132,413	\$ 1,164,912	Long-term borrowings
Special reserve account and pledged account (included in financial assets at amortised cost - non-current)	21,208	5,017	Long-term borrowings
Refundable deposits (included in other current assets and other non-current assets)	60,281	55,068	Performance margin for bidding
	<u>\$ 1,213,902</u>	<u>\$ 1,224,997</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

1. The Company entered into a vaccine distribution contract with Beijing Shouhui Pharmaceutical Co. Ltd. ("Shouhui Company") in December 2019 and had conducted transactions in subsequent years. For the year ended December 31, 2022, the Company shipped the goods after accepting the order from Shouhui Company. However, Shouhui Company did not make the payment according to the payment term agreed in the contract. The Company's receivables due from Shouhui Company was \$393,876 thousand. After failing to collect the payment from Shouhui Company, the Company officially issued a "notice of termination of contract" to Shouhui Company to terminate the contract on February 17, 2023, appointed a Beijing lawyer to file a litigation with the Fourth Intermediate People's Court of Beijing Municipality against Shouhui Company requesting it to make the payment and compensation for damage, applied for property preservation procedures and froze the main bank account of Shouhui Company. The Fourth Intermediate People's Court of Beijing Municipality had held the trial for the litigation on January 17, 2024. The Company is currently awaiting the first instance judgement from the Court. As it is unlikely that the recoverable amount of the receivables can be fully recovered based on the assessment, the Company had made full provision for expected credit loss.
2. In 2023, the Company entered into an embryo egg procurement agreement with Pofu Clean Livestock Farm ("Pofu"). A dispute subsequently arose from the agreement, wherein Pofu alleged that the Company failed to fulfill the guaranteed annual purchase volume of embryo eggs as stipulated in the contract. Accordingly, Pofu filed a civil lawsuit with the Taichung District Court in Taiwan, demanding compensation and outstanding payment for embryo eggs in the total amount of NT\$38,068 thousand. The Company has appointed legal counsel to respond to the lawsuit, which is currently under trial by the Taichung District Court. Based on the Company's assessment and consultation with its legal advisors, management believes that the likelihood of a

favorable outcome is higher; however, the final result remains uncertain. The Company will continue to closely monitor the progress of the litigation. As of March 11, 2026, the case remains under legal proceedings.

3. The Company entered into a vaccine distribution contract and supplement agreement with Clover Biopharmaceuticals, Ltd. (“Clover”) in February 2023. For the year ended December 31, 2023, the Company shipped the goods after accepting the order from Clover. There was a disagreement regarding the acknowledgment of the commercial terms between the Company and Clover after the sales of goods, but it was resolved following the Company’s negotiation with Clover. However, the Company received notification from the China International Economic and Trade Arbitration Commission (CIETAC) on September 11, 2025, stating that Clover filed an arbitration application with the CIETAC and claimed compensation for the loss arising from a supply shortage against the Company. In addition, Clover unilaterally proposed to terminate the vaccine distribution contract on June 30, 2025, and refused to make the final payment for the order delivered in 2024. The Company believes that Clover’s actions constitute a breach of contractual rights and are inappropriate behavior violating the principle of good faith. The Company assessed that the arbitration application was not supported by facts and legal basis, based on the appointed lawyer’s opinion. To protect its own rights and interests, the Company has already appointed lawyers to handle and proceed with the related arbitration processes. Accordingly, the Company filed a counterclaim in arbitration regarding the evidence related to Clover’s breach of the vaccine distribution agreement, claiming that Clover should pay the final payment for the 2024 delivered order in the amount of RMB 18,041 thousand, along with interest for the overdue payment and loss arising from Clover’s unilateral and inappropriate termination of contract. As of March 11, 2026, the arbitration has not yet been judged, the Company assessed the recoverable amount of the related receivables and recognised certain expected credit impairment losses. The aforementioned event did not have a significant impact on the Company’s current operations.

(2) Commitments

- A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property, plant and equipment	\$ 170,707	\$ 199,520

- B. The Company has signed technical contracts relating to continuing development of vaccine of Enterovirus 71 (“EV 71”) with the Center for Disease Control, R.O.C. (“CDC”) and the National Health Research Institute (“NHRI”) in 2011. Details of each stage in the contracts are as follows:
 - (a) The Company has signed technical contracts relating to licensing technology of EV71 with CDC and NHRI in September 2011. The main commitments of the technology license are as follows:
 - i. Licensing period: starting from the date when the three parties sign the contracts.
 - ii. Authorisation expense: The contracts are signed to pay in accordance with progress.

(b) In May 2020, the Company renewed “Commission Service Contract” signed in May 2018 with NHRI to provide the Company with development platform for vaccine. The main terms of the contract are as follows:

- i. Commission period: 2 years (2020.5.1~2022.4.30)
- ii. Commission expense: Service expense is paid each month

(c) The Company has signed “EV 71 vaccine Phase I clinical trial result authorisation” corporation contract with CDC and NHRI in April 2013. NHRI has authorised the technology through non-exclusive license. Details of key commitments are as follows:

- i. Contract period: starting from the date when three parties sign the contract until 25 years after the Company’s first EV71 vaccine is authorised.
- ii. Authorisation fee: the Company pays authorization fee in accordance with contracted progress within 2 years after the contract is signed.

(d) In January 2020, the Company signed the “Commission Service Contract” of cell culture technology as a platform for vaccine solution with NHRI. The main terms of the contract are as follows:

Commission service fee: The contracts are signed to pay in accordance with progress.

C. The Company has signed a processing agreement with Shenzhen Techdow Pharmaceutical Co., LTD (“TECHDOW”). The two companies’ cooperative injection technique, which is the Company’s packing techniques (aseptic prefilled injection packing techniques) along with TECHDOW’s pharmaceutical material (Enoxaparin sodium), has received EMA’s authorisation and is processed for mass production. Key commitments of the agreement are as follows:

- (a) Contract period: 5 years after the date of the first order by TECHDOW. Unless one party notifies the other a non-renewal no less than 60 days before the agreement expires, the agreement is automatically renewed once per year.
- (b) Processing price: by the process quantity in accordance with the agreement.
- (c) Other commitments: during the agreement period, the Company may not directly or indirectly produce same products for supply in any market.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Capital management

The Company’s capital management is based on the industry where the Company is in, industry’s future growth and product development to set an appropriate market share, set a corresponding capital expenditure. The management is also based on operating funds calculated based on financial operation plans and consideration of operating profit and cash flow generated by product competitiveness to determine an appropriate capital structure.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss - current	\$ 473	\$ -
Financial assets at fair value through other comprehensive income - non-current	\$ 91,644	\$ 109,663
Financial assets at amortised cost		
Cash and cash equivalents	\$ 1,963,319	\$ 1,822,471
Financial assets at amortised cost - current	7,600	107,600
Accounts receivable (including accounts receivable due from related parties)	135,824	175,311
Financial assets at amortised cost - non-current	21,208	5,017
Other receivables (including other receivables due from related parties)	72,852	75,678
Guarantee deposits paid (shown as other current assets and non-current assets)	60,281	55,068
	<u>\$ 2,261,084</u>	<u>\$ 2,241,145</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 200,000	\$ 400,000
Accounts payable	16,718	28,299
Other payables	208,660	233,872
Long-term borrowings (including current portion)	2,400,500	2,018,300
Guarantee deposits received (shown as other current liabilities)	-	140
	<u>\$ 2,825,878</u>	<u>\$ 2,680,611</u>
Lease liability (including current portion)	<u>\$ 58,555</u>	<u>\$ 70,573</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.

- (b) Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.
- C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- A. The Company manages their foreign exchange risk against their functional currency. The Company is required to hedge their entire foreign exchange risk exposure with the Company treasury.
- B. Foreign exchange risk between USD, JPY and EUR with NTD is mainly from exchange loss or profit arising from conversion of cash and cash equivalents and accounts receivable denominated in USD, JPY and EUR.
- C. The Company's businesses involve foreign exchange variation, the information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations and analysis of foreign currency market risk arising from significant foreign exchange variation are as follows:

(Remainder of page intentionally left blank)

December 31, 2025						
Foreign currency			Sensitivity analysis			
amount (In thousands)	Exchange rate	Book value(NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 7,426	31.38	\$ 233,028	1%	\$ 2,330	\$ -
JPY:NTD	396,699	0.20	78,864	1%	789	-
EUR:NTD	416	36.70	15,267	1%	153	-
RMB:NTD	21,675	4.47	96,909	1%	969	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	\$ 148	31.48	\$ 4,659	1%	\$ 47	\$ -
December 31, 2024						
Foreign currency			Sensitivity analysis			
amount (In thousands)	Exchange rate	Book value(NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 10,278	32.74	\$ 336,450	1%	\$ 3,364	\$ -
JPY:NTD	396,196	0.21	82,357	1%	824	-
EUR:NTD	137	33.94	4,643	1%	46	-
RMB:NTD	19,992	4.45	89,024	1%	890	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	\$ 698	32.84	\$ 22,919	1%	\$ 229	\$ -

Total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2025 and 2024, amounted to exchange profit of \$5,098 thousand and exchange profit of \$24,186 thousand, respectively.

Cash flow and fair value interest rate risk

- i. The Company's interest rate risk arises from short-term borrowings and long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.
- ii. At December 31, 2025 and 2024, if the interest rate had been 25 basis point higher/lower, post-tax profit would have decreased/increased by \$5,201 thousand and \$4,837 thousand, respectively.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Company's cash and cash equivalents and financial assets at amortised cost are deposited in financial institutions with optimal credit quality. In order to prevent excessive concentration and to disperse credit risk, the Company manages the deposit ratio in each financial institution, and the credit quality of banks and financial institutions the Company trades with is optimal. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The Company screens potential transaction counterparties based on their credit history, and only enters into transactions with counterparties that reach a certain level of credit quality; hence, there is no significant credit risk.
- iii. The Company adopts the assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition, the default occurs when the contract payments are past due over 90 days.
- iv. The Company classifies customers' accounts receivable in accordance with credit rating of customer. The Company applies the simplified approach using a provision matrix to estimate expected credit loss under the provision matrix basis.
- v. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights.

vi. The Company used the forecastability to adjust historical and timely information to assess the default possibility of receivables (including accounts receivable, accounts receivable - related and contract assets). The Company first assesses and provides impairment loss for the receivables which have objective evidence to indicate that the receivables may not be recovered, and remaining receivables use historical and timely information to assess the default possibility, and taking into consideration the forecastability, in order to assess the default possibility of receivables. As of December 31, 2025 and 2024, the loss rate methodology is as follows:

<u>December 31, 2025</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
<u>Group</u>			
Not past due	0%	\$ 419,807	\$ -
In 30 days	0%	6,406	-
		<u>\$ 426,213</u>	<u>\$ -</u>
<u>Individual Assessment</u>			
A Company	50%	80,661	39,600
B Company	100%	393,708	393,708
		<u>\$ 900,582</u>	<u>\$ 433,308</u>
<u>December 31, 2024</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
<u>Group</u>			
Not past due	0%	\$ 443,667	\$ -
In 30 days	0%	62,925	-
91-120 days	0%	3,652	-
		<u>\$ 510,244</u>	<u>\$ -</u>
<u>Individual Assessment</u>			
B Company	100%	393,708	393,708
		<u>\$ 903,952</u>	<u>\$ 393,708</u>

vii. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable as follows:

	<u>2025</u>	<u>2024</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
At January 1	\$ 393,708	\$ 393,708
Provision for impairment	39,600	-
At December 31	<u>\$ 433,308</u>	<u>\$ 393,708</u>

viii. The Group used the forecastability of economic forecasting announced by the Directorate General of Budget, Accounting and Statistics of the Executive Yuan to adjust historical and timely information to assess the default possibility of debt instruments as of December 31, 2025 and 2024, in order to estimate expected credit losses.

ix. For investments in debt instruments at amortised cost and at fair value through other comprehensive income, the credit rating levels are presented below:

	December 31, 2025			
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortised cost	\$ 28,808	\$ -	\$ -	\$ 28,808

	December 31, 2024			
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortised cost	\$ 112,617	\$ -	\$ -	\$ 112,617

(c) Liquidity risk

- i. Cash flow forecasting is performed and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.
- ii. Company treasury invests surplus cash in interest bearing current accounts, time deposits, and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.
- iii. As of December 31, 2025 and 2024, the Company had undrawn borrowing facilities amounting to \$1,802,000 thousand and \$1,852,000 thousand, respectively.

iv. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities.

December 31, 2025	Between 3 months				Total
	Less than 3 months	and 1 year	Between 1 and 3 years	Over 3 years	
Short-term borrowings	\$ 201,251	\$ -	\$ -	\$ -	\$ 201,251
Accounts payable	16,718	-	-	-	16,718
Other payables	208,660	-	-	-	208,660
Long-term borrowings (Note)	709,997	209,087	838,487	755,224	2,512,795
Lease liabilities (Note)	6,985	11,201	37,812	4,649	60,647

Note: including current portion.

December 31, 2024	Between 3 months				Total
	Less than 3 months	and 1 year	Between 1 and 3 years	Over 3 years	
Short-term borrowings	\$ 402,516	\$ -	\$ -	\$ -	\$ 402,516
Accounts payable	28,299	-	-	-	28,299
Other payables	233,872	-	-	-	233,872
Long-term borrowings (Note)	157,326	210,105	1,060,824	755,224	2,183,479
Lease liabilities (Note)	6,790	11,873	28,818	25,826	73,307
Guarantee deposits received	-	140	-	-	140

Note: including current portion.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

Except for those listed in the table below, the carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, refundable deposits, accounts payable, other payables, lease liabilities and long-term borrowings (including current portion) are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

<u>December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Financial assets at fair value through profit or loss				
- forward exchange contracts	\$ -	\$ 473	\$ -	\$ 473
Financial assets at fair value through other comprehensive income				
- equity securities	-	-	91,644	91,644
	<u>\$ -</u>	<u>\$ 473</u>	<u>\$ 91,644</u>	<u>\$ 92,117</u>
<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Financial assets at fair value through other comprehensive income				
- equity securities	-	-	109,663	109,663
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,663</u>	<u>\$ 109,663</u>

(b) The methods and assumptions the Company used to measure fair value are as follows:

- i. Forward exchange contracts are usually valued based on the current forward exchange rate.
- ii. The fair value of financial instruments without active market is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques refers to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods.

D. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

	<u>Equity securities</u>	
	<u>2025</u>	<u>2024</u>
At January 1	\$ 109,663	\$ 105,860
(Losses) gain recognized in other comprehensive income	(18,019)	8,224
Derecognized in the period	-	(4,421)
At December 31	<u>\$ 91,644</u>	<u>\$ 109,663</u>

E. For the years ended December 31, 2025 and 2024, there was no transfer into or out from Level 3.

F. Treasury division is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, updating inputs used to the valuation model and making any other necessary adjustments to the fair value. For the years ended December 31, 2025 and 2024, there was no transfer into or out from Level 3.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	<u>Fair value at December 31, 2025</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument: Unlisted shares	\$ 91,644	Market comparable companies	Liquidity premium	20%	The higher the multiple, the higher the fair value
	<u>Fair value at December 31, 2024</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument: Unlisted shares	\$ 109,663	Market comparable companies	Liquidity premium	20%	The higher the multiple, the higher the fair value

H. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2025			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Liquidity premium	±10%	\$ -	\$ -	\$ 11,441	(\$ 11,441)
			December 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Liquidity premium	±10%	\$ -	\$ -	\$ 13,653	(\$ 13,653)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- F. Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 2.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 3.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. SEGMENT INFORMATION

None.

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Adimmune Corporation and subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2025				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Adimmune Corporation	Taiwan Biotech Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current valuation adjustments	4,565,768	\$ 61,129	1.43	<u>\$ 91,644</u>	-
					<u>30,515</u>			
					<u>\$ 91,644</u>			

Adimmune Corporation and subsidiaries
Information on investees(Not including investees in Mainland China)
For the year ended December 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the ended December 31, 2025	Investment loss recognised by the Company for the ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Adimmune Corporation	Enimmune Corporation	Taiwan	Bio-technology	\$ 684,518	\$ 684,518	36,254,701	50.26	\$ -	(\$ 164,347)	(\$ 82,601)	Note 1 & 4
Adimmune Corporation	Global Commonwealth Life Science (Holdings) Limited	Hong Kong	Investment	-	-	2	100.00	-	-	-	Notes 1 & 3
Adimmune Corporation	Adimmune B.V.	Netherland	Investment	-	-	-	100.00	-	-	-	Note 1
Adimmune Corporation	Eggs Corporation	Taiwan	Animal Husbandry	65,000	65,000	6,500,000	100.00	13,639	(9,043)	(9,043)	Note 1
Eggs Corporation	Animmune Corporation	Taiwan	Bio-technology	51,732	51,732	3,636,585	51.22	8,063	(16,680)	(8,543)	Note 2
Enimmune Corporation	Enimmune Biotech PTE. LTD.	Singapore	Bio-technology	162,910	162,910	55,000,000	100.00	-	(249)	(57)	Note 2

Note 1: The Company's subsidiary.

Note 2: It's the Company's second-tier subsidiary.

Note 3: Initial investment was NT\$8 (in dollars).

Note 4: It was the credit balance arising from long-term equity investments, which resulted from the continued financial support of the Company's subsidiary and was shown as "other non-current liabilities".

Adimmune Corporation and subsidiaries
Information on investments in Mainland China
For the year ended December 31, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee as of December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the ended December 31, 2025 (Note 2)	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Adimmune Co., Ltd. Nanjing, China	Business sales & acquisition	\$ -	1	\$ -	\$ -	\$ -	\$ -	\$ -	100.00	\$ -	\$ -	\$ -	Notes 2

Note 1: Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: The company was approved for business registration by the competent authority on August 10, 2016. As of December 31, 2025, the company still has not yet initiated its operation, thus, no related investment profit or loss.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Department of Investment Review, MOEA	Ceiling on investments in Mainland China imposed by the Department of Investment Review, MOEA(Note)
Adimmune Co., Ltd. Nanjing, China	\$ -	\$ 10,000	\$ 2,966,637

Note: Calculated in accordance with the limits set in the "Principles for the Review of Investment or Technical Cooperation in Mainland China" issued by the Ministry of Economic Affairs (60% of the net value).

ADIMMUNE CORPORATION
CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 1

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Petty cash		\$ 1,255
Demand deposits		1,163,133
Foreign currency deposits	USD 2,530 thousand at exchange rate of 31.38	79,380
	JPY 396,441 thousand at exchange rate of 0.199	78,812
	EUR 30 thousand at exchange rate of 36.7	1,103
	CNY 3,606 thousand at exchange rate of 4.471	16,121
	GBP 0.3 thousand at exchange rate of 42.13	13
Time deposits	Period : from October 26, 2025 to March 30, 2026 interest rate : 1.285%~1.64%	620,000
Checking accounts		3,502
		<u>\$ 1,963,319</u>

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ADIMMUNE CORPORATION
ACCOUNTS AND NOTES RECEIVABLE, NET
DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 2

Client Name	Description	Amount	Note
Accounts receivable			
A Company		\$ 393,708	
B Company		82,706	
C Company		80,661	
Others		<u>8,574</u>	
		565,649	
Less: Allowance for uncollectible accounts		(<u>433,308</u>)	
		<u>\$ 132,341</u>	

ADIMMUNE CORPORATION
INVENTORIES
DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 3

Item	Amount		Determination of Net Realisable Value
	Cost	Net Realizable Value	
Raw materials	\$ 93,079	\$ 85,444	Replacement cost
Work in progress	731,195	729,825	Net Realisable Value
Finished goods	125,632	138,130	Net Realisable Value
Merchandises	1,450	2,805	Net Realisable Value
	<u>951,356</u>	<u>\$ 956,204</u>	
Less: Allowance for inventory valuation losses and obsolescence loss	(405,720)		
	<u>\$ 545,636</u>		

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ADIMMUNE CORPORATION
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD(1)
FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 4

Name	Beginning Balance		Addition(Note 1)		Decrease(Note 2)		Ending Balance		Market Value or Net Assets Value		
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Unit	Total	Collateral
									Price	Amount	
Enimmune Corporation	36,254,701	\$ 58,092	\$ -	\$ -	\$ -	(\$103,181)	\$ 36,254,701	(\$ 45,089)	\$ -	\$ -	None
Eggs Corporation	6,500,000	22,681	-	-	-	(9,042)	6,500,000	13,639	-	-	None
Global Commonwealth Life Science (Holdings) Limited (Note 3)	2	-	-	-	-	-	2	-	-	-	None
		<u>\$ 80,773</u>		<u>\$ -</u>		<u>(\$112,223)</u>		<u>(\$ 31,450)</u>		<u>\$ -</u>	
Reclassified to "other non-current liabilities" (Note 4)								45,089			
								<u>\$ 13,639</u>			

Note 1: The increase in the current period includes additional investment, exchange differences arising from the translation of foreign operations, recognition of share-based payments issued by the parent company, realized gains on intercompany sales, unrealized losses on intercompany sales, and gains from intangible asset licensing.

Note 2: The decrease in the current period includes investment losses and recognition of share-based payments issued by subsidiaries.

Note 3: The original investment amount was NT\$8 per share.

Note 4: It was the credit balance arising from long-term equity investments, which resulted from the continued financial support of the Company's subsidiary and was shown as "other non-current liabilities".

ADIMMUNE CORPORATION
OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 5

Item	Unit	Volume	Amount (in thousands)
Influenza vaccine	thousand doses	3,377	\$ 742,329
Quadrivalent Flublok® Influenza Vaccine	thousand doses	4,673	287,593
Enoxaparin Sodium Injection	thousand doses	6,881	135,944
Other operating revenue			<u>264,489</u>
			1,430,355
Less: Sales returns and discounts			(13,932)
Operating revenue, net			<u><u>1,416,423</u></u>

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ADIMMUNE CORPORATION
OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 6

	Amount
Beginning merchandises	\$ 933
Purchase for the year	1,805
Less: Ending merchandises	(1,449)
Transfers to expenses	(32)
Purchasing and selling costs	1,257
Beginning raw materials	111,283
Add: Raw materials purchased	327,209
Less: Ending raw materials	(93,079)
Transfers to expenses	(32,973)
Others	(1,771)
Consumption of raw materials for the year	310,669
Direct labor	154,314
Manufacturing expense	708,906
Underapplied overhead	(363,411)
Manufacturing cost	810,478
Add: Beginning work in progress	692,439
Less: Ending work in Progress	(731,195)
Transfers to expenses	(65,170)
Cost of finished goods	706,552
Add: Beginning finished goods	146,743
Less: Ending finished goods	(125,632)
Transfers to expenses	(28,412)
Manufacturing and selling costs	699,251
Add: Loss on decline in market value and obsolete and slow-moving inventories	63,477
Underapplied overhead	363,411
Less: Revenue from sale of scraps	(3)
Operating costs	\$ 1,127,393

ADIMMUNE CORPORATION
MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 7

Item	Description	Amount	Note
Indirect labor		\$ 158,479	
Depreciation		147,824	
Utilities expense		138,256	
Indirect materials		58,978	
Lot release fee		48,431	
Repairs and maintenance expense		43,707	
Insurance expense		36,756	
Other expenses		76,475	None of the balance of each amount is greater than 5% of this account balance
		<u>\$ 708,906</u>	

ADIMMUNE CORPORATION
SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 8

Item	Description	Amount	Note
Injury benefits		\$ 5,524	
Wages and salaries		5,521	
Freight		1,592	
Other expenses		<u>3,648</u>	None of the balance of each amount is greater than 5% of this account balance
		<u>\$ 16,285</u>	

ADIMMUNE CORPORATION
ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 9

Item	Description	Amount	Note
Wages and salaries		\$ 128,165	
Cost of services		34,921	
Depreciation		21,354	
Other expenses		<u>87,252</u>	None of the balance of each amount is greater than 5% of this account balance
		<u>\$ 271,692</u>	

ADIMMUNE CORPORATION
RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 10

Item	Description	Amount	Note
Stability test fee		\$ 69,822	
Wages and salaries		30,374	
Depreciation		13,077	
Clinical trials cost		8,155	
			None of the balance of each amount is greater than 5% of this account balance
Other expenses		<u>12,360</u>	
		<u>\$ 133,788</u>	