PHARMAESSENTIA CORP. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

WITH REPORT OF INDEPENDENT AUDITORS

FOR THE NINE-MONTH PERIODS ENDED

SEPTEMBER 30, 2025 and 2024

Address: 13F, No.3, Park St., Nangang Dist., Taipei City 115, Taiwan (R.O.C.)
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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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English Translation of Review Report Originally Issued in Chinese

Independent Auditors' Review Report

To PharmaEssentia Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of PharmaEssentia Corp. (the "Company") and its subsidiaries as of September 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2025 and 2024, changes in equity and cash flows for the nine-month periods ended September 30, 2025 and 2024, and notes to the consolidated financial statements, including the summary of material accounting policies (together "the consolidated financial statements"). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Note 4(3), the financial statements of certain insignificant subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NTD 752,651 thousand and NTD 1,288,960 thousand, constituting 2% and 4% of the consolidated total assets, and total liabilities of NTD 286,072 thousand and NTD 304,733 thousand, constituting 6% and 10% of the consolidated total liabilities as of September 30, 2025 and 2024, respectively; and total comprehensive income of NTD (131,418) thousand, NTD (161,317) thousand, NTD (439,871) thousand and NTD (634,056) thousand, constituting (11)%, (22)%, (17)% and (32)% of the consolidated total comprehensive income for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively. As disclosed in Note 6(6), the associate or joint venture under the equity method amounted to NTD 52,369 thousand as of September 30, 2025. The related shares of profits and other comprehensive income from the associate or joint venture under the equity method was both NTD (2,111) thousand and NTD 0 thousand for the three-month period and the nine-month period ended September 30, 2025 and 2024, respectively. These amounts are based solely on the financial statement of the associate or joint venture, which was not reviewed by independent auditors. The information related to the above subsidiaries disclosed in Note 13 was also not reviewed by independent auditors.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries and the information been reviewed by independent auditors described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of September 30, 2025 and 2024, and their consolidated financial performance for the three-month and nine-month periods ended September 30, 2025 and 2024, and cash flows for the nine-month periods ended September 30, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Lu, Chain-Uen

Chang, Chiao-Ying

Ernst & Young, Taiwan
November 4, 2025

Taipei, Taiwan
Republic of China

ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE
PHARMAESSENTIA CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
September 30, 2025, December 31, 2024 and September 30, 2024
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of					
		September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%
Current assets							
Cash and cash equivalents	6	$21,581,135	63	$21,051,091	68	$20,831,816	72
Current financial assets at amortized cost	6,8	23,027	-	23,636	-	23,019	-
Accounts receivable, net	6	3,558,467	10	2,623,830	8	2,155,900	8
Other receivables		30,976	-	68,782	-	22,647	-
Current tax assets		150,208	1	139,226	-	109,180	-
Inventories	6	1,166,142	3	1,276,644	4	1,270,085	4
Prepayments	6	290,342	1	179,669	1	222,911	1
Other current assets		41,986	-	54,607	-	62,084	-
Total current assets		26,842,283	78	25,417,485	81	24,697,642	85
Non-current assets							
Non-current financial assets at fair value through other comprehensive income	6	419,271	1	542,438	2	119,846	-
Non-current financial assets at amortized cost	6,8	448,563	1	25,594	-	24,868	-
Investments accounted for using the equity method	4,6	52,369	-	-	-	-	-
Property, plant and equipment	6,8	3,250,117	9	2,513,036	8	2,147,799	7
Right-of-use assets	6	784,822	2	847,575	3	902,401	3
Intangible assets	6	244,528	1	272,721	1	252,167	1
Deferred tax assets		1,982,063	7	1,120,428	4	678,682	2
Prepayments for business facilities	6	288,099	1	199,638	1	179,137	1
Other non-current assets, others	6	137,934	-	122,718	-	142,013	1
Total non-current assets		7,607,766	22	5,644,148	19	4,446,913	15
Total assets		$34,450,049	100	$31,061,633	100	$29,144,555	100

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

ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE
PHARMAESSENTIA CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
September 30, 2025, December 31, 2024 and September 30, 2024
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of					
		September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%
Current liabilities							
Current contract liabilities	6	$-	-	$229	-	$-	-
Notes payable		545	-	35	-	47	-
Accounts payable		199,798	1	126,433	-	131,347	-
Other payables	6	1,761,658	5	1,337,313	4	888,614	3
Current tax liabilities		66,149	-	-	-	-	-
Current lease liabilities	6	204,509	1	180,555	1	194,572	1
Current portion of long-term borrowings	6,8	7,066	-	11,902	-	12,405	-
Current refund liabilities	6	1,273,213	4	509,292	2	366,808	1
Other current liabilities, others	6,9	415,518	1	391,473	1	412,944	2
Total current liabilities		3,928,456	12	2,557,232	8	2,006,737	7
Non-current liabilities							
Non-current portion of long-term borrowings	6,8	46,329	-	50,812	-	53,395	-
Deferred tax liabilities		69,729	-	81,318	-	80,606	-
Non-current lease liabilities	6	635,090	2	722,163	2	761,802	3
Net defined benefit liability, non-current	6	9,081	-	11,056	-	11,381	-
Other non-current liabilities, others		12,132	-	170,208	1	146,394	-
Total non-current liabilities		772,361	2	1,035,557	3	1,053,578	3
Total liabilities		4,700,817	14	3,592,789	11	3,060,315	10
Equity	6						
Share capital							
Ordinary shares		3,421,821	10	3,417,914	11	3,411,964	12
Stock dividends to be distributed		366,171	1	-	-	-	-
Capital surplus		23,591,929	68	23,546,569	76	23,497,486	81
Retained earnings							
Legal reserve		297,358	1	-	-	-	-
Undistributed earnings		5,471,247	16	2,973,582	10	1,737,364	6
Other equity interest		(594,186)	(2)	335,887	1	242,534	1
Treasury shares		(2,805,108)	(8)	(2,805,108)	(9)	(2,805,108)	(10)
Equity attributable to owners of the parent		29,749,232	86	27,468,844	89	26,084,240	90
Non-controlling interests		-	-	-	-	-	-
Total equity		29,749,232	86	27,468,844	89	26,084,240	90
Total liabilities and equity		$34,450,049	100	$31,061,633	100	$29,144,555	100

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

ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE

PHARMAESSENTIA CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three-month and for the nine-month periods ended September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	For the three-month period ended				For the nine-month period ended			
		September 30, 2025		September 30, 2024		September 30, 2025		September 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
Operating revenue	6	$3,893,772	100	$2,713,359	100	$10,753,539	100	$6,673,280	100
Operating costs	6	(327,927)	(8)	(327,886)	(12)	(1,140,648)	(11)	(821,506)	(12)
Gross profit from operations		3,565,845	92	2,385,473	88	9,612,891	89	5,851,774	88
Operating expenses	6,7								
Selling expenses		(960,913)	(25)	(563,350)	(21)	(2,378,440)	(22)	(1,630,492)	(24)
Administrative expenses		(554,424)	(14)	(384,394)	(14)	(1,407,306)	(13)	(1,206,694)	(18)
Research and development expenses		(884,627)	(23)	(703,200)	(26)	(2,460,394)	(23)	(1,819,929)	(27)
Total operating expenses		(2,399,964)	(62)	(1,650,944)	(61)	(6,246,140)	(58)	(4,657,115)	(69)
Net operating income		1,165,881	30	734,529	27	3,366,751	31	1,194,659	19
Non-operating income and expenses	6								
Interest income		123,731	3	246,595	9	506,538	5	702,186	10
Other income		2,243	-	10,015	-	9,190	-	18,566	-
Other gains and losses, net		129,710	3	(104,077)	(4)	(890,391)	(8)	244,084	4
Finance costs		(5,554)	-	(5,572)	-	(19,774)	-	(16,896)	-
Share of profit (loss) of associates and joint ventures accounted for using equity method		(2,111)	-	-	-	(2,111)	-	-	-
Total non-operating income and expenses		248,019	6	146,961	5	(396,548)	(3)	947,940	14
Gain before income tax		1,413,900	36	881,490	32	2,970,203	28	2,142,599	33
Income tax benefit (expense)	6	59,177	2	(161,799)	(6)	598,682	6	(412,702)	(6)
Net income		1,473,077	38	719,691	26	3,568,885	34	1,729,897	27
Other comprehensive income (loss), net	6								
Items that will not be reclassified to profit or loss									
Unrealized gains (losses) from investments in equity instruments investments measured at fair value through other comprehensive income		(28,047)	(1)	(9,487)	-	(68,687)	(1)	(19,078)	(1)
Income tax related to items that will not be reclassified		-	-	-	-	-	-	-	-
Items that may be reclassified subsequently to profit or loss									
Exchange differences on translation of foreign financial statements		(248,900)	(6)	14,274	1	(936,845)	(9)	249,486	4
Income tax related to items that may be reclassified		-	-	-	-	-	-	-	-
Other comprehensive income (loss), net		(276,947)	(7)	4,787	1	(1,005,532)	(10)	230,408	3
Total comprehensive income (loss)		$1,196,130	31	$724,478	27	$2,563,353	24	$1,960,305	30
Net income attributable to:									
Owners of the parent		$1,473,077		$719,691	26	$3,568,885		$1,729,897	27
Non-controlling interests		-		-	-	-		-	-
		$1,473,077		$719,691	26	$3,568,885		$1,729,897	27
Comprehensive income (loss) attributable to:									
Owners of the parent		$1,196,130		$724,478	27	$2,563,353		$1,960,305	30
Non-controlling interests		-		-	-	-		-	-
		$1,196,130		$724,478	27	$2,563,353		$1,960,305	30
Earnings per share (in NTD)	6								
Basic earnings per share		$3.99		$1.99		$9.66		$4.71	
Diluted earnings per share		$3.97		$1.98		$9.62		$4.67	

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

ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE

PHARMAESSENTIA CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine-month periods ended September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent											
	Share capital			Retained earnings		Other equity interest						
Summary	Ordinary share	Stock dividends to be distributed	Capital surplus	Legal reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned compensation	Treasury shares	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance on January 1, 2024	$3,402,639	$-	$24,092,179	$-	$(631,187)	$105,258	$(10,076)	$(205,555)	$(2,805,108)	$23,948,150	$-	$23,948,150
Other changes in capital surplus:												
Capital surplus used to offset accumulated deficits	-	-	(631,187)	-	631,187	-	-	-	-	-	-	-
Net income for the nine-month period ended September 30, 2024	-	-	-	-	1,729,897	-	-	-	-	1,729,897	-	1,729,897
Other comprehensive income (loss) for the nine-month period ended September 30, 2024	-	-	-	-	-	249,486	(19,078)	-	-	230,408	-	230,408
Total comprehensive income (loss) for the nine-month period ended September 30, 2024	-	-	-	-	1,729,897	249,486	(19,078)	-	-	1,960,305	-	1,960,305
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	7,467	-	(7,467)	-	-	-	-	-
Share-based payments	9,325	-	36,494	-	-	-	-	129,966	-	175,785	-	175,785
Balance on September 30, 2024	$3,411,964	$-	$23,497,486	$-	$1,737,364	$354,744	$(36,621)	$(75,589)	$(2,805,108)	$26,084,240	$-	$26,084,240
Balance on January 1, 2025	$3,417,914	$-	$23,546,569	$-	$2,973,582	$444,450	$(60,261)	$(48,302)	$(2,805,108)	$27,468,844	$-	$27,468,844
Appropriation and distribution of earnings, 2025												
Legal reserve	-	-	-	297,358	(297,358)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(366,171)	-	-	-	-	(366,171)	-	(366,171)
Stock dividends of ordinary share	-	366,171	-	-	(366,171)	-	-	-	-	-	-	-
Net income for the nine-month period ended September 30, 2025	-	-	-	-	3,568,885	-	-	-	-	3,568,885	-	3,568,885
Other comprehensive income (loss) for the nine-month period ended September 30, 2025	-	-	-	-	-	(936,845)	(68,687)	-	-	(1,005,532)	-	(1,005,532)
Total comprehensive income (loss) for the nine-month period ended September 30, 2025	-	-	-	-	3,568,885	(936,845)	(68,687)	-	-	2,563,353	-	2,563,353
Disposal of equity instruments investments measured at fair value through other comprehensive income	-	-	-	-	(41,520)	-	41,520	-	-	-	-	-
Share-based payments	3,907	-	45,360	-	-	-	-	33,939	-	83,206	-	83,206
Balance on September 30, 2025	$3,421,821	$366,171	$23,591,929	$297,358	$5,471,247	$(492,395)	$(87,428)	$(14,363)	$(2,805,108)	$29,749,232	$-	$29,749,232

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

ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE

PHARMAESSENTIA CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the nine-month periods ended September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Item	For the nine-month period ended	
	September 30, 2025	September 30, 2024
Cash flows from operating activities:		
Income before income tax	$2,970,203	$2,142,599
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	242,984	234,835
Amortization expense	50,624	38,135
Interest expense	19,774	16,896
Interest income	(506,538)	(702,186)
Dividends income	-	(6,603)
Share-based payments	50,526	130,707
Share of loss (profit) of associates and joint ventures accounted for using equity method	2,111	-
Loss on disposal of property, plant and equipment	542	343
Gain on disposal of right-of-use assets	(7)	-
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	(934,637)	(843,597)
Decrease (increase) in other receivables	49,941	149,056
Decrease (increase) in inventories	69,728	31,901
Decrease (increase) in prepayments	(110,673)	(70,717)
Decrease (increase) in other current assets	11,050	(13,359)
Increase (decrease) in contract liabilities	(229)	-
Increase (decrease) in notes payable	510	37
Increase (decrease) in accounts payable	73,365	2,478
Increase (decrease) in other payables	424,345	(292,452)
Increase (decrease) in current refund liabilities	825,569	134,213
Increase (decrease) in other current liabilities, others	26,808	78,075
Increase (decrease) in net defined benefit liability, non-current	(1,975)	1,173
Increase (decrease) in other non-current liabilities, others	(155,365)	52,710
Cash inflow generated from operations	3,108,656	1,084,244
Interest received	494,403	697,656
Interest paid	(19,774)	(16,896)
Income taxes paid	(218,017)	(167,925)
Net cash provided by operating activities	3,365,268	1,597,079
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(437,886)	(1,117)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	25,000
Acquisition of property, plant and equipment	(782,186)	(373,938)
Increase in guarantee deposits	(2,508)	(2,417)
Decrease in guarantee deposits	10,269	4,175
Acquisition of intangible assets	(6,767)	(7,729)
Decrease (increase) in prepayments for business facilities	(97,279)	(77,801)
(Increase) decrease in other non-current assets, others	(38,932)	(35,016)
Dividends received	-	6,603
Net cash used in investing activities	(1,355,289)	(462,240)
Cash flows from financing activities:		
Increase in current borrowings	2,174,760	-
Decrease in current borrowings	(2,174,760)	(21,000)
Repayments of long-term borrowings (including current portion)	(9,319)	(9,273)
Payments of lease liabilities	(163,547)	(164,354)
Cash dividends paid	(366,171)	-
Exercise of employee share options	27,206	6,931
Net cash used in financing activities	(511,831)	(187,696)
Effect of exchange rate changes on cash and cash equivalents	(968,104)	218,644
Net increase in cash and cash equivalents	530,044	1,165,787
Cash and cash equivalents at the beginning of period	21,051,091	19,666,029
Cash and cash equivalents at the end of period	$21,581,135	$20,831,816

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

English translation of consolidated financial statements originally issued in Chinese

PHARMAESSENTIA CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended September 30, 2025 and 2024

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

1. History and organization

PharmaEssentia Corp. (the "Company"), was established on May 9, 2000. The Company primarily engages in medicine discovery, supplements in developing specialty pharmaceutical reagents, API and new drug patterns developments. The Company commenced business since October 2003.

In a Board of Directors meeting held in February 2012, the Company resolved to build a plant for producing pharmaceutical protein medicine at Central Taiwan Science Park, which was completed and put into use in October 2012 for producing, for clinical trial, pegylated interferon (Ropeginterferon alfa-2b) (P1101). The pegylated interferon (Ropeginterferon alfa-2b) (P1101) produced by the plant has, as of January 2018, received GMP certifications from both the European Medicines Agency (EMA) and the Taiwan Ministry of Health and Welfare. These certifications demonstrate that the plant complies with Good Manufacturing Practice to produce medicine. This Company's product has also received certification of medicine exportation from the Ministry of Health and Welfare in March 2018. Ropeginterferon alfa-2b (proprietary name of Besremi®), licensed to the European company AOP Orphan Pharmaceuticals GmbH (former name AOP orphan Pharmaceuticals AG, hereinafter referred to as AOP), received approval of EU marketing authorization application (MAA) for a medicinal product, announced February 19, 2019 on the EC (European Commission) website. In addition, the Company's Besremi 500 mcg/mL solution for injection in prefilled syringe was approved on April 30, 2020 by the Taiwan Ministry of Health and Welfare (hereinafter referred to as MoHW) new drug application review, MOHW-BM No. 000143. U.S. Food and Drug Administration (FDA) approved the Company's new drug Ropeginterferon alfa-2b (proprietary name of Besremi®) for the treatment of adults with Polycythemia Vera (PV), on November 13, 2021.

The Company's shares were listed on the Taipei Exchange on July 19, 2016, and started to be traded on the Taiwan Stock Exchange on January 25, 2024. The Company's registered address and main operating site are located at 2F and 13F, No.3, Park St., Nangang Dist., Taipei City. The Company also set up its Taichung branch, located at No. 28, Keya W. Rd., Daya Dist., Taichung City.

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of PharmaEssentia Corp. and its subsidiaries (the "Group") for the nine-month periods ended September 30, 2025 and 2024 were authorized for issue by the Board of Directors on November 4, 2025.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2025. The adoption of these new standards and amendments and interpretations of initial application has no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by the International Accounting Standards Board ("IASB") which have been endorsed by FSC, and not yet adopted by the Group as at the date when the Group's financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by the IASB
A	IFRS 17 "Insurance Contracts"	January 1, 2023
B	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
C	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
D	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

A. IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

B. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

(a) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
(b) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
(c) Clarify the treatment of non-recourse assets and contractually linked instruments.
(d) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

C. Annual Improvements to IFRS Accounting Standards – Volume 11

(a) Amendments to IFRS 1
(b) Amendments to IFRS 7
(c) Amendments to Guidance on implementing IFRS 7
(d) Amendments to IFRS 9
(e) Amendments to IFRS 10
(f) Amendments to IAS 7

D. Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

(a) Clarify the application of the ‘own-use’ requirements.
(b) Permit hedge accounting if these contracts are used as hedging instruments.
(c) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and amendments are applicable for annual periods beginning on or after January 1, 2026 and have no material impact on the Group.

(3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the date when the Group's financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
B	IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
C	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027

Note: On 25 September 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

A. IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

B. IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(a) Improved comparability in the statement of profit or loss (income statement)
IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(b) Enhanced transparency of management-defined performance measures
IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(c) Useful grouping of information in the financial statements
IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

C. Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendments permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under B, it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of Material Accounting Policies

(1) Statement of compliance

The consolidated financial statements of the Group for the nine-month periods ended September 30, 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34 “Interim Financial Reporting” as endorsed and became effective by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“NTD”) unless otherwise stated.

(3) Basis of consolidation

The same principles of consolidation have been applied in the Group’s consolidated financial statements as those applied in the Group’s consolidated financial statements for the year ended December 31, 2024. For the principles of consolidation, please refer to the Group’s consolidated financial statements for the year ended December 31, 2024.

The consolidated entities are listed as follows:

			Percentage of ownership (%)		
Investor	Subsidiary	Main businesses	September 30, 2025	December 31, 2024	September 30, 2024
The Company	PharmaEssentia (Hong Kong) Limited	Biotechnology Service, etc.	(Note1)	(Note1)	(Note1)
〃	PharmaEssentia Asia (Hong Kong) Limited	〃	100%	100%	100%
〃	PharmaEssentia Japan KK	〃	100%	100%	100%
〃	PharmaEssentia USA Corporation	〃	100%	100%	100%
〃	PharmaEssentia Korea Corporation	〃	100%	100%	100%
〃	Panco Healthcare Co., Ltd.	〃	100%	100%	100%
〃	PharmaEssentia Singapore Pte. Ltd.	〃	100%	100%	100%
〃	PharmaEssentia Innovation Research Center, Inc.	〃	100%	100%	100%
〃	PharmaEssentia Global Ltd.	〃	(Note2)	-	-
PharmaEssentia Asia (Hong Kong) Limited	PharmaEssentia Biotechnology (Beijing) Limited	〃	100%	100%	100%

Note 1: In order to expand the China market, the Group registered and established a wholly owned PharmaEssentia (Hong Kong) Limited with 100% share in 2013. However, as of September 30, 2025, PharmaEssentia (Hong Kong) Limited only completed the registration process and the Group has not remitted payment for share.

Note 2: The Group registered and established a wholly owned PharmaEssentia Global Limited in 2025. However, as of September 30, 2025, PharmaEssentia Global Limited only completed the registration process and the Company has not remitted payment for shares.

Some of the financial statements of the consolidated subsidiaries listed above had not been reviewed by independent auditors. As of September 30, 2025 and 2024, the related assets of the subsidiaries which were unreviewed by independent auditors amounted to NTD 752,651 thousand and NTD 1,288,960 thousand, respectively, and the related liabilities amounted to NTD 286,072 thousand and NTD 304,733 thousand, respectively. The comprehensive income of these subsidiaries amounted to NTD (131,418) thousand, NTD (161,317) thousand, NTD (439,871) thousand and NTD (634,056) thousand for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively.

(4) The same accounting policies applied in the Group's consolidated financial statements for the nine-month period ended September 30, 2025 as those applied in the Group's consolidated financial statements for the year ended December 31, 2024 except for description below. For summary of other material accounting policies, please refer to Note 4 of the Group's consolidated financial statements for the year ended December 31, 2024.

A. Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's related interest in the associate.

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Group's percentage of ownership interests in the associate, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a prorata basis.

When the associate issues new stock, and the Group's interest in an associate is reduced or increased as the Group fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in additional paid in capital and investment accounted for using the equity method. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Group estimates:

(a) Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

B. Pension cost for an interim period is calculated on a year-to-date by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

C. Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12. The Group recognizes the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to equity.

5. Significant accounting judgments, estimates and assumptions

The same significant accounting judgments, estimates and assumptions have been applied in the Group's consolidated financial statements for the nine-month period ended September 30, 2025 as those applied in the Group's consolidated financial statements for the year ended December 31, 2024. For significant accounting judgments, estimates and assumptions, please refer to Note 5 of the Group's consolidated financial statements for the year ended December 31, 2024.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of		
	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand / petty cash	$1,081	$799	$924
Cash in banks	21,580,054	21,049,862	20,830,892
Time deposits (Note)	-	430	-
Total	$21,581,135	$21,051,091	$20,831,816

Note: The contract is readily convertible to a known amount of cash and is subject to an insignificant risk of changes in value.

Please refer to Note 12(3) for more details on credit risk.

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

	As of		
	September 30, 2025	December 31, 2024	September 30, 2024
Equity instrument investments measured at fair value through other comprehensive income – non-current:			
Common stocks	$161,734	$95,502	$119,846
Preferred stocks	257,537	446,936	-
Total	$419,271	$542,438	$119,846

A. These investments in equity instruments are held for medium to long-term purposes and therefore are accounted for through other comprehensive income.

B. Please refer to Table 2 of Note 13 for more details on the relevant information of listed (unlisted) company stocks held by the Group.

C. Financial assets at fair value through other comprehensive income were not pledged.

D. The Groups' dividend income recognized in profit from equity instruments investments measured at fair value through other comprehensive income were listed below:

	For the three-month period ended	
	September 30, 2025	September 30, 2024
Related to investments held at the end of the reporting period	$-	$3,302
Related to investments derecognized during the period	-	3,301
Dividends recognized during the period	$-	$6,603

	For the nine-month period ended	
	September 30, 2025	September 30, 2024
Related to investments held at the end of the reporting period	$-	$3,302
Related to investments derecognized during the period	-	3,301
Dividends recognized during the period	$-	$6,603

E. In July 2024, the Group derecognized equity instrument investments measured at fair value through other comprehensive income in the amount of NTD 25,000 thousand due to capital reduction and refund of paid-in capital. The cumulative gain on disposal of NTD 7,467 thousand was reclassified from other equity to retained earnings.

F. In June 2025, the Group obtained a seat on the Board of Directors of an associate it had previously held as an equity instrument investment measured at fair value through other comprehensive income, thereby gaining significant influence over the associate. As a result, the investment was derecognised from financial assets at fair value through other comprehensive income, and a cumulative loss on disposal of NTD 41,520 thousand was reclassified from other equity to retained earnings. Please refer to Note 6(6) for related information.

(3) Financial assets at amortized cost

	As of		
	September 30, 2025	December 31, 2024	September 30, 2024
Cash in banks	$471,590	$49,230	$47,887
Less: loss allowance	-	-	-
Total	$471,590	$49,230	$47,887
Current	$23,027	$23,636	$23,019
Non-current	448,563	25,594	24,868
Total	$471,590	$49,230	$47,887

A. The credit risk of financial assets at amortized cost is low based on evaluation (same as the initial assessment) as of September 30, 2025, December 31, 2024 and September 30, 2024; therefore, there should be no significant expected credit losses.

B. The Group classified certain financial assets as financial assets at amortized cost. Please refer to Note 8 for more details on financial assets at amortized cost under pledge. Please refer to Note 12(4) for more details on credit risk.

(4) Accounts receivable

	As of		
	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable	$3,558,467	$2,623,830	$2,155,900
Less: loss allowance	-	-	-
Total	$3,558,467	$2,623,830	$2,155,900

A. Accounts receivable were not pledged.

B. Accounts receivable credit terms are generally from 30 to 360 days. The total carrying amount of accounts receivable as of September 30, 2025, December 31, 2024 and September 30, 2024 was NTD 3,558,467 thousand, NTD 2,623,830 thousand and NTD 2,155,900 thousand, respectively. Please refer to Note 12(4) for more details on credit risk.

C. The Group measures the allowance of its receivables at an amount equal to lifetime expected credit losses. The historical credit loss experience shows that different customer segments do not have significantly different loss patterns. Therefore, the loss allowance is measured at an amount equal to lifetime expected credit losses and with no distinction between groups. In addition, based on the historical default rate and subsequent collections, the Group assesses that receivables which are not overdue or overdue within 90 days from customers with great credit ratings, or the counterparties are domestic hospitals and foundations, were no material impairment loss incurred. The relevant information of provision matrix as of September 30, 2025, December 31, 2024 and September 30, 2024, is as follows:

	As of September 30, 2025					
	Not yet due	Overdue				
	(Note)	<=30 days	31-60 days	61-90 days	>91 days	Total
Gross carrying amount	$3,266,762	$88,607	$7,550	$1,450	$194,098	$3,558,467
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit loss	-	-	-	-	-	-
Carrying amount	$3,266,762	$88,607	$7,550	$1,450	$194,098	$3,558,467

Note: The Group establishes credit standards based on the industry characteristics, business practices, operating scale, and profitability of counterparties in their respective regions. It is deemed that accounts receivable from customers that are not past due and have strong credit ratings are not subject to significant expected credit losses.

	As of December 31, 2024					
		Overdue				
	Not yet due	<=30 days	31-60 days	61-90 days	>91 days	Total
Gross carrying amount	$2,380,904	$57,162	$-	$-	$185,764	$2,623,830
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit loss	-	-	-	-	-	-
Carrying amount	$2,380,904	$57,162	$-	$-	$185,764	$2,623,830

	As of September 30, 2024					
		Overdue				
	Not yet due	<=30 days	31-60 days	61-90 days	>91 days	Total
Gross carrying amount	$1,961,969	$666	$-	$-	$193,265	$2,155,900
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit loss	-	-	-	-	-	-
Carrying amount	$1,961,969	$666	$-	$-	$193,265	$2,155,900

No allowance of accounts receivable was recognized by the Group as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively; there was no movement of allowance during the nine-month periods ended September 30, 2025 and September 30, 2024, respectively.

D. As of September 30, 2025, December 31, 2024, and September 30, 2024, the Group's accounts receivable from AOP Orphan Pharmaceuticals GmbH, arising from transactions prior to 2020, had been overdue for more than 91 days due to ongoing disputes currently under international arbitration. The Group has recognized related provision for overdue receivables. Please refer to Note 9(8) for more details of such arbitration event.

(5) Inventories

	As of		
	September 30, 2025	December 31, 2024	September 30, 2024
Raw materials	$10,044	$47,571	$35,172
Supplies	201,867	122,654	115,268
Work in progress	86,701	51,461	72,827
Finished goods	849,131	1,045,409	1,032,281
Purchased merchandise inventory	18,399	9,549	14,537
Total	$1,166,142	$1,276,644	$1,270,085

A. Expense and loss incurred on inventories are as follows:

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Cost of inventories sold	$180,524	$277,852	$935,460	$672,062
Expense recognized from inventory write-down to net realizable value	109,072	43,755	149,072	110,406
Others	30,767	(3)	35,502	19,824
Total	$320,363	$321,604	$1,120,034	$802,292

B. Inventories were not pledged.

(6) Investments accounted for using the equity method

A. The following table lists the investments accounted for using the equity method of the Group:

	As of					
	September 30, 2025		December 31, 2024		September 30, 2024	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:						
AcadeMab Biomedical Inc.	$52,369	7.95%	$-	-	$-	-

B. The Group held less than 20% of the equity interest in AcadeMab Biomedical Inc. as of September 30, 2025. However, in June 2025, the Company obtained a seat on the Board of Directors of AcadeMab Biomedical Inc., thereby gaining significant influence. As a result, the investment was classified as an investment accounted for using the equity method.

C. Investments in associates

The Group's investment in AcadeMab Biomedical Inc. is not considered significant to the Group. As of September 30, 2025, December 31, 2024, and September 30, 2024, the carrying amount of the investment amounted to NTD 52,369 thousand, NTD 0 thousand and NTD 0 thousand, respectively. The aggregate financial information of the Group's investments in associates is as follows:

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Loss from continuing operations	$(2,111)	$-	$(2,111)	$-
Other comprehensive income (post-tax)	-	-	-	-
Total comprehensive income	$(2,111)	$-	$(2,111)	$-

The aforementioned investment in associates had no contingent liabilities or capital commitments as of September 30, 2025, nor had any guarantees been provided.

(7) Prepayments

	As of		
	September 30, 2025	December 31, 2024	September 30, 2024
Current:			
Prepaid expenses	$247,420	$163,583	$182,389
Excess business tax paid	18,786	2,661	27,638
Prepaid purchases	16,282	10,704	5,969
Other	7,854	2,721	6,915
Subtotal	290,342	179,669	222,911
Non-current:			
Prepayments for equipment	288,099	199,638	179,137
Other prepayments (Note)	50,013	36,083	53,985
Subtotal	338,112	235,721	233,122
Total	$628,454	$415,390	$456,033

Note: Accounting for other non-current assets, others.

(8) Property, plant and equipment

A. Movements of property, plant and equipment of the Group for the nine-month periods ended September 30, 2025 and 2024 are as follows:

	Land	Buildings and structures	Machinery equipment	Transportation equipment	Office equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
Cost:								
As of January 1, 2025	$58,241	$70,857	$690,329	$2,309	$118,746	$429,874	$2,010,909	$3,381,265
Additions	-	-	53,468	100	12,621	10,798	705,199	782,186
Disposals	-	-	(1,104)	-	(239)	-	(542)	(1,885)
Other changes (Note)	-	(1,034)	9,916	747	(29,039)	55,586	(5,318)	30,858
As of September 30, 2025	$58,241	$69,823	$752,609	$3,156	$102,089	$496,258	$2,710,248	$4,192,424
As of January 1, 2024	$58,241	$70,632	$627,057	$2,309	$93,890	$426,294	$1,188,485	$2,466,908
Additions	-	184	24,067	-	10,144	2,381	337,162	373,938
Disposals	-	-	(2,782)	-	(2,539)	(4,315)	-	(9,636)
Other changes (Note)	-	24	3,519	-	1,671	730	156,658	162,602
As of September 30, 2024	$58,241	$70,840	$651,861	$2,309	$103,166	$425,090	$1,682,305	$2,993,812

	Land	Buildings and structures	Machinery equipment	Transportation equipment	Office equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
Accumulated depreciation and impairment:								
As of January 1, 2025	$-	$23,590	$427,277	$2,309	$51,922	$363,131	$-	$868,229
Depreciation	-	1,224	52,268	127	15,440	9,720	-	78,779
Disposals	-	-	(1,104)	-	(239)	-	-	(1,343)
Other changes (Note)	-	(824)	71	192	(5,362)	2,565	-	(3,358)
As of September 30, 2025	$-	$23,990	$478,512	$2,628	$61,761	$375,416	$-	$942,307
As of January 1, 2024	$-	$21,668	$369,699	$2,261	$37,454	$357,888	$-	$788,970
Depreciation	-	1,427	45,144	48	12,043	7,088	-	65,750
Disposals	-	-	(2,781)	-	(2,197)	(4,315)	-	(9,293)
Other changes (Note)	-	16	48	-	518	4	-	586
As of September 30, 2024	$-	$23,111	$412,110	$2,309	$47,818	$360,665	$-	$846,013
Net carrying amount as of:								
September 30, 2025	$58,241	$45,833	$274,097	$528	$40,328	$120,842	$2,710,248	$3,250,117
December 31, 2024	$58,241	$47,267	$263,052	$-	$66,824	$66,743	$2,010,909	$2,513,036
September 30, 2024	$58,241	$47,729	$239,751	$-	$55,348	$64,425	$1,682,305	$2,147,799

Note: Other changes included reclassifications from prepayments for equipment and inventory, transfer out by nature, and exchange rate impacts.

B. There was no capitalization on interest expense to property, plant and equipment for the nine-month periods ended September 30, 2025 and 2024.

C. Please refer to Note 8 for more details on property, plant and equipment under pledge.

(9) Intangible assets

A. Movements of the intangible assets of the Group for the nine-month periods ended September 30, 2025 and 2024 are as follows:

	Trademarks	Patents	Computer software	Other intangible assets	Total
Cost:					
As of January 1, 2025	$9,468	$43,976	$145,954	$230,987	$430,385
Additions－acquired separately	66	301	6,400	-	6,767
Disposals	-	-	(88)	-	(88)
Other changes (Note)	370	454	15,421	(1,456)	14,789
As of September 30, 2025	$9,904	$44,731	$167,687	$229,531	$451,853

	Trademarks	Patents	Computer software	Other intangible assets	Total
As of January 1, 2024	$8,971	$43,823	$90,787	$230,183	$373,764
Additions－acquired separately	49	-	7,680	-	7,729
Disposals	-	(194)	-	-	(194)
Other changes (Note)	95	35	14,302	481	14,913
As of September 30, 2024	$9,115	$43,664	$112,769	$230,664	$396,212
Accumulated amortization and impairment:					
As of January 1, 2025	$4,705	$35,033	$62,066	$55,860	$157,664
Amortization	723	1,459	34,904	13,538	50,624
Disposals	-	-	(88)	-	(88)
Other changes (Note)	(46)	-	(440)	(389)	(875)
As of September 30, 2025	$5,382	$36,492	$96,442	$69,009	$207,325
As of January 1, 2024	$3,669	$32,889	$31,684	$37,611	$105,853
Amortization	757	1,790	22,019	13,569	38,135
Disposals	-	(194)	-	-	(194)
Other changes (Note)	12	-	161	78	251
As of September 30, 2024	$4,438	$34,485	$53,864	$51,258	$144,045
Net carrying amount as of:					
September 30, 2025	$4,522	$8,239	$71,245	$160,522	$244,528
December 31, 2024	$4,763	$8,943	$83,888	$175,127	$272,721
September 30, 2024	$4,677	$9,179	$58,905	$179,406	$252,167

Note: Other changes included reclassifications from other prepayments and exchange rate impacts.

B. Amortization expense of intangible assets are as follows:

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Operating costs	$8,739	$8,634	$26,197	$25,776
Selling expenses	685	580	2,080	1,612
Administrative expenses	6,102	3,274	17,248	8,326
Research and development expenses	1,682	875	5,099	2,421
Total	$17,208	$13,363	$50,624	$38,135

(10) Current borrowings

The Group's unused credit of unsecured current borrowings amounted to NTD 692,665 thousand, NTD 842,565 thousand and NTD 769,950 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively. The Group's unused credit of secured current borrowings amounted to NTD 3,621,525 thousand, NTD 3,863,025 thousand and NTD 100,000 thousand, respectively.

(11) Other payables

	As of		
	September 30, 2025	December 31, 2024	September 30, 2024
Salaries and bonus payable	$686,058	$527,383	$364,856
Commissioned research and clinical trial payable	395,726	194,020	193,201
Professional service fees payable	341,878	309,440	163,645
Employees and directors' compensation payable	111,655	75,620	33,065
Others	226,341	230,850	133,847
Total	$1,761,658	$1,337,313	$888,614

(12) Long-term borrowings

A. Details of long-term borrowings as of September 30, 2025, December 31, 2024 and September 30, 2024 are as follows:

Lenders	As of September 30, 2025	Interest rate (%)	Maturity date and terms of repayments
Mega Bank – Secured loan	$52,307	2.84%	The period of the loan is from June 3, 2014 to June 2, 2034. The principal is to be repaid in 240 equal installments, commencing one month after the initial drawdown date.
Taiwan Cooperative Bank – Secured loan	917	2.72%	The period of the loan is from November 5, 2020 to November 5, 2025. The principal is to be repaid in 48 equal installments, commencing one year after the initial drawdown date.
Taiwan Cooperative Bank – Secured loan	171	2.72%	The period of the loan is from November 5, 2020 to November 5, 2025. The principal is to be repaid in 48 equal installments, commencing one year after the initial drawdown date.
Subtotal	53,395		
Less: current portion	(7,066)		
Total	$46,329		

Lenders	As of December 31, 2024	Interest rate (%)	Maturity date and terms of repayments
Mega Bank – Secured loan	$56,790	3.08%	The period of the loan is from June 3, 2014 to June 2, 2034. The principal is to be repaid in 240 equal installments, commencing one month after the initial drawdown date.
Taiwan Cooperative Bank – Secured loan	4,994	2.72%	The period of the loan is from November 5, 2020 to November 5, 2025. The principal is to be repaid in 48 equal installments, commencing one year after the initial drawdown date.
Taiwan Cooperative Bank – Secured loan	930	2.72%	The period of the loan is from November 5, 2020 to November 5, 2025. The principal is to be repaid in 48 equal installments, commencing one year after the initial drawdown date.
Subtotal	62,714		
Less: current portion	(11,902)		
Total	$50,812		

Lenders	As of September 30, 2024	Interest rate (%)	Maturity date and terms of repayments
Mega Bank – Secured loan	$58,285	3.055%	The period of the loan is from June 3, 2014 to June 2, 2034. The principal is to be repaid in 240 equal installments, commencing one month after the initial drawdown date.
Taiwan Cooperative Bank – Secured loan	6,335	2.720%	The period of the loan is from November 5, 2020 to November 5, 2025. The principal is to be repaid in 48 equal installments, commencing one year after the initial drawdown date.
Taiwan Cooperative Bank – Secured loan	1,180	2.720%	The period of the loan is from November 5, 2020 to November 5, 2025. The principal is to be repaid in 48 equal installments, commencing one year after the initial drawdown date.
Subtotal	65,800		
Less: current portion	(12,405)		
Total	$53,395		

B. The Group’ s unused credit of long-term borrowings was all NTD 0 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024.

C. Please refer to Note 8 for more details on assets pledged as security for long-term borrowings.

(13) Current refund liabilities

	Sales return and allowance
As of January 1, 2025	$509,292
Addition (reversal) for the current period	3,368,840
Used for the current period	(2,543,271)
Exchange rate effect	(61,648)
As of September 30, 2025	$1,273,213
As of January 1, 2024	$227,149
Addition (reversal) for the current period	1,981,400
Used for the current period	(1,711,833)
Exchange rate effect	12,576
As of December 31, 2024	$509,292
As of January 1, 2024	$227,149
Addition (reversal) for the current period	1,287,976
Used for the current period	(1,153,763)
Exchange effect	5,446
As of September 30, 2024	$366,808

The refund liabilities of the Group were accrued for sales returns and allowances.

(14) Post-employment benefits

A. Defined contribution plan

Pension expenses under the defined contribution plan for the three-month periods ended September 30, 2025 and 2024 were NTD 21,625 thousand and NTD 15,634 thousand, respectively. Pension expenses under the defined contribution plan for the nine-month periods ended September 30, 2025 and 2024 were NTD 58,910 thousand and NTD 44,683 thousand, respectively.

B. Defined benefits plan

Pension expenses under the defined benefits plan for the three-month periods ended September 30, 2025 and 2024 were NTD 0 and NTD 639 thousand, respectively. Pension expenses under the defined benefits plan for the nine-month periods ended September 30, 2025 and 2024 were NTD 935 thousand and NTD 1,721 thousand, respectively.

(15) Equity

A. Common stock

As of September 30, 2025, December 31, 2024, and September 30, 2024, the Company’s authorized capital was 800,000 thousand shares, 400,000 thousand shares, and 400,000 thousand shares, each at a par value of NTD 10. The issued capital was NTD 3,421,821 thousand, NTD 3,417,914 thousand, and NTD 3,411,964 thousand, respectively, which was divided into 342,182 thousand shares, 341,792 thousand shares, and 341,197 thousand shares, respectively.

As of September 30, 2025, December 31, 2024, and September 30, 2024, the Company had a total of 34,000 thousand units listed for trading on the Luxembourg Stock Exchange, with each unit of the overseas depositary receipts representing one ordinary share of the Company, totaling 34,000 thousand ordinary shares.

The Company issued employee share options in January 2018 and September 2018. For the nine-month period ended September 30, 2025 and the year ended December 31, 2024, 314 thousand shares and 613 thousand shares (of which 122 thousand shares were completed during the nine-month period ended September 30, 2024) of employee share options were converted to common shares and the registration of changes was completed. As of September 30, 2025, the Company’s 17 thousand employee stock option warrants have not yet completed the registration for conversion into ordinary shares. The record date for the capital increase is set on November 4, 2025. Please refer to Note 6(16) for more details on employee share options.

The Company issued employee share options in June 2021. For the nine-month period ended September 30, 2025 and the year ended December 31, 2024, 85 thousand shares and 954 thousand shares (of which 830 thousand shares were completed during the nine-month period ended September 30, 2024) of employee share options were converted to common shares and the registration of changes was completed. As of September 30, 2025, the Company’s 539 thousand employee stock option warrants have not yet completed the registration for conversion into ordinary shares. The record date for the capital increase is set on November 4, 2025. Please refer to Note 6(16) for more details on employee share options.

On March 9, 2023, the Company’s Board of Directors resolved to issue restricted stocks awarded for its employees in a total of 2,650 thousand ordinary shares with a par value of NTD 10 each. The base date of the increase in capital was set as March 17, 2023 and the full amount of the proceeds was received on that date. The aforementioned additions in capital were approved and registered by the competent authority on March 31, 2023. For the nine-month period ended September 30, 2025 and the year ended December 31, 2024, the Company had reclaimed and cancelled 9 thousand and 29 thousand shares of unvested restricted employee shares, respectively (of which 19 thousand shares were reclaimed and cancelled for the nine-month period ended September 30, 2024). The aforementioned reduction of capital was approved by the competent authority and the registration of change was completed.

On December 8, 2023, the Company's Board of Directors resolved to issue restricted stocks awarded for its employees in a total of 370 thousand ordinary shares with a par value of NTD 10 each. The base date of the increase in capital was set as December 21, 2023 and the full amount of the proceeds was received on that date. The aforementioned capital increase was approved by the competent authority and the registration of changes was completed on December 29, 2023. For the year ended December 31, 2024, the Company reclaimed and cancelled 10 thousand shares of unvested restricted employee shares in accordance with the issuance plan (of which 0 thousand were reclaimed and cancelled for the nine-month period ended September 30, 2024). The aforementioned reduction of capital was approved by the competent authority and the registration of changes was completed.

On May 28, 2025, the shareholders' meeting resolved to capitalize retained earnings in the amount of NTD 366,171 thousand, with a par value of NTD 10 per share, divided into 36,617 thousand shares. The record date for the capital increase is set on September 17, 2025. As of September 30, 2025, the registration process has not yet been completed and is temporarily recorded under undistributed stock dividends.

B. Capital surplus

	As of		
	September 30, 2025	December 31, 2024	September 30, 2024
Additional paid-in capital	$22,904,958	$22,745,309	$22,271,683
Transaction of treasury shares	457,433	457,433	528,572
Employee restricted stocks	127,401	217,549	457,433
Employee share options	97,606	126,278	239,798
Other-Expired employee stock warrants	4,531	-	-
Total	$23,591,929	$23,546,569	$23,497,486

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury shares

As of September 30, 2025, December 31, 2024 and September 30, 2024, the treasury shares held by the Company were all NTD 2,805,108 thousand, and the number of treasury shares held by the Company were all 8,905 thousand shares.

To motivate the employees and retain a highly skilled workforce and global talent, a resolution of repurchasing and transferring shares to the employees was approved through the Board of Directors' meeting held on January 6, 2021, May 24, 2023, and July 28, 2023, respectively. The movement in the amount and number of treasury shares are as follows:

	Amount of repurchased	Amount granted	Amount as of September 30, 2025
January 6, 2021	$87,502	$-	$87,502
May 24, 2023	1,366,174	-	1,366,174
July 28, 2023	1,351,432	-	1,351,432
Total	$2,805,108	$-	$2,805,108

	Repurchased shares (in thousands)	Granted shares (in thousands)	Accumulated shares as of September 30, 2025 (in thousands)
January 6, 2021	904	-	904
May 24, 2023	4,001	-	4,001
July 28, 2023	4,000	-	4,000
Total	8,905	-	8,905

D. Retained earnings and dividend policy

According to the Company Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order: Payment of all taxes and dues; Offset prior years' deficits; set aside 10% of the remaining amount after deducting items mentioned above as legal reserve; set aside or reverse special reserve in accordance with law and regulations; and the distribution of the remaining portion, if any, will be distributed according to the distribution plan proposed by the Board of Directors and resolved in the shareholders' meeting.

Considering the industry environment and the growth of the Company, it will take into account the Company's future capital expenditure budget and funding needs when distributing earnings to keep in line with the business development and expansion. As of the current period, no less than 10% of current distributable earnings (by cash or issuing new shares) shall be distributed as bonus, and no less than 10% of the total dividend shall be cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to offset the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to “other net deductions from shareholders” equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

On May 27, 2024, the shareholders’ meeting had resolved to use capital surplus – additional paid-in capital of NTD 631,187 thousand to cover accumulated deficits.

Details of the 2024 earnings distribution and dividends per share as approved and resolved at the shareholders' meeting held on May 28, 2025, are as follows:

	Appropriation of earnings	Dividend per share (NTD)
	2024	2024
Legal reserve	$297,385	
Common stock - cash dividend	366,171	$1.10
Common stock - share dividend	366,171	1.10

Please refer to Note 6(18) for further details on employees’ compensation and remuneration to directors and supervisors.

(16) Share-based payment plan

A. Related to employee transactions

Certain employees of the Group are entitled to share-based payments as part of their remunerations. Services are provided by the employees in return for the equity instruments granted. These plans are accounted for as equity-settled share-based payments transactions.

(a) Share-based payment plan for employees of the Company

On August 11, 2017 and March 26, 2021, the Company passed the resolution in the Board of Directors meeting to issue employee share options with a total number of 4,400 thousand units (Share-based payments plan A) and 3,000 thousand units (Share-based payments plan B), respectively. Each unit entitles an optionee to subscribe for 1 share of the Company’s common share. The relevant details of aforementioned share-based payments plan are as follows:

Share-based payments plan A

The exercise price of the option was set not less than 50% of the closing price of the Company's common share on the grant date. The optionee may exercise the options in accordance with certain schedules as prescribed by the plan starting 2 years from the grant date.

Share-based payments plan B

The exercise price of the option was set not less than 50% of the closing price of the Company's common share on the grant date. The optionee may exercise the options in accordance with certain schedules as prescribed by the plan starting 2 years from the grant date.

Settlement upon the exercise of the options will be made through the issuance of new shares by the Company.

The contractual terms of each option granted are 7 years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these employee share options.

The relevant details of the aforementioned share-based payment plans are as follows:

Date of grant	Total number of share options granted (in thousands)	Exercise price of share options (NTD)
January 12, 2018	2,166	$74
September 18, 2018	2,234	$88
June 24, 2021	3,000	$45

The pricing models and assumptions used for the share-based payment plans granted in the year of 2018 and 2021 are as follows:

	Year of 2018	Year of 2021
Dividend yield (%)	0%	0%
Expected volatility (%)	44.54% and 43.03%	39.43%
Risk-free interest rate (%)	0.73% and 0.72%	0.30%
Expected option life (years)	4.88years	4.88years
Weighted average share price (NTD)	$146.50 and $175	$90
Option pricing model	Black-Scholes Model	Black-Scholes Model

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The following table contains further details on the aforementioned share-based payment plan:

	For the nine-month period ended September 30,			
	2025		2024	
	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (NTD)	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (NTD)
Outstanding at beginning of period	1,530	$54	3,097	$58
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised (Note)	(399)	73	(952)	50
Expired	(45)	88	-	-
Outstanding at end of period	1,086	$46	2,145	$61
Exercisable at end of period	1,086	$46	1,523	$68
For share options granted during the period, weighted average fair value of those options at the measurement date (NTD)		$-		$-

Note: The weighted average share price at the date of exercise of these options for the nine-month periods ended September 30, 2025 and 2024 was NTD 563 and NTD 458, respectively.

The information on the outstanding share options is as follows:

	Range of exercise price	Weighted average remaining contractual life (years)
As of September 30, 2025		
share options outstanding at the end of the period	$45	2.5
As of December 31, 2024		
share options outstanding at the end of the period	$74, $88 and $45	0.08, 0.72 and 3.50
As of September 30, 2024		
share options outstanding at the end of the period	$74, $88 and $45	0.33, 0.97 and 3.75

(b) Restricted stocks plan for employees of the Company

On May 27, 2022, the shareholders’ meeting resolved to issue up to 6,650 thousand restricted stocks for employees in one or multiple tranches within one year from the date of approval. On March 9, 2023, and December 8, 2023, the Board of Directors resolved to issue 2,650 thousand and 370 thousand restricted common stocks for employees, respectively. The grant-date share prices were NTD 451 and NTD 331.5 per share, respectively. The terms of the share-based payment agreements are as follows:

Agreement type	Grant date	Number of shares granted	Contract period	Vesting conditions
Restricted stock plan for employees (Note 1)	March 17, 2023	2,650,000	36 months	Performance conditions are met (Note 2)
Restricted stock plan for employees (Note 1)	December 21, 2023	370,000	12 months	Performance conditions are met (Note 3)

Note 1: The eligible employees shall not sell, pledge, transfer, endow, set as guarantees, or dispose of by other means before the vesting conditions are met. The voting rights in the shareholders' meeting and the shareholders’ rights to distribute or subscribe shares or dividends of the aforementioned shares are the same as other ordinary shares issued by the Company, but allotment dividends must be placed int the custody of stock trust. If an eligible employee voluntarily resigns during the vesting period, other types of termination of employment relationship, retirement, unpaid leave, parental leave, general death, physical inability in occupational accidents and inability to continue working or death, and transfer, etc., the Company will reclaim and cancel the unvested restricted stocks at the original offering price. In addition, for the restricted stocks for employees issued by the Company for consideration, with a grant date on or before 10 October 2024, the accounting treatment follows the Q&A issued by the Securities and Futures Bureau of the FSC regarding whether the IFRS Q&A on the accounting treatment of restricted stocks for employees should be applied retroactively.

Note 2: The performance conditions include the completion of ET clinical trials, obtaining a drug license for PV treatment in Japan, and employees remaining employed with the Company on the first, second, and third anniversaries of the grant date of the restricted stocks. The maximum cumulative vesting percentages are 37.5%, 37.5%, 12.5%, and 12.5%, respectively.

Note 3: Performance conditions include obtaining a drug license for PV treatment in China and employees remaining employed with the Company on the first anniversary of the grant date of restricted stocks. The maximum cumulative vesting percentages are 50.7% and 49.3%, respectively.

The fair value information of restricted stock plan for employees of the Company is as follows:

Agreement type	Grant date	Stock price	Exercise price	Fair value (per unit)
Restricted stock plan for employees	March 17, 2023	$451	$136	$315
Restricted stock plan for employees	December 21, 2023	$331.5	$102	$229.5

As of September 30, 2025, December 31, 2024 and September 30, 2024, the unearned employee compensation recognized as a deduction from equity due to unfulfilled vesting conditions amounted to NTD 14,363 thousand, NTD 48,302 thousand, and NTD 75,589 thousand, respectively. These amounts will be recognized as salary expenses over the remaining vesting periods.

(c) Expense recognized for share-based payment transactions are as follows:

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Total expense arising from equity-settled share-based payment transactions	$7,182	$27,102	$50,526	$130,707

B. Related to non-employee transactions

In January 2014, the Company entered into a joint venture agreement with Luck Shine Enterprises Limited ("LSE") to facilitate the clinical trial execution of P1101 and its subsequent marketing upon obtaining drug license in China. According to the terms of the agreement, the Company committed to granting stock options of PharmaEssentia Asia (Hong Kong) Limited to LSE progressively, contingent upon the achievement of certain contractual milestones. If all specified milestones are achieved as scheduled, LSE would be entitled to acquire up to 2,000 thousand shares (approximately 25% of the total shares) of PharmaEssentia Asia (Hong Kong) Limited. Even if the option is exercised, the Company would still have the majority rights in board meeting and significant operational and financial decisions would still be made by the Company. In response to changes in execution progress, the parties revised the agreement's structure and timeline in December 2015. As of September 30, 2025, no stock options have been exercised under this arrangement; therefore, no share-based payment accounting has been applied to date. However, since LSE continues to perform the agreed-upon milestones, the Company has assessed that it remains probable the stock options may be granted in the future. Accordingly, a liability has been recognized based on the Company's best estimates. The total recognized liabilities as of September 30, 2025, December 31, 2024 and September 30, 2024 were NTD 1,490 thousand, NTD 1,604 thousand and NTD 1,574 thousand, respectively, and were recognized under other current liabilities-other account.

(17) Operating revenue

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Revenue from contracts with customers				
Sale of medicine products	$3,885,148	$2,673,727	$10,722,866	$6,620,648
Revenue arising from rendering of services	8,597	7,672	25,853	20,672
Royalty income	27	-	4,820	-
Other sales revenue (Note)	-	31,960	-	31,960
Total	$3,893,772	$2,713,359	$10,753,539	$6,673,280

Note: Other sales revenue was recognized when the promised performance obligations based on the contracts with customers have been fulfilled.

A. The Group operates as a single operating segment. Revenue from contracts with customers for the three-month and nine-month periods ended September 30, 2025 and 2024 was sale of goods, which was recognized as revenue at a point in time; revenue arising from rendering of services was recognized based on the scope of the services performed and the rights to the completed services are enforceable; royalty income was recognized based on the fulfillment of performance obligations related to sales-based royalties under customer contracts.

B. Current contract liabilities

	As of			
	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Sales of goods	$-	$229	$-	$-

The increase in contract liabilities as of December 31, 2024, was due to unsatisfied performance obligations, net of the amounts recognized as revenue during the period. The contract liabilities as of December 31, 2024, were recognized as revenue for the nine-month period ended September 30, 2025, upon satisfaction of the related performance obligations.

C. The period during which the Group's contract liabilities are recognized as revenue is typically within one year. There are no unfulfilled performance obligations nor any assets recognized from the costs incurred to obtain or fulfill customer contracts.

(18) Summary statement of employee benefits, depreciation and amortization expenses by function

A. Summary statement of employee benefits, depreciation and amortization expenses by function is as follows:

By function / By feature	For the three-month period ended					
	September 30, 2025			September 30, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Wages and salaries	$122,963	$555,231	$678,194	$52,612	$381,554	$434,166
Labor and health insurance	4,422	37,899	42,321	3,647	21,298	24,945
Pension	2,405	19,220	21,625	2,036	14,237	16,273
Remuneration to directors	-	18,711	18,711	-	11,857	11,857
Other employee benefits expense	1,750	16,185	17,935	1,507	21,660	23,167
Depreciation	21,103	60,383	81,486	21,135	58,734	79,869
Amortization	8,739	8,469	17,208	8,634	4,729	13,363

By function / By feature	For the nine-month period ended					
	September 30, 2025			September 30, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Wages and salaries	$287,165	$1,690,022	$1,977,187	$145,613	$1,408,208	$1,553,821
Labor and health insurance	12,712	102,117	114,829	11,109	76,584	87,693
Pension	6,927	52,918	59,845	6,203	40,201	46,404
Remuneration to directors	-	39,518	39,518	-	24,128	24,128
Other employee benefits expense	5,133	44,436	49,569	4,656	81,702	86,358
Depreciation	63,079	179,905	242,984	61,363	173,472	234,835
Amortization	26,197	24,427	50,624	25,776	12,359	38,135

B. According to the Articles of Incorporation, no lower than 1% of profit of the current year is distributable as employees' compensation and no higher than 5% of profit of the current year is distributable as remuneration to directors. Additionally, no less than 0.5% of the profit shall be allocated for salary adjustments or compensation distribution to non-managerial employees. However, the company's accumulated losses shall first have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation and non-managerial employees in the form of shares or in cash, and directors' compensation may only be paid in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

For the nine-month period ended September 30, 2025, the Company estimated employees and directors' compensation at 3.00% and 1.00%, respectively, based on profitability. For the three-month period ended September 30, 2025, employees' compensation and directors' compensation were recognized in the amount of NTD 47,155 thousand and NTD 15,719 thousand, respectively. For the nine-month period ended September 30, 2025, employees' compensation and directors' compensation were recognized in the amount of NTD 83,741 thousand and NTD 27,914 thousand, respectively, and were recorded under salary expenses.

For the nine-month periods ended September 30, 2024, the Company estimated employees and directors' compensation at 1.00% and 1.00%, respectively, based on profitability. For the three-month period ended September 30, 2024 employees' compensation and directors' compensation were recognized in the amount of $6,734 thousand and $6,539 thousand, respectively. For the nine-month period ended September 30, 2024, employees' compensation and directors' compensation were recognized in the amount of $16,304 thousand and $16,435 thousand, respectively, and were recorded under salary expenses.

On February 25, 2025, the Board of Directors' meeting approved to distribute NTD 61,220 thousand in cash as employees' compensation. Furthermore, remuneration to directors in the amount of NTD 14,400 thousand was resolved to be distributed in cash. No differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors.

(19) Non-operating income and expenses

A. Interest income

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Interest income from bank deposits	$123,473	$245,975	$505,161	$700,673
Interest income from financial assets measured at amortized cost	240	509	1,064	1,139
Other interest income	18	111	313	374
Total	$123,731	$246,595	$506,538	$702,186

B. Other income

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Dividend income	$-	$6,603	$-	$6,603
Other income	2,243	3,412	9,190	11,963
Total	$2,243	$10,015	$9,190	$18,566

C. Other gains and losses

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Gain on disposal of right-of-use assets	$-	$-	$7	$-
Foreign exchange (losses) gains, net	131,715	(103,549)	(885,312)	245,922
Loss on disposal of property, plant and equipment	-	(50)	(542)	(343)
Other losses	(2,005)	(478)	(4,544)	(1,495)
Total	$129,710	$(104,077)	$(890,391)	$244,084

D. Finance costs

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Interest expenses of borrowings from bank	$770	$514	$5,013	$1,717
Interest on lease liabilities	4,784	5,058	14,761	15,179
Total	$5,554	$5,572	$19,774	$16,896

(20) Components of other comprehensive income

For the three-month period ended September 30, 2025:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	$(28,047)	$-	$(28,047)	$-	$(28,047)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(248,900)	-	(248,900)	-	(248,900)
Total of other comprehensive income	$(276,947)	$-	$(276,947)	$-	$(276,947)

For the three-month period ended September 30, 2024:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	$(9,487)	$-	$(9,487)	$-	$(9,487)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	14,274	-	14,274	-	14,274
Total of other comprehensive income	$4,787	$-	$4,787	$-	$4,787

For the nine-month period ended September 30, 2025:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	$(68,687)	$-	$(68,687)	$-	$(68,687)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(936,845)	-	(936,845)	-	(936,845)
Total of other comprehensive income	$(1,005,532)	$-	$(1,005,532)	$-	$(1,005,532)

For the nine-month period ended September 30, 2024:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	$(19,078)	$-	$(19,078)	$-	$(19,078)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	249,486	-	249,486	-	249,486
Total of other comprehensive income	$230,408	$-	$230,408	$-	$230,408

(21) Income tax

A. The major components of tax expense (benefit) for the nine-month periods ended September 30, 2025 and 2024, are as follows:

Income tax recognized in profit or loss

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Current income tax expense (benefit):				
Current income tax charge	$(99,789)	$65,493	$287,990	$142,097
Adjustments in respect of current income tax of prior periods	-	243	-	243
Deferred tax expense (benefit):				
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	503,026	(15,961)	(741,402)	(93,424)
Deferred tax expense (benefit) relating to origination and reversal of tax loss and tax credit	200,425	112,024	1,055,106	363,786
Tax expense (benefit) recognized in the period for previously unrecognized tax loss or temporary differences of prior periods	(662,839)	-	(1,200,376)	-
Total income tax expense (benefit)	$(59,177)	$161,799	$(598,682)	$412,702

B. The assessment of the income tax returns of the Company and its subsidiaries in Taiwan is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2022
Panco Healthcare Co., Ltd	Assessed and approved up to 2023

(22) Earnings per share

A. Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
(1) Basic earnings per share				
Profit attributable to ordinary equity holders of the parent entity (in thousand NTD)	$1,473,077	$719,691	$3,568,885	$1,729,897
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands) (retrospectively adjusted for stock dividends)	369,636	361,759	369,542	367,639
Basic earnings per share (NTD)	$3.99	$1.99	$9.66	$4.71

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
(2) Diluted earnings per share				
Profit attributable to ordinary equity holders of the parent entity (in thousand NTD)	$1,473,077	$719,691	$3,568,885	$1,729,897
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands) (retrospectively adjusted for stock dividends)	369,636	361,759	369,542	367,639
Effect of dilution:				
Employees stock options (in thousand)	1,043	2,314	1,184	2,515
Employee compensation－stock (in thousands)	93	26	179	26
Restricted stocks for employees (in thousands)	112	292	102	345
Weighted average number of ordinary shares outstanding after dilution (in thousands)	370,884	364,391	371,007	370,525
Diluted earnings per share (NTD)	$3.97	$1.98	$9.62	$4.67

B. There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(23) Leases

A. Group as a lessee

The Group leases various properties, including real estate (such as land, buildings and structures), transportation equipment and machine equipment. The lease terms range from 1 to 20 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follows:

(a) Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	As of		
	September 30, 2025	December 31, 2024	September 30, 2024
Land	$222,130	$235,136	$239,604
Buildings and structures	560,671	609,531	659,289
Transportation equipment	1,511	1,004	1,537
Machinery equipment	510	1,904	1,971
Total	$784,822	$847,575	$902,401

During the three-month and nine-month periods ended September 30, 2025 and 2024, the Group's additions to right-of-use assets amounted to NTD 974 thousand, NTD 5,597 thousand, NTD 115,240 thousand and NTD26,060 thousand, respectively.

ii. Lease liabilities

	As of		
	September 30, 2025	December 31, 2024	September 30, 2024
Lease liabilities	$839,599	$902,718	$956,374
Current	$204,509	$180,555	$194,572
Non-current	$635,090	$722,163	$761,802

Please refer to Note 6(19) for the interest on lease liabilities recognized during the three-month and nine-month periods ended September 30, 2025 and 2024 and refer to Note 12(5) for maturity analysis of lease liabilities as of September 30, 2025, December 31, 2024 and September 30, 2024.

(b) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Land	$4,269	$4,468	$13,006	$13,578
Buildings and structures	48,630	52,579	149,626	154,361
Transportation equipment	423	471	1,353	925
Machinery equipment	73	74	220	221
Total	$53,395	$57,592	$164,205	$169,085

(c) Income and costs relating to leasing activities

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
The expenses relating to short-term leases	$492	$55	$1,644	$162
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	550	512	1,610	2,060
Total	$1,042	$567	$3,254	$2,222

(d) Cash outflow relating to leasing activities

During for the three-month and nine-month periods ended September 30, 2025 and 2024, the Group’s total cash outflows for leases amounted to NTD 58,567 thousand, NTD 61,213 thousand, NTD 181,562 thousand and NTD 181,755 thousand, respectively.

(e) Other information relating to leasing activities

Extension and termination options

Some of the Group’s building and equipment rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group. After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

7. Related party transactions

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

(1) Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Ching-Leou, Teng	Key management personnel
Ko-Chung, Lin	Key management personnel
Qral Group LLC (Note)	Other related party

Note: From June 2024, Qral Group LLC was no longer a related party to the Group.

(2) Significant transactions with the related parties

A. The Group’s purchase of services

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Qral Group LLC	$-	$-	$-	$35,041

The above purchase of services were recorded as operating expenses of $0 and $35,041 thousand for the three-month and nine-month periods ended September 30, 2024.

B. Key management personnel compensation

	For the three-month period ended		For the nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Short-term employee benefits	$74,222	$49,066	$199,431	$131,518
Post-employment benefits	1,007	1,732	2,829	2,759
Share-based payment	3,045	11,475	25,914	58,282
Total	$78,274	$62,273	$228,174	$192,559

C. The Company's Chairman and Chief Executive Officer act as joint guarantors for the borrowings from bank.

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

	Carrying amount as of			
Assets pledged for security	September 30, 2025	December 31, 2024	September 30, 2024	Secured liabilities
Current financial assets at amortized cost	$22,597	$23,636	$23,019	Performance bonds
Non-Current Financial assets at amortized cost	448,563	25,594	24,868	Performance bonds
Property, plant and equipment – land and buildings, net	103,922	105,124	105,525	Long-term borrowings
Total	$575,082	$154,354	$153,412	

9. Significant contingencies and unrecognized contractual commitments

Other than unsettled litigation, endorsement and guarantee, the Group discloses contract amount over NTD 100,000 thousand as of September 30, 2025 as below:

(1) As of September 30, 2025, the Group provided endorsement and guarantee to subsidiaries were amounted to USD 78,882 thousand and KRW$ 16,000,000 thousand, and these amounts have not yet been drawn. Please refer to Table 1 for relevant information.

(2) The Company and Luck Shine Enterprises Limited signed a joint venture agreement to proceed into the conduct of clinical trials, obtaining marketing authorization, post marketing sales work, etc. for P1101 in China. Please refer to Note 6(16) for more details.

(3) The Company and Athenex, Inc. signed a license agreement for the trial and development of novel, oral cancer drug in Taiwan, Singapore and Vietnam. The payable license fees are USD 11,050 thousand, which the Company will pay at each stage in installments based on the agreement. In the future, based on the sales situation, certain percentages should be paid as license fees. As of September 30, 2025, the Company has paid USD 3,550 thousand in license fees. The bankruptcy proceedings filed by Athenex, Inc does not affect the abovementioned license agreement. Based on the bankruptcy proceedings, the winning bidder of Athenex's assets will succeed the abovementioned license agreement, so the Company assesses that its rights and obligations thereof will not be affected.

(4) The Company and Athenex, Inc. signed a license agreement for the trial and development of an ointment preparation for psoriasis (KX01) in Taiwan, China (including Hong Kong and Macau), Singapore, and Malaysia. The payable license fees are USD 1,640 thousand and USD 13,500 thousand, which the Company will pay at each stage in installments based on the agreement. In the future, based on the sales situation, certain percentages should be paid as license fees. As of September 30, 2025, the Company has paid USD 1,640 thousand and USD 500 thousand, respectively. The bankruptcy proceedings filed by Athenex, Inc. related to development of KX-01, is still ongoing. After a professional evaluation was made by an external lawyer for bankruptcy, the bankruptcy filing should not affect the licensing rights of the previous contract, so the Company assessed that its rights and obligations thereof would not be affected.

(5) The Company and a Taiwan contract research organization (CRO) signed a contract research agreement which includes commissioning this CRO to conduct P1101 chronic hepatitis B phase I/II, hepatitis C virus genotype 1 phase II, and hepatitis C virus genotype 2 phase III clinical trials in Taiwan and South Korea, and KX01 psoriasis phase I/II clinical trial in Taiwan related work. The payable commissioned service fees total NTD 288,969 thousand, which the Company will pay at each stage based on the agreement. As of September 30, 2025, the Company has paid NTD 166,605 thousand.

(6) The Company and a Japanese pharmaceutical science company signed a contract research agreement that covers the conduct of comparing the efficacy of P1101 versus anagrelide for the treatment of essential thrombocythemia (ET) in a multinational Phase III clinical trial to be conducted in China, Japan, and South Korea. The payable commissioned research fees total USD 15,110 thousand, which the Company will pay at each stage based on the agreement. As of September 30, 2025, the Company has paid USD 11,495 thousand.

(7) The Company and a German drug product contract manufacturer signed a fill finish line change agreement, with an agreement cost totaling EUR 4,339 thousand. As of September 30, 2025, the Company has paid related costs of EUR 3,295 thousand.

(8) During the period of the former arbitration between the Company and AOP Orphan Pharmaceuticals GmbH (formerly known as AOP orphan Pharmaceuticals AG, hereinafter referred to as "AOP") from 2008 to 2012 (hereinafter referred to as the "Former Arbitration", the arbitration award was revoked by the German Federal Supreme Court in February 2011). In order to protect the rights of shareholders, the Company filed arbitration claims against AOP with the International Chamber of Commerce ("ICC") on November 18, 2020 and December 22, 2020. The claims sought compensation for the damages incurred due to AOP's delay in providing clinical trial data during the Company's US BLA process, and damages resulting from AOP's breach of the license agreement by failing to initiate clinical trials for three other clinical indications.

The ICC notified the Company that the two aforementioned arbitrations were consolidated into one single arbitration (hereinafter referred to as the "New Arbitration"). The Company filed the first statement of claim on October 22, 2021 ("Statement of Claim"). In response to the Statement of Claim filed by the Company, AOP filed a statement of defense and counterclaim with the ICC on March 25, 2022 (Statement of Defense and Counterclaim). In addition to defending against the Company claims, AOP filed the following counterclaims:

(1) losses allegedly incurred due to the Company's breach of the License Agreement; (2) the Company's unlawful use of AOP's clinical trial data; (3) payment claim for service fees and overpaid product costs. In sum, AOP's total counterclaim amount was approximately EUR 6,000,000 thousand. The Company has filed a Statement of Reply and Defense to Counterclaim on October 21, 2022 in response to AOP's counterclaims, including the damages arising from the delay caused by the reasons attributable to AOP during the EU Marketing Approval review, as well as AOP's failure to fully realize Besremi's commercial value in its licensed territories. Accordingly, the Company's claim amount has also been adjusted.

In response to the Statement of Reply and Defense to Counterclaim ("SoDCC") submitted by the Company, AOP submitted a Statement of Rejoinder and Reply to Counterclaim ("RRCC") to the ICC on March 28, 2023. The majority of the relevant submissions in the RRCC were based on the same assertions already made in the SoDCC. In response, the Company further addressed AOP's counterclaims by filing a Statement of Rejoinder to Counterclaim with the ICC on May 23, 2023.

The arbitration hearings were held in Frankfurt from July 10 to July 20, 2024. The main purposes of the hearings were to hear the assertions of both parties, and the testimonies of relevant witnesses and expert witnesses from both parties. Per tribunal's order, both parties had submitted Post-Hearing Briefs on November 15 and December 13, 2024, respectively.

On February 17, 2025, the Company received the Partial Final Award of New Arbitration from the ICC through its retained legal counsel. The Partial Final Award rules as follows:

A. AOP’s main claims, including claims regarding the Company’s use of AOP’s clinical data to apply for the U.S. marketing authorization, and the Company’s alleged unstable supply and alleged refusal to supply drug products in Europe, are dismissed.
B. With respect to the Company’s claim based on delayed application for US marketing authorization, AOP has breached its obligations by failing to inform the Company for more than six months of development of the clinical study, but since no causation has been established, the Company’s claim for damages was dismissed.
C. The tribunal reserves its decisions on the Company’s and AOP’s respective claims for drug product price reconciliation.
D. The tribunal upholds the Company’s liability with respect to a 5-month delay to the EU marketing authorization application and a 4.5-month delay to the drug supply but reserves its decisions as to the quantum of these claims. For this reason, the tribunal also reserves its decisions on the Company’s claims for AOP’s outstanding payments and for unpaid royalties.
E. With respect to AOP’s claim for price reconciliation for past clinical supplies, the Company is ordered to pay AOP EUR 209,036.48 with interest at the base rate plus 5% per annum, capped at 6% per annum from February 16, 2021.
F. With respect to costs of the previous arbitration, after setting off the Company’s and AOP’s respective shares of the costs, the Company is ordered to pay AOP EUR 1,353,976.63, with interest at the base rate plus 5% per annum, capped at 6% per annum from October 20, 2020.
G. The tribunal reserves its decision regarding the costs of this arbitration and interest (where applicable).
H. All other requests are dismissed.

Regarding Item D of the Partial Final Award, according to the legal opinion issued by the Company’s retained legal counsel on February 24, 2025, the tribunal preliminarily determined that the Company bears responsibility for the 5-month delay to the EU marketing authorization application and the 4.5-month delay to the drug supply. However, due to AOP’s failure to provide reliable and complete evidence to substantiate the claimed compensation amount, the tribunal reserved its judgment on determining the compensation amount. At the same time, the tribunal also reserved its decision on the Company’s claim that AOP should pay the outstanding product payments and royalties. As a result, the relevant amounts subject to these reservations remain undetermined.

According to the analysis made by the external legal counsel appointed by the Company, there are significant procedural flaws in the Partial Final Award received by the Company on February 17, 2025. On May 19, 2025, the external legal counsel engaged by the Company filed an application for setting-aside the Partial Final Award with the Higher Regional Court of Frankfurt, Germany. The scope of the set-aside application mainly includes the following:

A. Tribunal's rejection of the Company's claim for damages arising from AOP’s delay in the Company’s U.S. drug application on the grounds of failure to establish the causation;
B. Tribunal's determination on the Company's liability for the 9.5-month delay in AOP’s European drug application; and
C. Tribunal’s order that the Company shall bear the previous arbitration costs of EUR 1,353,976.63; and the Company's obligation to pay an overpayment of EUR 209,036.48 for clinical drug purchased by AOP.

In addition, as AOP has repeatedly refused to provide the Postmarketing Requirements (PMRs) requested by the U.S. Food and Drug Administration (FDA) in accordance with the License Agreement between the parties and even demanded excessive license fees in exchange for the PMRs, the Company filed an application for interim relief with Tribunal on May 6, 2025, seeking to compel AOP to perform its contractual obligations. Subsequently, on June 2, 2025, Tribunal advised the Company to submit a formal claim regarding this matter, which was duly accepted by Tribunal for adjudication on July 2, 2025.

As of the date of issuance of this financial report, the Company continues to consult with its retained legal counsel regarding this Partial Final Award and to formulate subsequent response measures to protect and safeguard the best interests of its shareholders. Given the unpredictable nature of the disputes, the New Arbitration’s adverse effects on the Company’s business, operations, or financials, and AOP’s reliance on the Partial Final Award to assert its rights and obligations to the Company remain uncertain. The Company has dealt with this matter in a manner that it deems appropriate and will re-evaluate the reasonableness of the relevant approaches in each subsequent financial reporting period.

In accordance with Paragraph 92 of International Accounting Standard (IAS) 37 (“Provisions, Contingent Liabilities, and Contingent Assets”), the Company has not disclosed certain information that would normally be required under such standard, as such disclosure could potentially impact the outcome of the aforementioned matters.

(9) In October 2022, AOP filed a civil action against the Company and its US subsidiary in the District Court of Commonwealth of Massachusetts. AOP alleged that: (1) the transactions between the Company and its US subsidiary affected AOP’s rights; and (2) the Company and its US subsidiary’s request for AOP to amend the License Agreement constitutes unfair competition. The Company has engaged lawyers to submit a brief, arguing that: the license agreement between AOP and the Company explicitly stipulates that all the disputes related to or resulting from the license agreement shall be compelled to arbitration. Thus, the legal proceeding brought by AOP is in violation of the license agreement as the dispute related to the license agreement shall be compelled to arbitration. On August 7, 2023, the District Court of Commonwealth of Massachusetts ruled that the motion filed by the Company is granted, and the arbitrability of AOP’s assertion shall be determined by the arbitral tribunal.

The Company has dealt with this matter in a manner that it deems appropriate and has retained US lawyers to evaluate to respond to the legal action and will re-evaluate the reasonableness of the relevant approaches in each subsequent financial reporting period.

(10) The Company signed the “Taoyuan Airport City Priority Industrial Zone Land Tendering Project E Land Contract” with the Taoyuan City Government. The Company will pay the corresponding amount in the future according to the respective stages stipulated in the Contract, and the total amount of payments payable for purchasing E Land payable NTD 1,100,029 thousand. The Company has paid NTD 330,009 thousand for the nine-month period ended September 30, 2025.

(11) In order to conduct the global phase III clinical trial of essential thrombocythemia (P1101 ET clinical trial), the Company entered into a Master Services Agreement (MSA) , its Task Order 1 (Task Order 1) and its amendment (Amendment 1-5) with an American clinical research organization, which was entrusted to conduct the P1101 ET clinical trials at multiple clinical trial centers in the countries of Taiwan, the United States, Hong Kong, Canada and Singapore. , and the total related expenses payable are about USD 29,054 thousand. As of September 30, 2025, the Company has paid related expenses of USD 18,054 thousand.

(12) In order to support the growing demand for the Company's production the global market, the Company planned to add new production lines and expand new factories and entered into a contract with a domestic construction company for the new construction of the Zhubei plant in the Biomedical Park of Hsinchu Science Park. The contract amount reached NTD 3,126,000 thousand. As of September 30, 2025, the Company has paid related expenses of NTD 1,776,640 thousand.

(13) After the Company entered into a Master Services Agreement with clinical research corporation , Canada, on January 19, 2024, the parties further entered into the Services Work Order 1 and Service Work Order 2 on May 19 and August 14, 2024, respectively, by which the corporation was entrusted to conduct:

A. A Phase IIIb, Randomized, Open-Label, Parallel Group, Multicenter Study to Access Efficacy, Safety, and Tolerability of Two Dosing Regimens of Ropeginterferon alfa-2b-njft (P1101) in Adult Patients with Polycynthemia Vera (PV), and the total expenses payable for clinical trial amount to approximately USD 14,267 thousand. As of September 30, 2025, and the Company has paid USD 4,929 thousand; and
B. A Single-arm, Multicenter Study to Assess the Efficacy, Safety, and Tolerability of Ropeginterferon alfa-2b-njft (P1101) in Adult Patients with Essential Thrombocythemia (ET), and the total expenses payable for clinical trial amount to approximately USD 20,618 thousand. As of September 30, 2025, and the Company has paid USD 11,069 thousand.

(14) On September 30, 2023, the Company entered into an exclusive licensing agreement with an Irish biotechnology company for the global development, manufacturing, and commercialization of a myeloid immune checkpoint candidate antibody sequence. According to the agreement, the Irish biotechnology company will first complete certain preclinical studies, after which the Company will be responsible for subsequent preclinical and clinical development. Under the agreement, the Company will pay the Irish biotechnology company an upfront payment and will make additional development, regulatory, and commercial milestone payments based on the progress of research and sales. Additionally, the Company will pay royalties based on a percentage of net sales once the product is commercialized. As per mutual agreement, the specific licensing terms will not be disclosed, but relevant financial amounts will be recognized and disclosed in the financial statements as required. As of September 30, 2025, the Company has paid a total of USD 4,188 thousand in licensing fees.

(15) After the Company entered into a Master Services Agreement with an Australian clinical research corporation on November 13, 2022, the parties further entered into the Project Agreement No. 1 and its Change Order No. 1 on December 5, 2024, by which the corporation was entrusted to conduct: A Randomized, Double-Blind, Placebo-Controlled Multicenter Phase 3 Clinical Study to Assess Efficacy and Safety of Ropeginterferon alfa-2b (P1101) in Adult Patients with Prefibrotic/Early Primary Myelofibrosis or Overt Primary Myelofibrosis at Low or Intermediate-1 Risk According to DIPSS Plus (HOPE-PMF): The Core Study and Its Extension Study. The total expenses payable for clinical trial amount to approximately USD 17,092 thousand. As of September 30, 2025, and the Company has paid USD 2,853 thousand.

(16) After the Company entered into a Master Services Agreement with a Canadian clinical research corporation on January 19, 2023, the parties further entered into the Services Work Order 6 and its Amendment No. 1 on October 24, 2024, by which the corporation was entrusted to conduct: A Randomized, Double-Blind, Placebo-Controlled Multicenter Phase 3 Clinical Study to Assess Efficacy and Safety of Ropeginterferon alfa-2b (P1101) in Adult Patients with Prefibrotic/Early Primary Myelofibrosis or Overt Primary Myelofibrosis at Low or Intermediate-1 Risk According to DIPSS Plus (HOPE-PMF): The Core Study and Its Extension Study. The total expenses payable for clinical trial amount to approximately USD 19,353 thousand. As of September 30, 2025, and the Company has paid USD 2,432 thousand.

10. Losses due to major disasters

No such circumstances.

11. Significant subsequent events

On November 4, 2025, the Board of Directors' meeting resolved the following significant proposal:

(1) To enhance the Group's core competitiveness in the field of cell therapy, the Company plans to establish a wholly owned subsidiary in Shanghai under PharmaEssentia Asia (Hong Kong) Limited. Through this Shanghai subsidiary, the Company intends to acquire the operating assets of ImmuXell Biotech Limited (Shanghai). This strategic integration of innovative technologies and resources aims to strengthen the Group's overall deployment and capabilities in the field of innovative therapies.

(2) To strengthen the Company's collaboration with Taiwan Bio-Manufacturing Corporation (TBMC) and to leverage TBMC's production capacity in accelerating the advancement of the Company's cell therapy and nucleic acid drug product lines, the Company plans to participate in TBMC's fund raising project by subscribing for its common shares at NTD 20 per share, with a total investment amount not exceeding NTD 930 million.

12. Other

(1) Categories of financial instruments

Financial assets

	As of		
	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets at fair value through other comprehensive income	$419,271	$542,438	$119,846
Financial assets at amortized cost:			
Cash and cash equivalents (exclude cash on hand and petty cash)	21,580,054	21,050,292	20,830,892
Accounts receivable	3,558,467	2,623,830	2,155,900
Other receivables	30,976	68,782	22,647
Financial assets at amortized cost (including non-current)	471,590	49,230	47,887
Refundable deposits	87,921	98,616	99,821
Subtotal	25,729,008	23,890,750	23,157,147
Total	$26,148,279	$24,433,188	$23,276,993

Financial liabilities

	As of		
	September 30, 2025	December 31, 2024	September 30, 2024
Financial liabilities at amortized cost:			
Accounts payable	$200,343	$126,468	$131,394
Other payables	1,761,658	1,337,313	888,614
Long-term borrowings (including current portion)	53,395	62,714	65,800
Lease liabilities (including non-current)	839,599	902,718	956,374
Total	$2,854,995	$2,429,213	$2,042,182

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies, measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and equity risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variables; there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency).

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates. Please refer to Note 12(9) for the information of the sensitivity analysis.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's investments and bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates. As at the end of the reporting period, a change of 10 basis points of interest rate could cause the gain and loss for the nine-month periods ended September 30, 2025 and 2024 to increase/decrease by NTD 40 thousand and NTD 49 thousand, respectively.

Equity price risk

The fair value of the Group’s unlisted equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group’s unlisted equity securities are classified under financial assets measured at fair value through other comprehensive income. The Group manages the equity price risk through placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group’s senior management on a regular basis. The Group’s Board of Directors reviews and approves all equity investment decisions.

Please refer to Note 12(8) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for receivables) and from its financing activities (primarily for cash in banks).

The Group only trades with third parties whom have already approved and with good credit rating. The Group’s policy also requires conducting credit confirmation procedures before open account transaction, and continuously assesses the collection of receivables.

Credit risk from balances with banks and other financial instruments is managed by the Group’s treasury in accordance with the Group’s policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

As of September 30, 2025, December 31, 2024, and September 30, 2024, accounts receivable from top ten customers represents 97.83%, 97.96% and 95.26% of the total accounts receivable of the Group, respectively. The credit concentration risk of other accounts receivable is insignificant.

Expect for the loss allowance of receivables measured at lifetime expected credit losses, the Group assess the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Group makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5) Liquidity risk management

The Group maintains a balance between continuity of funding and flexibility through the use of cash and cash equivalents and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	Later than 5 years	Total
As of September 30, 2025					
Payables					
(including other payables)	$1,962,001	$-	$-	$-	$1,962,001
Long-term borrowings					
(including interest to be paid)	8,645	14,534	13,763	25,231	62,173
Lease liabilities					
(including non-current)	226,262	286,307	227,902	186,034	926,505
As of December 31, 2024					
Payables					
(including other payables)	$1,463,781	$-	$-	$-	$1,463,781
Long-term borrowings					
(including interest to be paid)	13,734	14,908	14,167	29,152	71,961
Lease liabilities					
(including non-current)	195,095	282,797	223,720	272,588	974,200
As of September 30, 2024					
Payables					
(including other payables)	$1,020,008	$-	$-	$-	$1,020,008
Long-term borrowings					
(including interest to be paid)	14,298	16,045	14,224	30,847	75,414
Lease liabilities					
(including non-current)	207,315	297,496	222,462	300,761	1,028,034

(6) Reconciliation of liabilities arising from financing activities

For the nine-month period ended September 30, 2025:

	Long-term borrowings (including current portion)	Lease liabilities	Total liabilities from financing activities
As of January 1, 2025	$62,714	$902,718	$965,432
Cash flows	(9,319)	(178,308)	(187,627)
Non-cash changes	-	115,189	115,189
As of September 30, 2025	$53,395	$839,599	$892,994

For the nine-month period ended September 30, 2024:

	Current borrowings	Long-term borrowings (including current portion)	Lease liabilities	Total liabilities from financing activities
As of January 1, 2024	$21,000	$75,073	$1,104,139	$1,200,212
Cash flows	(21,000)	(9,273)	(179,533)	(209,806)
Non-cash changes	-	-	31,768	31,768
As of September 30, 2024	$-	$65,800	$956,374	$1,022,174

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

(a) The carrying amount of cash and cash equivalents, accounts receivable, other receivables, refundable deposits, current borrowings, accounts payable and other payables approximate their fair value due to their short maturities.

(b) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(c) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

B. Fair value of financial instruments at amortized cost

The carrying amounts of the Group’s financial assets and financial liabilities measured at amortized cost approximate their fair values.

C. Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

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.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group’s assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group’s assets and liabilities measured at fair value on a recurring basis is as follows:

As of September 30, 2025:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$89,905	$-	$329,366	$419,271

As of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$-	$-	$542,438	$542,438

As of September 30, 2024:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$-	$-	$119,846	$119,846

Transfers between Level 1 and Level 2 during the period

During the nine-month periods ended September 30, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy movements during the period is as follows:

	Assets at fair value through other comprehensive income
	Stocks
As of January 1, 2025	$542,438
Total gains (losses) recognized for the nine-month period ended September 30, 2025:	
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income")	(68,687)
Disposal for the nine-month period ended	(54,480)
Transferred to Level 1 for the nine-month period ended	(89,905)
As of September 30, 2025	$329,366

	Assets at fair value through other comprehensive income
	Stocks
As of January 1, 2024	$163,924
Total gains (losses) recognized for the nine-month period ended September 30, 2024:	
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income")	(19,078)
Derecognized for the nine-month period ended	(25,000)
As of September 30, 2024	$119,846

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of September 30, 2025:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through other comprehensive income					
Stocks	Assets approach/ market approach	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Group's equity by NTD3,601 thousand

As of December 31, 2024:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through other comprehensive income					
Stocks	Assets approach/ market approach	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Group's equity by NTD5,610 thousand

As of September 30, 2024:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through other comprehensive income					
Stocks	Assets approach/ market approach	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Group's equity by NTD1,712 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Financial Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of September 30, 2025:

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Financial assets at amortized cost				
Time deposits	$-	$471,590	$-	$471,590
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Long-term borrowings (including current portion)	-	53,395	-	53,395

As of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Financial assets at amortized cost				
Time deposits	$-	$49,230	$-	$49,230
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Long-term borrowings (including current portion)	-	62,714	-	62,714

As of September 30, 2024:

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Financial assets at amortized cost				
Time deposits	$-	$47,887	$-	$47,887
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Long-term borrowings (including current portion)	-	65,800	-	65,800

(9) Significant assets and liabilities denominated in foreign currencies

(In thousands)

	As of September 30, 2025				
	Foreign currencies	Foreign exchange rate	Carrying amount (NTD)	Sensitivity analysis Fluctuation	Sensitivity analysis Effect on income
Financial assets					
Monetary items					
USD	$145,435	30.2050	$4,392,858	1%	$43,929
EUR	46,025	35.4500	1,631,598	1%	16,316
CNY	3,620	4.2400	15,351	1%	154
SGD	1,142	23.5600	26,915	1%	269
HKD	8,304	3.8840	32,252	1%	323
Non-monetary Items					
USD	$11,503	30.2050	$347,442	1%	$3,474
Financial liabilities					
Monetary items					
EUR	$9,030	35.4500	$320,100	1%	$3,201
USD	1,947	30.2050	58,804	1%	588

(In thousands)

	As of December 31, 2024				
			Carrying	Sensitivity analysis	
	Foreign currencies	Foreign exchange rate	amount (NTD)	Fluctuation	Effect on income
Financial assets					
Monetary items					
USD	$281,484	32.5050	$9,149,635	1%	$91,496
EUR	30,409	34.0100	1,034,208	1%	10,342
CNY	7,765	4.4600	34,633	1%	346
HKD	4,471	4.1810	18,694	1%	187
Non-monetary Items					
USD	$13,750	32.5050	$446,936	1%	$4,469
Financial liabilities					
Monetary items					
EUR	$8,674	34.0100	$295,019	1%	$2,950
USD	8,415	32.5050	273,526	1%	2,735
HKD	1,433	4.1810	5,992	1%	60

(In thousands)

	As of September 30, 2024				
			Carrying	Sensitivity analysis	
	Foreign currencies	Foreign exchange rate	amount (NTD)	Fluctuation	Effect on income
Financial assets					
Monetary items					
USD	$348,010	31.9950	$11,134,573	1%	$111,346
EUR	20,186	35.4900	716,405	1%	7,164
CNY	7,830	4.5070	35,290	1%	353
HKD	8,369	4.1020	34,331	1%	343
Financial liabilities					
Monetary items					
EUR	$7,899	35.4900	$280,325	1%	$2,803
USD	729	31.9950	23,320	1%	233

The Group’s foreign currency transactions were denominated in multiple currencies. Therefore, the information of the foreign exchange gains (losses) of monetary assets and liabilities denominated by each currency was not applicable for disclosure. For the nine-month periods ended September 30, 2025 and 2024, the Group’s incurred foreign exchange (losses) gains were NTD(885,312) thousand and NTD245,922 thousand, respectively.

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(10) Capital management

The primary objective of the Group’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares.

13. <u>Other disclosure</u>

(1) Information at significant transactions

A. Financings provided to others, no such circumstances.

B. Endorsements/guarantees provided to others, please refer to Table 1 for more details.

C. Significant marketable securities held (not including subsidiaries, associates and joint ventures), please refer to Table 2 for more details.

D. Related party transactions for purchases and sales amounts exceeding the lower of NTD 100 million or 20 percent of the paid-in capital, please refer to Table 3 for more details.

E. Receivables due from related parties with amounts exceeding the lower of NTD 100 million or 20 percent of capital stock, please refer to Table 4 for more details.

F. Significant intercompany transactions between consolidated entities, please refer to Table 5 for more details.

(2) Information on investees

A. The Company had directly or indirectly significant influence or control on the invested company which shall disclose relevant information, please refer to Table 6 for more details.

B. The Company had directly or indirectly control on the invested company which shall disclose relevant information of the above (1) A~F, except for above (1) D~F, refer to Table 3, Table 4 and Table 5, there were no such circumstances for above (1) A~C.

(3) Information on investments in Mainland China

Please refer to table 7 for more details.

14. Segment information

The Group primarily engages in medicine research and development. The decision maker of the Group reviews the operating outcome based on a single operating department to determine its resource policy and assesses overall performance of the Company. Therefore, the Group does not distinguish departments and aggregate to a single operating department and prepare financial statement in the same basis as the summary of the material accounting policies described in Note 4.

Table 1: Endorsements/guarantees provided to others (Unit: thousands of foreign currency/New Taiwan Dollars)

No. <Note1>	Endorsements/ Guarantees provider	Guaranteed party		Limits on endorsements / guarantees amount provided to each guaranteed party <Note3>	Maximum balance for the period	Ending balance	Amount actually drawn	Amounts of endorsements / guarantees collateralized by properties	Ratio of accumulated endorsements / guarantees to net equity based on latest financial statements	Maximum endorsements / guarantees amount allowable <Note3>	Endorsements/guarantees provided by the Company <Note4>	Endorsements/guarantees provided by a subsidiary <Note4>	Endorsements/ guarantees provided to subsidiaries in Mainland China <Note4>
		Name	Nature of relationship <Note2>										
0	PharmaEssentia Corp.	PharmaEssentia USA Corporation	2	$13,387,154	USD 78,182 ($2,585,102)	USD 78,182 ($2,361,500)	USD - $-	-	8%	$13,387,154	Y	-	-
0	PharmaEssentia Corp.	PharmaEssentia Innovation Research Center, Inc.	2	13,387,154	USD 700 ($23,146)	USD 700 ($21,144)	USD - $-	-	0%	$13,387,154	Y	-	-
0	PharmaEssentia Corp.	PharmaEssentia Korea Corporation	2	13,387,154	KRW 16,000,000 ($348,080)	KRW 16,000,000 ($347,200)	KRW - $-	-	1%	$13,387,154	Y	-	-

<Note1> The numbers filled in represent:

1. The Company is "0".
2. The subsidiaries are numbered in order starting from "1".

<Note2> The following code represents the relationship with the company:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.
4. A company in which the public company directly or indirectly holds 90% or more of the voting shares.
5. A company that fulfills contractual obligations by providing mutual endorsements/guarantees for another company in the same industry ,or for joint builders undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

<Note3> The limits on endorsement/guarantee amount provided to each guaranteed party shall not exceed 45% of the net equity per latest financial statements of the Company; the total accumulated endorsement/guarantee amount shall not exceed 45% of net equity per latest financial statements.

<Note4> Endorsements/ guarantees provided by listed parent company to subsidiaries, endorsements/ guarantees provided by a subsidiary to listed parent company and endorsements/ guarantees provided to entities registered in Mainland China were recorded "Y".

<Note5> Ending amounts in this table were disclosed in New Taiwan Dollars. Amounts related to foreign currency were translated to New Taiwan Dollars by rate of financial statement date. The related exchange rate was as follow:

USD:NTD 1:30.205

KRW:NTD 1:0.0217

Table 2: Significant marketable securities held (not including subsidiaries, associates and joint ventures) (Unit: thousands of New Taiwan Dollars/share)

Held company name	Marketable securities type and name	Relationship with the Company	Financial statement account	Ending balance				Remark
				Share / Units	Carrying value	Percentage of ownership	Fair value	
PharmaEssentia Corp.	Mithra Biotechnology Inc.	—	Financial assets at fair value through other comprehensive income	980	$-	4.00%	$-	
PharmaEssentia Corp.	IIH Biomedical Venture Fund I Co., Ltd.	—	Financial assets at fair value through other comprehensive income	2,500	71,829	8.08%	71,829	
PharmaEssentia Corp.	Senti Biosciences, Inc.	—	Financial assets at fair value through other comprehensive income	2,111	89,905	8.12%	89,905	
PharmaEssentia Corp.	ApexImmune Therapeutics Inc. – Preferred Stock	—	Financial assets at fair value through other comprehensive income	9,474	257,537	Not Applicable	257,537	

Table 3: Related party transactions for purchases and sales amounts exceeding the lower of NT$ 100 million or 20 percent of the paid-in capital (Unit: thousands of New Taiwan Dollars)

Company name	Related party	Nature of relationship	Transaction details				Abnormal transaction terms different from regular transactions		Notes/Accounts receivable (payable)		Remark
			Purchases /Sales	Amount	% to total <Note>	Payment term	Unit price	Payment term	Ending balance	% to total <Note>	
PharmaEssentia Corp.	PharmaEssentia USA Corporation	Subsidiary	Sales revenue	$8,136,715	78.14%	About 90 days	Not Applicable	Not Applicable	$659	0.06%	
PharmaEssentia Corp.	PharmaEssentia USA Corporation	Subsidiary	Service revenue	$102,312	0.98%	About 90 days	Not Applicable	Not Applicable	-	-	
PharmaEssentia Corp.	PharmaEssentia Japan KK	Subsidiary	Sales revenue	$531,306	5.10%	About 150 days	Not Applicable	Not Applicable	$338,791	31.48%	
PharmaEssentia Innovation Research Center, Inc.	PharmaEssentia Corp.	Parent company	Service revenue	$370,374	100.00%	About 60 days	Not Applicable	Not Applicable	$106,703	100%	

<Note> Percentage of total purchases (sales) to accounts receivable (accounts payable).

Table 4: Receivables due from related parties with amounts exceeding the lower of NT$ 100 million or 20 percent of the paid-in capital

(Unit: thousands of New Taiwan Dollars)

Company name	Related party	Nature of relationship	Financial statement account	Ending balance	Turnover ratio	Overdue accounts receivable from related parties		Amounts received in subsequent period	Allowance for bad debts
						Amount	Procedure		
PharmaEssentia Corp.	PharmaEssentia USA Corporation	Subsidiary	Other receivables due from related parties	$238,444	-	$-	-	$-	$-
PharmaEssentia Corp.	PharmaEssentia Japan KK	Subsidiary	Accounts receivable due from related parties	338,791	-	-	-	-	-
PharmaEssentia Innovation Research Center, Inc. Corporation	PharmaEssentia Corp.	Parent company	Accounts receivable due from related parties	106,703	-	-	-	-	-

Table 5: Significant intercompany transactions between consolidated entities (Unit: thousands of New Taiwan Dollars)

No. <Note1>	Company name	Counter-party	Nature of relationship <Note2>	Intercompany transactions			
				Financial statement account	Amount	Terms	Percentage of consolidated net revenue or total assets <Note3>
0	PharmaEssentia Corp.	PharmaEssentia USA Corporation	1	Other receivables due from related parties	$238,444	Similar to general terms and conditions	0.69%
0	PharmaEssentia Corp.	PharmaEssentia USA Corporation	1	Sales revenue	8,136,715	Similar to general terms and conditions	75.67%
0	PharmaEssentia Corp.	PharmaEssentia USA Corporation	1	Service revenue	102,312	Similar to general terms and conditions	0.95%
0	PharmaEssentia Corp.	PharmaEssentia USA Corporation	1	Contract assets due from related parties	99,118	Similar to general terms and conditions	0.29%
0	PharmaEssentia Corp.	PharmaEssentia USA Corporation	1	Contract Liabilities to related parties	1,346,880	Similar to general terms and conditions	3.91%
0	PharmaEssentia Corp.	PharmaEssentia Japan KK	1	Accounts receivable due from related parties	338,791	Similar to general terms and conditions	0.98%
0	PharmaEssentia Corp.	PharmaEssentia Japan KK	1	Sales revenue	531,306	Similar to general terms and conditions	4.94%
2	PharmaEssentia USA Corporation	PharmaEssentia Corp.	2	Sales revenue	88,242	Similar to general terms and conditions	0.82%
2	PharmaEssentia Innovation Research Center, Inc.	PharmaEssentia Corp.	2	Accounts receivable due from related parties	106,703	Similar to general terms and conditions	0.31%
2	PharmaEssentia Innovation Research Center, Inc.	PharmaEssentia Corp.	2	Service revenue	370,374	Similar to general terms and conditions	3.44%

<Note1> Information regarding business transactions between the parent company and its subsidiaries should be separately indicated in the reference number column. The numbers filled in represent:

1. The company is "0".
2. The subsidiaries are numbered in order starting from "1".

<Note2> The following lists are the three types of intercompany transactions (one transaction between parent company and subsidiary or between subsidiaries could be disclosed only once).

1. Transactions from parent company to subsidiary is "1".
2. Transactions from subsidiary to parent company is "2".
3. Transactions between subsidiaries is "3".

<Note3> The percentage is divided by:

1. Consolidated total assets if the transaction account belongs to balance sheet.
2. Consolidated net revenue if the transaction account belongs to comprehensive income statement.

<Note4> Intercompany transactions below NT$50 million are exempt from disclosure.

Table 6: Related information (except to investments in Mainland China) about investee company, located, etc. (Unit: thousands of New Taiwan Dollars/share)

Invester company	Investee company	Location	Main business	Original investment amount		Balance at the end of period			Net income (losses) of the investee	Share of profits (losses) of investee	Remark
				Ending balance	Beginning balance	Shares	Percentage of ownership	Carrying value			
PharmaEssentia Corp.	PharmaEssentia Asia (Hong Kong) Limited	Hong Kong	Biotechnology service, etc.	$374,182	$374,182	24,200	100%	$53,383	$(51,594)	$(51,594)	<Note1>
PharmaEssentia Corp.	PharmaEssentia (Hong Kong) Limited	〃	〃	-	-	-	-	-	-	-	<Note1&2>
PharmaEssentia Corp.	PharmaEssentia Japan KK	Japan	〃	3,649,645	2,670,945	327,995	100%	670,857	(274,205)	(274,205)	<Note1&3>
PharmaEssentia Corp.	PharmaEssentia USA Corporation	USA	〃	9,917,091	9,917,091	32,700	100%	4,837,553	796,540	796,540	<Note1&3>
PharmaEssentia Corp.	PharmaEssentia Korea Corporation	Korea	〃	280,465	280,465	2,335	100%	3,687	(38,394)	(38,394)	<Note1&3>
PharmaEssentia Corp.	Panco Healthcare Co., Ltd.	Taiwan	〃	102,500	102,500	10,000	100%	96,287	18,512	18,512	<Note1>
PharmaEssentia Corp.	PharmaEssentia Singapore Pte. Ltd.	Singapore	〃	33,989	17,531	1,438	100%	11,001	(9,003)	(9,003)	<Note1>
PharmaEssentia Corp.	PharmaEssentia Innovation Research Center, Inc.	USA	〃	523,832	523,832	1,650	100%	502,005	22,043	22,043	<Note1>
PharmaEssentia Corp.	AcadeMab Biomedical Inc.	Taiwan	〃	54,480	-	4,000	7.95%	52,369	(81,638)	(2,111)	<Note4>
PharmaEssentia Corp.	PharmaEssentia Global Ltd.	British Virgin Islands	Investing activities	-	-	-	-	-	-	-	<Note1&5>

<Note1>The aforementioned inter-company transactions have been eliminated in consolidated financial reports.

<Note2> In order to expand the China market, the Company registered and established a wholly owned PharmaEssentia (Hong Kong) Limited with 100% share in 2013.
However, as of September 30, 2025, PharmaEssentia (Hong Kong) Limited only completed the registration process and the Company has not yet remitted the capital contribution.

<Note3> The carrying amount held at the end of the period has adjusted the unrealized profit from sales.

<Note4> The Group holds less than 20% equity in AcadeMab Biomedical Inc. However, as the Company obtained a seat on the board of directors of AcadeMab Biomedical Inc., it has significant influence over AcadeMab Biomedical Inc.
Therefore, on September 30, 2025, AcadeMab Biomedical Inc. was classified as investments accounted for using equity method.

<Note5> The Group registered and established a wholly owned PharmaEssentia Global Limited in 2025.
However, as of September 30, 2025, PharmaEssentia Global Limited only completed the registration process and the Company has not remitted payment for shares.

Table 7: Information on investments in Mainland China (Unit: thousands of foreign currency/New Taiwan Dollars)

Investee company	Main business operations	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan at the beginning of the period	Investment flows		Accumulated outflow of investment from Taiwan at the end of the period	Net income (loss) of the investee company	Percentage of ownership	Share of profits/losses	Carrying amount at the end of the period	Accumulated inward remittance of earnings at the end of the period
					Outflow	Inflow						
PharmaEssentia Biotechnology (Beijing) Limited	Biotechnology service, etc.	$241,640 (USD 8,000)	<Note1(2)>	$241,640 (USD 8,000)	$- USD -	$- USD -	$241,640 (USD 8,000)	$(41,444) (- CNY 9,611)	100.00%	$(41,444) (- CNY 9,611) <Note 2(2)3,3>	$23,211 (CNY 5,474)	$-

Accumulated investment in Mainland China at the end of the period	Investment amount authorized by investment commission, MOEA	Upper limit of investment (60% of the Company's net equity)
$241,640 (USD 8,000)	$241,640 (USD 8,000)	$17,849,539

<Note1> Method of investment was classified as the following three types:

1.The investments in Mainland China directly.

2. Re-invest in Mainland China through the third regional company (the invester company in the third regional was PharmaEssentia Asia (Hong Kong) Co., Ltd.).

3. Others.

<Note2> In the shared profits/losses column:

1. The investments that are in preparatory stage and thus haven't generated any profits/losses should be specified.

2. The basis for recognizing share of profits/losses should be specified as one of the following three types:

(1) The financial report was audited by an international audit firm in partnership with a local audit firm in Taiwan.

(2) The financial report was reviewed by the CPA firm certifying the parent company in Taiwan.

(3) Others. (Financial statements of certain subsidiaries were not reviewed by independent accountants)

<Note3> This table is presented in New Taiwan Dollars. The exchange rates as of the financial reporting date, used to translate investments denominated in foreign currencies, were as follows:

1. Ending investment balance as of reporting date were translated using the exchange rates as follows:

USD:NTD 1: 30.2050

CNY:NTD 1: 4.2400

2. Investment gains or losses were translated using the average rates for the nine-month period ended September 30, 2025 as follows:

USD:NTD 1: 31.1783

CNY:NTD 1:4.3119