

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2025 AND 2024

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of OBI PHARMA, INC.

Introduction

We have reviewed the accompanying consolidated balance sheets of OBI PHARMA, INC. and subsidiaries (the "Group") as at March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Teng, Sheng-Wei

Liang, Hua-Ling

For and on Behalf of PricewaterhouseCoopers, Taiwan

May 12, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

Assets			March 31, 2025		December 31, 2024		March 31, 2024				
			AMOUNT	%	AMOUNT	%	AMOUNT	%			
Current assets											
1100	Cash and cash equivalents	6(1)	\$	604,281	12	\$	1,732,050	31	\$	1,282,066	26
1110	Current financial assets at fair value through profit or loss	6(2)		-	-		89	-		217	-
1136	Current financial assets at amortised cost	6(4)		1,848,700	38		1,398,700	25		1,092,900	22
1170	Accounts receivable, net			4,870	-		4,200	-		5,913	-
1200	Other receivables			22,543	1		19,005	-		33,139	1
130X	Inventories			30,834	1		27,725	-		24,427	-
1410	Prepayments	6(5)		256,955	5		258,014	5		228,376	4
11XX	Total current assets			2,768,183	57		3,439,783	61		2,667,038	53
Non-current assets											
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)		8,975	-		9,017	-		9,896	-
1535	Financial assets at amortised cost - non-current	6(4) and 8		12,900	-		12,900	-		-	-
1550	Investments accounted for using equity method	6(6)		896,119	18		937,933	17		981,265	20
1600	Property, plant and equipment	6(7) and 8		744,804	15		778,643	14		826,768	16
1755	Right-of-use assets	6(8)		372,828	8		386,442	7		432,257	9
1780	Intangible assets	6(9)		60,243	1		62,840	1		73,032	1
1900	Other non-current assets	8		30,032	1		26,134	-		44,995	1
15XX	Total non-current assets			2,125,901	43		2,213,909	39		2,368,213	47
1XXX	Total assets		\$	4,894,084	100	\$	5,653,692	100	\$	5,035,251	100

(Continued)

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	March 31, 2025		December 31, 2024		March 31, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Current borrowings	6(10) and 8	\$ 25,568	1	\$ 412	-	\$ 3,284	-
2130	Current contract liabilities	6(19)	5,408	-	7,783	-	5,868	-
2150	Notes payable		162	-	540	-	-	-
2170	Accounts payable		1,661	-	2,900	-	831	-
2200	Other payables	6(12)	83,234	2	297,833	5	60,373	1
2220	Other payables to related parties	7	11	-	-	-	17	-
2230	Current income tax liabilities		9,982	-	10,394	-	1,698	-
2280	Current lease liabilities		55,583	1	55,116	1	54,376	1
2320	Long-term liabilities, current portion	6(11) and 8	34,091	1	34,091	1	11,667	1
2399	Other current liabilities		3,366	-	3,301	-	3,117	-
21XX	Total current liabilities		219,066	5	412,370	7	141,231	3
Non-current liabilities								
2500	Non-current financial liabilities at fair value through profit or loss	6(13)	-	-	-	-	48,000	1
2540	Long-term borrowings	6(11) and 8	39,697	1	48,220	1	23,333	1
2550	Non-current provisions		6,040	-	6,008	-	5,913	-
2580	Non-current lease liabilities		352,923	7	366,787	7	412,401	8
25XX	Total non-current liabilities		398,660	8	421,015	8	489,647	10
2XXX	Total liabilities		617,726	13	833,385	15	630,878	13
Equity								
Equity attributable to owners of parent								
	Share capital	6(16)						
3110	Common stock		2,631,594	54	2,631,594	46	2,294,394	45
	Capital surplus	6(15)(17)(27)						
3200	Capital surplus		9,102,178	186	9,100,741	161	7,137,723	142
	Retained earnings	6(18)						
3350	Accumulated deficit		(8,390,584)	(172)	(7,879,039)	(139)	(6,091,268)	(121)
3400	Other equity interest		(10,371)	-	(12,089)	-	(16,837)	-
3500	Treasury shares	6(16)(17)(27)	(26,528)	(1)	(26,533)	(1)	(26,533)	(1)
31XX	Equity attributable to owners of the parent		3,306,289	67	3,814,674	67	3,297,479	65
36XX	Non-controlling interest	4(3) and 6(27)	970,069	20	1,005,633	18	1,106,894	22
3XXX	Total equity		4,276,358	87	4,820,307	85	4,404,373	87
	Significant Contingent Liabilities and Unrecognised Contract Commitments	6(9) and 9						
	Significant Events after the Balance Sheet Date	11						
3X2X	Total liabilities and equity		\$ 4,894,084	100	\$ 5,653,692	100	\$ 5,035,251	100

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

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for loss per share amounts)

			Three months ended March 31			
			2025		2024	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19)	\$ 14,458	3	\$ 9,135	1
5000	Operating costs		(30,641)	(6)	(35,302)	(6)
5900	Gross loss		(16,183)	(3)	(26,167)	(5)
	Operating expenses	6(7)(8)(9)(14)(15) (23)(24) and 7				
6200	Administrative expenses		(76,969)	(14)	(82,369)	(14)
6300	Research and development expenses		(418,253)	(76)	(462,018)	(82)
6000	Total operating expenses		(495,222)	(90)	(544,387)	(96)
6900	Operating loss		(511,405)	(93)	(570,554)	(101)
	Non-operating income and expenses					
7100	Interest income	6(20)	10,085	2	14,293	2
7010	Other income	7	480	-	3,276	1
7020	Other gains and losses	6(21)	(1,915)	-	67,963	12
7050	Finance costs	6(22)	(2,731)	(1)	(2,662)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	6(6)	(42,403)	(8)	(77,726)	(14)
7000	Total non-operating income and expenses		(36,484)	(7)	5,144	1
7900	Loss before tax		(547,889)	(100)	(565,410)	(100)
7950	Income tax expense	6(25)	(2,231)	-	(1,745)	-
8200	Loss for the period		<u>(\$ 550,120)</u>	<u>(100)</u>	<u>(\$ 567,155)</u>	<u>(100)</u>
	Other comprehensive income (loss) for the period, net					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8316	Unrealised valuation gain or loss from equity investment instruments measured at fair value through other comprehensive income	6(3)	(\$ 42)	-	(\$ 725)	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		1,436	-	1,877	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		134	-	-	-
8300	Other comprehensive income for the period, net		<u>\$ 1,528</u>	<u>-</u>	<u>\$ 1,152</u>	<u>-</u>
8500	Total comprehensive loss for the period		<u>(\$ 548,592)</u>	<u>(100)</u>	<u>(\$ 566,003)</u>	<u>(100)</u>
	Loss attributable to:					
8610	Owners of the parent		(\$ 511,545)	(93)	(\$ 522,255)	(92)
8620	Non-controlling interest		(38,575)	(7)	(44,900)	(8)
	Total		<u>(\$ 550,120)</u>	<u>(100)</u>	<u>(\$ 567,155)</u>	<u>(100)</u>
	Comprehensive loss attributable to:					
8710	Owners of the parent		(\$ 510,017)	(93)	(\$ 520,663)	(92)
8720	Non-controlling interest		(38,575)	(7)	(45,340)	(8)
	Total		<u>(\$ 548,592)</u>	<u>(100)</u>	<u>(\$ 566,003)</u>	<u>(100)</u>
	Loss per share (in dollars)	6(26)				
9750	Basic and diluted loss per share		(\$ 1.95)	(\$ 2.28)		

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

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Equity attributable to owners of the parent									
					Other equity interest						
					Financial statements translation differences of foreign operations	Unrealised losses from financial assets measured at fair value through other comprehensive income	Other equity, others	Treasury stocks	Total	Non-controlling interest	Total equity
	Notes	Share capital - common stock	Additional paid-in capital	Accumulated deficit							
<u>Three months ended March 31, 2024</u>											
		\$ 2,294,394	\$ 7,127,750	(\$ 5,569,013)	\$ 2,300	(\$ 16,560)	(\$ 5,607)	(\$ 26,533)	\$ 3,806,731	\$ 1,146,711	\$ 4,953,442
		-	-	(522,255)	-	-	-	-	(522,255)	(44,900)	(567,155)
		-	-	-	2,317	(725)	-	-	1,592	(440)	1,152
		-	-	(522,255)	2,317	(725)	-	-	(520,663)	(45,340)	(566,003)
	6(15)(17)(24)(27)	-	10,224	-	-	-	-	-	10,224	5,895	16,119
	6(15)(24)	-	-	-	-	-	1,041	-	1,041	-	1,041
	6(15)(17)(27)	-	372	-	-	-	-	-	372	(372)	-
	6(17)	-	(623)	-	-	-	-	-	(623)	-	(623)
	4(3)	-	-	-	397	-	-	-	397	-	397
		\$ 2,294,394	\$ 7,137,723	(\$ 6,091,268)	\$ 5,014	(\$ 17,285)	(\$ 4,566)	(\$ 26,533)	\$ 3,297,479	\$ 1,106,894	\$ 4,404,373
<u>Three months ended March 31, 2025</u>											
		\$ 2,631,594	\$ 9,100,741	(\$ 7,879,039)	\$ 7,031	(\$ 18,164)	(\$ 956)	(\$ 26,533)	\$ 3,814,674	\$ 1,005,633	\$ 4,820,307
		-	-	(511,545)	-	-	-	-	(511,545)	(38,575)	(550,120)
		-	-	-	1,570	(42)	-	-	1,528	-	1,528
		-	-	(511,545)	1,570	(42)	-	-	(510,017)	(38,575)	(548,592)
	6(15)(17)(24)(27)	-	(589)	-	-	-	-	-	(589)	4,192	3,603
	6(15)(24)	-	-	-	-	-	190	-	190	-	190
	6(27)	-	267	-	-	-	-	-	267	93	360
	6(15)(17)(27)	-	1,269	-	-	-	-	-	1,269	(1,269)	-
	6(17)	-	490	-	-	-	-	-	490	-	490
		-	-	-	-	-	-	5	5	(5)	-
		\$ 2,631,594	\$ 9,102,178	(\$ 8,390,584)	\$ 8,601	(\$ 18,206)	(\$ 766)	(\$ 26,528)	\$ 3,306,289	\$ 970,069	\$ 4,276,358

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

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Three months ended March 31	
	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 547,889)	(\$ 565,410)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8)(23)	54,332	48,705
Amortisation	6(9)(23)	4,929	4,588
Interest expense	6(22)	2,731	2,662
Loss on financial assets at fair value through profit or loss	6(2)(21)	89	10
Interest income	6(20)	(10,085)	(14,293)
Gain on disposal of property, plant and equipment	6(21)	-	(44,297)
Compensation cost for share-based payment transactions	6(15)	3,827	17,194
Share of loss of associates accounted for using equity method	6(6)	42,403	77,726
Gain on disposal of investments	6(21)	-	397
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		(670)	564
Other receivables		(886)	(259)
Inventories		(3,109)	1,505
Prepayments		1,059	(6,951)
Changes in operating liabilities			
Current contract liabilities		(2,375)	(417)
Notes payable		(378)	-
Accounts payable		(1,239)	58
Other payables		(207,648)	(39,373)
Other payables to related parties		11	1
Other current liabilities		65	(136)
Cash outflow generated from operations		(664,833)	(517,726)
Interest received		7,433	12,228
Interest paid		(2,699)	(6,756)
Income tax paid		(2,643)	(1,627)
Net cash flows used in operating activities		(662,742)	(513,881)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(1,496,400)	-
Proceeds from disposal of financial assets at amortised cost		1,046,400	789,928
Acquisition of property, plant and equipment	6(28)	(13,368)	(44,272)
Proceeds from disposal of property, plant and equipment		-	144,632
Acquisition of intangible assets	6(9)	(2,332)	(2,250)
Increase in prepayments for business facilities		(4,079)	(6,820)
(Increase) decrease in refundable deposits		(23)	3,802
Net cash flows (used in) from investing activities		(469,802)	885,020
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayment of lease principal	6(8)(29)	(13,653)	(5,141)
Increase in short-term borrowings		25,156	-
Repayment of short-term borrowings		-	(1,021)
Increase in long-term debt		-	35,000
Repayment of long-term debt		(8,523)	(21,000)
Decrease in guarantee deposits received	6(29)	-	(3)
Subsidiary employees exercising stock options	6(27)	360	-
Net cash flows from financing activities		3,340	7,835
Effect due to changes in exchange rate		1,435	3,815
Net (decrease) increase in cash and cash equivalents		(1,127,769)	382,789
Cash and cash equivalents at beginning of period		1,732,050	899,277
Cash and cash equivalents at end of period		\$ 604,281	\$ 1,282,066

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

OBI PHARMA, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024

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

1. HISTORY AND ORGANISATION

OBI PHARMA, INC. (the “Company”) was established on April 29, 2002 upon approval by the Ministry of Economic Affairs. The Company conducted the initial public offering in May 2012, and traded its shares on the Emerging Stock Market of the Taipei Exchange (formerly GreTai Securities Market) since March 23, 2015. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in new drugs research.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on May 12, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026

The FSC has endorsed specific provisions of Amendments to IFRS 9 and IFRS 7 allowing entities to apply the Application Guidance in Section 4.1 of IFRS 9 (Classification of Financial Assets) early, and also apply the provisions of paragraphs 20B, 20C, and 20D of IFRS 7 at the same time.

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

- A. Except for the financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, these consolidated financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

The basis for preparation of these consolidated financial statements is the same with the basis used for the consolidated financial statements for the year ended December 31, 2024.

- B. Subsidiaries included in the consolidated financial statements and movements for the year are as follows:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	OBI Pharma USA, Inc.	Biotechnology development	100.00	100.00	100.00	
The Company	OBI Pharma Australia Pty Ltd.	Biotechnology development	100.00	100.00	100.00	
The Company	Odeon Therapeutics (Cayman) Limited	Investing and trading	-	-	77.42	Note
The Company	Amaran Biotechnology Inc.	Manufacture and wholesale of western pharmaceuticals as well as research and development of biotechnology	70.68	70.70	70.70	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	Obigen Pharma, Inc.	Biotechnology development	51.94	51.94	51.94	
Odeon Therapeutics (Cayman) Limited	Odeon Therapeutics (Hong Kong) Limited	Investing and trading	-	-	100.00	Note
Odeon Therapeutics (Hong Kong) Limited	Odeon (Shanghai) Therapeutics Co. Ltd.	Biotechnology development	-	-	100.00	Note

Note : On May 10, 2024, the Board of Directors of the Company resolved to terminate the exclusive licensing agreement in China (including Hong Kong and Macao) of OBI-833 (Globo H Adagloxad Simolenin) and OBI-999 (Globo H Antibody Drug Conjugate) entered into by the Company and Odeon Therapeutics (Hong Kong) Limited on February 22, 2022. Additionally, the Company signed a contract with Odeon Therapeutics (Hong Kong) Limited on the same day. The primary terms stated that any licenses and other rights granted by the Company to Odeon Therapeutics (Hong Kong) in the past will terminate and revert to the Company and the 6,000 thousand preferred shares of Odeon Therapeutics (Cayman) Limited (hereafter referred to as "Odeon") held by the Company shall be returned according to the agreement. Consequently, the Company lost its control over Odeon and its subsidiaries.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of March 31, 2025, December 31, 2024 and March 31, 2024, the non-controlling interest amounted to \$970,069, \$1,005,633 and \$1,106,894, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest						Description
		March 31, 2025		December 31, 2024		March 31, 2024		
		Amount	Ownership	Amount	Ownership	Amount	Ownership	
Amaran Biotechnology Inc.	Taiwan	\$ 162,441	29.32%	\$ 171,832	29.30%	\$ 197,273	29.30%	Note
Obigen Pharma, Inc.	Taiwan	807,628	48.06%	833,801	48.06%	919,761	48.06%	

Note: Shares of the Company held by subsidiaries are treated as treasury shares. Thus, the non-controlling interest as of March 31, 2025, December 31, 2024 and March 31, 2024 decreased by \$11,002, \$10,997 and \$10,997, respectively.

Summarised financial information of the subsidiaries:

Balance sheets

		Amaran Biotechnology Inc.		
		March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$	95,790	\$ 107,907	\$ 90,310
Non-current assets		525,528	542,149	594,802
Current liabilities	(	88,150)	(76,880)	(38,835)
Non-current liabilities	(	115,942)	(124,985)	(105,909)
Total net assets	\$	<u>417,226</u>	<u>\$ 448,191</u>	<u>\$ 540,368</u>

		Obigen Pharma, Inc.		
		March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$	790,317	\$ 837,865	\$ 967,836
Non-current assets		928,434	956,309	1,028,404
Current liabilities	(	23,167)	(37,369)	(34,231)
Non-current liabilities	(	77,967)	(81,711)	(92,837)
Total net assets	\$	<u>1,617,617</u>	<u>\$ 1,675,094</u>	<u>\$ 1,869,172</u>

Statements of comprehensive income

		Amaran Biotechnology Inc.	
		Three months ended March 31,	
		2025	2024
Revenue	\$	20,528	\$ 13,893
Loss before tax	(	32,728)	(45,718)
Income tax benefit		-	-
Loss for the period	(	32,728)	(45,718)
Other comprehensive loss		-	-
Total comprehensive loss for the period	(\$	<u>32,728</u>)	(\$ <u>45,718</u>)
Comprehensive loss attributable to non-controlling interest	(\$	<u>9,585</u>)	(\$ <u>12,867</u>)

		Obigen Pharma, Inc.	
		Three months ended March 31,	
		2025	2024
Revenue	\$	-	\$ -
Loss before tax	(	60,325)	(65,905)
Income tax benefit		-	-
Loss for the period	(	60,325)	(65,905)
Other comprehensive loss		-	-
Total comprehensive loss for the period	(\$	<u>60,325</u>)	(\$ <u>65,905</u>)
Comprehensive loss attributable to non-controlling interest	(\$	<u>28,990</u>)	(\$ <u>31,671</u>)

Statements of cash flows

		Amaran Biotechnology Inc.	
		Three months ended March 31,	
		2025	2024
Net cash used in operating activities	(\$	27,977)	(\$ 28,649)
Net cash used in investing activities	(	4,465)	(3,800)
Net cash provided by financing activities		16,484	33,398
Net (decrease) increase in cash and cash equivalents	(	15,958)	949
Cash and cash equivalents at beginning of period		67,843	54,256
Cash and cash equivalents at end of period	\$	51,885	\$ 55,205

		Obigen Pharma, Inc.	
		Three months ended March 31,	
		2025	2024
Net cash used in operating activities	(\$	50,758)	(\$ 39,155)
Net cash (used in) provided by investing activities	(	1,036)	10,145
Net cash used in financing activities	(	3,673)	(2,098)
Net decrease in cash and cash equivalents	(	55,467)	(31,108)
Cash and cash equivalents at beginning of period		148,862	204,544
Cash and cash equivalents at end of period	\$	93,395	\$ 173,436

(4) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

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

There have been no significant changes as of March 31, 2025. Refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 182	\$ 182	\$ 182
Checking accounts and demand deposits	214,099	471,868	192,952
Time deposits	390,000	1,260,000	1,088,932
	<u>\$ 604,281</u>	<u>\$ 1,732,050</u>	<u>\$ 1,282,066</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The Group has no cash and cash equivalents pledged to others.

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

Items	March 31, 2025	December 31, 2024	March 31, 2024
Current item:			
Financial assets mandatorily measured at fair value			
Foreign listed stocks	\$ 1,394	\$ 1,394	\$ 1,394
Valuation adjustment	(1,394)	(1,305)	(1,177)
	<u>\$ -</u>	<u>\$ 89</u>	<u>\$ 217</u>

- A. The Group recognised losses of \$89 and \$10 on financial assets at fair value through profit or loss for the three months ended March 31, 2025 and 2024, respectively.
- B. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

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

Items	March 31, 2025	December 31, 2024	March 31, 2024
Non-current item:			
Unlisted stocks	\$ 27,181	\$ 27,181	\$ 27,181
Valuation adjustment	(18,206)	(18,164)	(17,285)
	<u>\$ 8,975</u>	<u>\$ 9,017</u>	<u>\$ 9,896</u>

- A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$8,975, \$9,017 and \$9,896 as at March 31, 2025, December 31, 2024 and March 31, 2024, respectively.
- B. Amounts recognised in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended March 31,	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive loss	(\$ <u>42</u>)	(\$ <u>725</u>)

C. As at March 31, 2025, December 31, 2024 and March 31, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was the closing book value.

(4) Financial assets at amortised cost

Items	March 31, 2025	December 31, 2024	March 31, 2024
Current items:			
Time deposits with original maturity period of more than three months	\$ 1,848,700	\$ 1,398,700	\$ 1,092,900
Non-current items:			
Pledged time deposits	\$ 12,900	\$ 12,900	\$ -

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Three months ended March 31,	
	2025	2024
Interest income	\$ 7,171	\$ 7,070

B. As at March 31, 2025, December 31, 2024 and March 31, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was the closing book value.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

D. The Group has pledged certain financial assets measured at amortised cost as collateral as described in Note 8.

(5) Prepayments

	March 31, 2025	December 31, 2024	March 31, 2024
Tax overpaid retained for offsetting the future tax payable	\$ 231,496	\$ 227,333	\$ 199,369
Others	25,459	30,681	29,007
	\$ 256,955	\$ 258,014	\$ 228,376

(6) Investments accounted for using equity method

A. Details of investments accounted for using the equity method:

	2025	2024
At January 1	\$ 937,933	\$ 1,059,648
Share of profit or loss of investments accounted for using equity method	(42,403)	(77,726)
Others	589	(657)
At March 31	\$ 896,119	\$ 981,265

B. The basic information of the associate that is material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio			Nature of relationship	Method of measurement
		March 31, 2025	December 31, 2024	March 31, 2024		
AP Biosciences, Inc.	Taiwan	27.28%	27.32%	35.80%	Holding at least 20% of the voting rights	Equity method

C. The summarised financial information of the associate that is material to the Group is as follows:

Balance sheet

AP Biosciences, Inc.			
	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 1,515,484	\$ 1,581,454	\$ 686,668
Non-current assets	2,329,735	2,422,547	2,693,714
Current liabilities	(44,334)	(36,536)	(80,194)
Non-current liabilities	(493,089)	(520,414)	(587,579)
Total net assets	<u>\$ 3,307,796</u>	<u>\$ 3,447,051</u>	<u>\$ 2,712,609</u>

AP Biosciences, Inc.			
	March 31, 2025	December 31, 2024	March 31, 2024
Share in associate's net assets	\$ 902,524	\$ 941,831	\$ 971,081
Goodwill	14,695	14,695	14,695
Others	(21,100)	(18,593)	(4,511)
Carrying amount of the associate	<u>\$ 896,119</u>	<u>\$ 937,933</u>	<u>\$ 981,265</u>

Statement of comprehensive income

	AP Biosciences, Inc.	
	Three months ended March 31,	
	2025	2024
Revenue	\$ -	\$ -
Loss for the period from continuing operations	(\$ 153,841)	(\$ 236,245)
Other comprehensive income, net of tax	490	-
Total comprehensive loss	(\$ 153,351)	(\$ 236,245)

- D. The fair value of the Group's material associate, AP Biosciences, Inc., with quoted market prices as of March 31, 2025, December 31, 2024 and March 31, 2024 amounted to \$1,221,298, \$1,150,700 and \$1,394,541, respectively.
- E. AP Biosciences, Inc.'s stock options were exercised during the three months ended March 31, 2025 and the year of 2024 and it increased its capital by issuing 20,000 thousand new common stocks in June 2024. However, the Company did not acquire shares proportionally to its interest. Consequently, the Company's shareholding ratio decreased to 27.28% and 27.32% as of March 31, 2025 and December 31, 2024, respectively.
- F. The Group is the single major shareholder of AP Biosciences, Inc. Considering that the relevant power of the Group and related parties over AP Biosciences, Inc. does not enable the Group to direct relevant activities, the Group has no control but only has significant influence on the entity.

(7) Property, plant and equipment

The Group's property, plant and equipment are mainly for its own use. Details are as follows:

	Buildings and structures	Machinery and lab equipment	Office equipment	Other equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2025</u>							
Cost	\$ 344,485	\$ 1,034,563	\$ 43,405	\$ 2,205	\$ 276,845	\$ 10,071	\$ 1,711,574
Accumulated depreciation and impairment	(124,997)	(708,986)	(31,488)	(1,588)	(59,910)	(5,962)	(932,931)
	<u>\$ 219,488</u>	<u>\$ 325,577</u>	<u>\$ 11,917</u>	<u>\$ 617</u>	<u>\$ 216,935</u>	<u>\$ 4,109</u>	<u>\$ 778,643</u>
<u>2025</u>							
At January 1	\$ 219,488	\$ 325,577	\$ 11,917	\$ 617	\$ 216,935	\$ 4,109	\$ 778,643
Additions (Note 3)	-	6,290	46	-	-	81	6,417
Reclassifications (Note 1)	-	2,448	-	-	-	(2,244)	204
Depreciation	(3,976)	(25,861)	(1,334)	(53)	(9,247)	-	(40,471)
Net exchange differences	-	4	5	-	2	-	11
At March 31	<u>\$ 215,512</u>	<u>\$ 308,458</u>	<u>\$ 10,634</u>	<u>\$ 564</u>	<u>\$ 207,690</u>	<u>\$ 1,946</u>	<u>\$ 744,804</u>
<u>At March 31, 2025</u>							
Cost	\$ 344,485	\$ 1,043,312	\$ 43,462	\$ 2,205	\$ 276,850	\$ 7,908	\$ 1,718,222
Accumulated depreciation and impairment	(128,973)	(734,854)	(32,828)	(1,641)	(69,160)	(5,962)	(973,418)
	<u>\$ 215,512</u>	<u>\$ 308,458</u>	<u>\$ 10,634</u>	<u>\$ 564</u>	<u>\$ 207,690</u>	<u>\$ 1,946</u>	<u>\$ 744,804</u>

	Buildings and structures	Machinery and lab equipment	Office equipment	Other equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
<u>At January 1, 2024</u>							
Cost	\$ 343,201	\$ 987,506	\$ 32,074	\$ 2,141	\$ 181,237	\$ 66,456	\$ 1,612,615
Accumulated depreciation	(109,125)	(610,725)	(28,385)	(1,250)	(54,316)	(5,962)	(809,763)
	<u>\$ 234,076</u>	<u>\$ 376,781</u>	<u>\$ 3,689</u>	<u>\$ 891</u>	<u>\$ 126,921</u>	<u>\$ 60,494</u>	<u>\$ 802,852</u>
<u>2024</u>							
At January 1	\$ 234,076	\$ 376,781	\$ 3,689	\$ 891	\$ 126,921	\$ 60,494	\$ 802,852
Additions (Note 3)	-	7,696	5,336	-	3,390	34,826	51,248
Reclassifications (Note 1)	-	3,403	4,964	-	2,963	(3,851)	7,479
Disposal of subsidiaries	(3,961)	(24,552)	(1,086)	(90)	(5,148)	-	(34,837)
Net exchange differences	-	2	17	-	7	-	26
At March 31	<u>\$ 230,115</u>	<u>\$ 363,330</u>	<u>\$ 12,920</u>	<u>\$ 801</u>	<u>\$ 128,133</u>	<u>\$ 91,469</u>	<u>\$ 826,768</u>
<u>At March 31, 2024</u>							
Cost	\$ 343,201	\$ 1,002,282	\$ 41,685	\$ 2,141	\$ 182,799	\$ 97,431	\$ 1,669,539
Accumulated depreciation and impairment	(113,086)	(638,952)	(28,765)	(1,340)	(54,666)	(5,962)	(842,771)
	<u>\$ 230,115</u>	<u>\$ 363,330</u>	<u>\$ 12,920</u>	<u>\$ 801</u>	<u>\$ 128,133</u>	<u>\$ 91,469</u>	<u>\$ 826,768</u>

Note 1: The reclassifications resulted from a transfer from prepayments for business facilities (shown as ‘other non-current asset’) to property, plant, and equipment.

Note 2: Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

Note 3: Refer to Note 6(28).

Note 4: The Group’s machinery and lab equipment, office equipment and leasehold improvements have been fully depreciated and then derecognised. Therefore, for the three months ended March 31, 2025 and 2024, cost and accumulated depreciation of property, plant and equipment both decreased by \$0 and \$1,803, respectively.

(8) Leasing arrangements - lessee

- A. The Group leases various assets including land and office space. Rental contracts are typically made for periods of 1 to 14 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. Short-term leases with a lease term of 12 months or less comprise offices. Low-value assets comprise photocopiers.
- C. The book value of right-of-use assets and the depreciation are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
	Carrying amount	Carrying amount	Carrying amount
Land use right	\$ 76,157	\$ 76,843	\$ 83,321
Buildings	296,169	309,008	348,079
Transportation equipment (Business vehicles)	502	591	857
	<u>\$ 372,828</u>	<u>\$ 386,442</u>	<u>\$ 432,257</u>

	Three months ended March 31,	
	2025	2024
	Depreciation	Depreciation
Land use right	\$ 686	\$ 724
Buildings	13,086	13,055
Transportation equipment (Business vehicles)	89	89
	<u>\$ 13,861</u>	<u>\$ 13,868</u>

- D. Information on profit or loss in relation to lease contracts is as follows:

	Three months ended March 31,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,274	\$ 2,461
Expense on short-term lease contracts	532	2,916
Expense on leases of low-value assets	118	52

- E. The Group has recognised additions to right-of-use assets of \$188 and \$0 for the three months ended March 31, 2025 and 2024, respectively.
- F. For the three months ended March 31, 2025 and 2024, the Group's total cash outflow for leases were \$16,577 and \$14,696, of which \$13,653 and \$5,141 represents principal of lease liabilities, respectively.

G. Extension options

- (a) Extension options are included in the Group's lease contracts pertaining to land. These terms and conditions are the lessor's general practice and are in line with the plan and utilisation of the effective resources of the Group.
- (b) Extension options are included in the Group's lease contracts pertaining to certain offices based on the terms of the industrial park. The Group has the priority to lease the premises if it has no significant violation of the lease. These terms and conditions are in line with the plan and utilisation of the effective resources of the Group.
- (c) In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(9) Intangible assets

	Patent				
	OBI-3424 AKR1C3 enzyme prodrug	Trop 2 monoclonal antibody	Trademarks	Software	Total
<u>At January 1, 2025</u>					
Cost	\$ 90,693	\$ 41,648	\$ 1,823	\$ 13,903	\$ 148,067
Accumulated amortisation	(66,508)	(12,495)	(956)	(5,268)	(85,227)
	<u>\$ 24,185</u>	<u>\$ 29,153</u>	<u>\$ 867</u>	<u>\$ 8,635</u>	<u>\$ 62,840</u>
<u>2025</u>					
At January 1	\$ 24,185	\$ 29,153	\$ 867	\$ 8,635	\$ 62,840
Additions	-	-	-	2,332	2,332
Amortisation	(2,268)	(1,041)	(46)	(1,574)	(4,929)
At March 31	<u>\$ 21,917</u>	<u>\$ 28,112</u>	<u>\$ 821</u>	<u>\$ 9,393</u>	<u>\$ 60,243</u>
<u>At March 31, 2025</u>					
Cost	\$ 90,693	\$ 41,648	\$ 1,823	\$ 14,816	\$ 148,980
Accumulated amortisation	(68,776)	(13,536)	(1,002)	(5,423)	(88,737)
	<u>\$ 21,917</u>	<u>\$ 28,112</u>	<u>\$ 821</u>	<u>\$ 9,393</u>	<u>\$ 60,243</u>

	Patent			Trademarks	Software	Total
	OBI-833 Next- generation cancer vaccine	OBI-3424 AKR1C3 enzyme prodrug	Trop 2 monoclonal antibody			
<u>At January 1, 2024</u>						
Cost	\$ 1,500	\$ 90,693	\$ 41,648	\$ 1,823	\$ 9,380	\$ 145,044
Accumulated amortisation	(1,500)	(57,439)	(8,330)	(774)	(3,817)	(71,860)
	<u>\$ -</u>	<u>\$ 33,254</u>	<u>\$ 33,318</u>	<u>\$ 1,049</u>	<u>\$ 5,563</u>	<u>\$ 73,184</u>
<u>2024</u>						
At January 1	\$ -	\$ 33,254	\$ 33,318	\$ 1,049	\$ 5,563	\$ 73,184
Additions	-	-	-	-	2,250	2,250
Reclassifications (Note 1)	-	-	-	-	2,186	2,186
Amortisation	-	(2,267)	(1,041)	(45)	(1,235)	(4,588)
At March 31	<u>\$ -</u>	<u>\$ 30,987</u>	<u>\$ 32,277</u>	<u>\$ 1,004</u>	<u>\$ 8,764</u>	<u>\$ 73,032</u>
<u>At March 31, 2024</u>						
Cost	\$ -	\$ 90,693	\$ 41,648	\$ 1,823	\$ 12,878	\$ 147,042
Accumulated amortisation	-	(59,706)	(9,371)	(819)	(4,114)	(74,010)
	<u>\$ -</u>	<u>\$ 30,987</u>	<u>\$ 32,277</u>	<u>\$ 1,004</u>	<u>\$ 8,764</u>	<u>\$ 73,032</u>

Note 1: The reclassifications resulted from a transfer from prepayments (shown as ‘other non-current asset’) to intangible assets.

Note 2: The Group’s patent and software has been fully amortised and then derecognised. Therefore, for the three months ended March 31, 2025 and 2024, cost and accumulated amortisation of intangible assets both decreased by \$1,419 and \$2,526, respectively.

A. Details of amortisation on intangible assets are as follows:

	Three months ended March 31,	
	2025	2024
Administrative expenses	\$ 921	\$ 457
Research and development expenses	4,008	4,131
	<u>\$ 4,929</u>	<u>\$ 4,588</u>

B. In 2010, the Company acquired patents named “next-generation cancer vaccine” (OBI-833) and “reagent for cancer screening” (OBI-868). The contract states that the Company must pay royalty fees based on the achieved milestones. In 2013, the Company paid royalty fees of \$1,500 separately for both projects. Furthermore, the Company must pay royalty fees based on a certain percentage of the sales of patented products annually. As of March 31, 2025, the Company had not launched any products related to the aforementioned technology license. The maximum unpaid royalties for the subsequent trial phases as stipulated in the contract totaled \$224,000. The Company decided to terminate OBI-833, a novel cancer active immunotherapy, on May 12, 2025. Given that the payment under the contract is conditional upon achievement of certain milestones,

the Company management is of the opinion that the Company has no obligation to settle the aforementioned unpaid amount in the short term. Refer to Note 11(2) for details.

- C. On May 31, 2017, the Company entered into an agreement with Threshold Pharmaceuticals, Inc. to acquire the global IP right (excluding Mainland China, Hong Kong, Macao, Taiwan, Japan, South Korea, Singapore, Malaysia, Thailand, Turkey and India) and patent regarding the innovative micromolecule drug TH-3424, which was then renamed OBI-3424.
- D. On December 8, 2021, the Company and Biosion, Inc. (hereafter referred to as “Biosion”) entered into an exclusive authorisation contract of humanised Trop2 monoclonal antibody (product No. BSI-04702). The authorisation includes global exclusive right, except for Mainland China, Hong Kong and Macao. Under the contract, the Company will pay signing bonus to Biosion, milestone payment based on the progress of the research and development, and royalties based on a certain percentage of sales amount after the product has been launched in the market. As of March 31, 2025, the Company has not launched any products related to the aforementioned technology license. The maximum unpaid royalties for the subsequent trial phases as stipulated in the contract totaled USD 69,000 thousand.
- E. The Group has no intangible assets pledged to others.

(10) Short-term borrowings

Type of borrowings	March 31, 2025	Interest rate	Collateral
Bank borrowings			
Secured borrowings			Buildings located at No. 19, Shengyi 5th Rd., Zhubei City, Hsinchu County
	\$ 25,568	2.31%	
Type of borrowings	December 31, 2024	Interest rate	Collateral
Bank borrowings			
Secured borrowings			Buildings located at No. 19, Shengyi 5th Rd., Zhubei City, Hsinchu County
	\$ 412	2.31%	
Type of borrowings	March 31, 2024	Interest rate	Collateral
Bank borrowings			
Secured borrowings			Buildings located at No. 19, Shengyi 5th Rd., Zhubei City, Hsinchu County
	\$ 3,284	2.215%	

(11) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2025	December 31, 2024	March 31, 2024
Long-term bank borrowings						
Secured borrowings	Borrowing period is from January 31, 2024 to January 31, 2027; interest is payable monthly (Note 2)	Note 3	Note 1	\$ 23,333	\$ 26,250	\$ 35,000
Secured borrowings	Borrowing period is from May 17, 2024 to May 17, 2027; interest is payable monthly (Note 4)	Note 5	Note 1	50,455	56,061	-
Less: Current portion				(34,091)	(34,091)	(11,667)
				<u>\$ 39,697</u>	<u>\$ 48,220</u>	<u>\$ 23,333</u>

Note 1: Refer to Note 8 for details.

Note 2: The Group negotiated the borrowing contract with the bank whereby the principal is payable quarterly starting from April 2024.

Note 3: It was calculated based on the floating interest rate on the facility of two-year time deposits less than NT\$5 million, as posted by the Chunghwa Post Co., Ltd. plus 0.5%. On March 31, 2025, December 31, 2024 and March 31, 2024, the interest rates were all 2.22%.

Note 4: The Group negotiated the borrowing contract with the bank whereby the principal is payable quarterly starting from August 2024.

Note 5: It was calculated based on the floating interest rate on the facility of one-year time deposits, as posted by the Mega International Commercial Bank plus 0.8%. On March 31, 2025 and December 31, 2024, the interest rates were both 2.52%.

(12) Other payables

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accrued clinical trials cost	\$ 29,711	\$ 77,700	\$ 4,220
Outsourced research expenses payable	15,305	32,042	343
Wages and salaries payable	7,407	13,689	14,901
Accrued consulting and service fee	5,304	31,491	10,095
Accrued clinical materials expense	2,391	96,973	572
Payable on equipment	1,539	8,490	10,810
Others	21,577	37,448	19,432
	<u>\$ 83,234</u>	<u>\$ 297,833</u>	<u>\$ 60,373</u>

(13) Financial liabilities at fair value through profit or loss

<u>Items</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Non-current items:			
Financial liabilities designated as at fair value through profit or loss			
Hybrid instrument - convertible preferred shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,000</u>

- A. For the three months ended March 31, 2024, no amount was recognised in profit or loss and other comprehensive income in relation to financial liabilities at fair value through profit or loss.
- B. The issuance of convertible preferred shares by the Group's subsidiary - Odeon Therapeutics (Cayman) Limited (hereafter referred to as "Odeon") was recognised under 'financial liabilities designated as at fair value through profit or loss on initial recognition' due to their compound instrument feature. As the Group lost its control over Odeon in May 2024, the Group derecognised the financial liabilities at fair value through profit or loss. Refer to Note 4(3) for details.
- C. For the three months ended March 31, 2024, there were no changes in fair value, nor significant changes in fair value attributable to the changes in credit risk of the liabilities.

(14) Pension

- A. The Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Group for the three months ended March 31, 2025 and 2024 were \$4,098 and \$3,790, respectively.
- B. OBI Pharma Australia Pty Ltd. and OBI Pharma Limited were not required to set up a policy for employee pension plans. Odeon Therapeutics (Cayman) Limited, Odeon Therapeutics (Hong Kong) Limited and Odeon Therapeutics (Shanghai) Limited did not have any employees and thus did not recognise pension costs. For the pension plan based on local government regulations, OBI Pharma USA, Inc. recognised pension costs of \$1,189 and \$1,010 for the three months ended March 31, 2025 and 2024, respectively.

(15) Share-based payment

- A. Information on share-based payments made by the Company and the subsidiaries is as follows:
- (a) The options were granted to qualified employees of the Company and the subsidiaries which the Company holds over 50% equity interest by issuing new shares of the Company when exercised. The options are valid for 10 years. The major contents were as follows:

Type of agreement	Grant date	No. of units	Subscription share per unit	Vesting conditions	Weighted-average remaining contract period (years)
Employee stock option plan (Note 1)	2014.02.21	1,744,000	1	After two years of service, employees can exercise options at a certain percentage based on the schedule	-
"	2014.03.26	575,000	1	"	-
"	2015.05.06	2,861,000	1	"	0.10
"	2015.08.04	75,000	1	"	0.34
"	2015.11.06	353,000	1	"	0.60
"	2015.12.15	13,000	1	"	0.71
"	2016.03.25	1,377,000	1	"	0.98
"	2017.03.09	3,145,000	1	"	1.94
"	2017.05.12	20,000	1	"	2.11
"	2017.08.11	20,000	1	"	2.36
"	2017.11.10	130,000	1	"	2.61
"	2018.01.19	1,685,000	1	"	2.80
"	2019.09.06	1,125,000	1	"	4.44
"	2019.11.08	385,000	1	"	4.61
"	2020.08.05	510,000	1	"	5.35

Type of agreement	Grant date	No. of units	Subscription share per unit	Vesting conditions	Weighted-average remaining contract period (years)
Employee stock option plan (Note 1)	2021.11.05	3,859,000	1	After two years of service, employees can exercise options at a certain percentage based on the schedule	6.60
"	2022.03.18	320,000	1	"	6.97
"	2022.05.06	143,000	1	"	7.10
"	2022.08.08	639,000	1	"	7.36
"	2023.08.07	725,000	1	"	8.35
"	2024.03.11	200,000	1	"	8.94
"	2024.05.10	50,000	1	"	9.11
"	2024.08.02	1,800,000	1	"	9.34
"	2025.03.10	175,000	1	"	9.94
Cash capital increase reserved for employee subscription (Note 1)	2024.10.14	1,500,000	1	Immediately vested	-
Restricted stocks to employees (Note 2)	2022.10.25	160,000	1	After two years of service and achieving certain performance level, restricted stocks can be vested at a certain percentage (Note 3)	-

Note 1: The above share-based payment arrangements are equity-settled.

Note 2: The restricted shares issued by the Company cannot be sold, pledged, transferred, donated, collateralized, or disposed in any other method during the vesting period. However, the rights to distribution of dividends, bonuses and capital surplus, and subscription rights to cash capital increase are not restricted.

Note 3: The employee restricted shares granted to an executive can only be vested if (1) the executive remains employed by the Company on the last date of each vesting period; (2) during the vesting period, the executive may not breach any agreement with the Company or violate the Company's work rules; and (3) executive performance metrics set up by the Company are met (that is, a performance rating of at least "Exceed" or above for the year immediately preceding the expiration of each vesting period.).

The vesting conditions of granted employee restricted shares are as follows:

- a. 50% of restricted shares are vested to employees who remain employed by the Company two years from the grant date;
- b. 25% of restricted shares are vested to employees who remain employed by the Company three years from the grant date;

c. 25% of restricted shares are vested to employees who remain employed by the Company four years from the grant date.

(b) The options were granted to qualified employees of the subsidiary, Amaran Biotechnology Inc., issuing new shares of the subsidiary when exercised. The options are valid for 10 years. The major contents were as follows:

Type of agreement	Grant date	No. of units	Subscription share per unit	Vesting conditions	Weighted-average remaining contract period (years)
Employee stock option plan (Note)	2014.01.15	920	1,000	After one year of service, employees can exercise options at a certain percentage based on the schedule	-
"	2014.05.02	310	1,000	"	-
"	2014.09.03	270	1,000	"	-
"	2015.02.12	255	1,000	"	-
"	2015.05.27	300	1,000	"	0.15
"	2015.09.09	70	1,000	"	0.43
"	2015.12.15	235	1,000	"	0.70
"	2016.03.02	2,382	1,000	"	0.91
"	2016.09.02	45	1,000	"	1.42
"	2017.01.01	179	1,000	"	1.75
"	2017.04.01	34	1,000	"	2.00
"	2017.06.01	60	1,000	"	2.16
"	2018.03.23	1,090	1,000	"	2.97
"	2018.09.18	60	1,000	"	3.46
"	2019.01.01	65	1,000	"	3.75
"	2019.03.01	65	1,000	"	3.91
"	2019.10.01	210	1,000	"	4.50
"	2020.04.01	250	1,000	"	5.00
"	2020.05.01	120	1,000	"	5.08
"	2021.07.01	110	1,000	"	6.25
"	2021.08.01	115	1,000	"	6.33
"	2021.09.01	15	1,000	"	6.42
"	2021.10.01	1,139	1,000	"	6.50
"	2022.04.01	135	1,000	"	7.00
"	2022.05.01	60	1,000	"	7.08
"	2022.06.01	15	1,000	"	7.17
"	2023.01.01	41	1,000	"	7.75
"	2024.01.01	1,900	1,000	"	8.75
"	2024.06.01	30	1,000	"	9.17
"	2024.08.01	20	1,000	"	9.34
"	2024.10.01	30	1,000	"	9.50
"	2024.12.01	20	1,000	"	9.67

Note: The above share-based payment arrangements are equity-settled.

- (c) The options were granted by the subsidiary, Obigen Pharma, Inc., to qualified employees of the subsidiary and the Company by issuing new shares of the subsidiary when exercised. The options are valid for 8-10 years. The major contents were as follows:

Type of agreement	Grant date	No. of units	Subscription share per unit	Vesting conditions	Weighted-average remaining contract period (years)
Employee stock option plan (Note)	2021.12.09	1,568,000	1	After two years of service, employees can exercise options at a certain percentage based on the schedule	6.70
"	2022.03.23	163,000	1	"	6.98
"	2022.10.28	269,000	1	"	7.58
"	2023.05.26	427,000	1	"	8.15
"	2023.05.26	1,855,000	1	After six months of service, employees can exercise options	6.15
Employee stock option plan (Note)	2023.12.06	573,000	1	After two years of service, employees can exercise options at a certain percentage based on the schedule	8.68
"	2024.03.20	445,000	1	After six months of service, employees can exercise options	6.97
"	2024.12.10	1,014,000	1	After two years of service, employees can exercise options at a certain percentage based on the schedule	9.70
"	2025.02.18	1,000,000	1	"	9.89

Note: The above share-based payment arrangement is equity-settled.

B. Details of the share-based payment arrangements are as follows:

(a) The Company's employee stock option plan:

	Three months ended March 31,			
	2025		2024	
	No. of units	Weighted-average exercise price (in dollars)	No. of units	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the period	10,945,287	\$ 143.05	10,610,595	\$ 169.55
Options granted	175,000	58.50	200,000	63.80
Options forfeited or expired	(308,543)	85.99	(1,233,455)	184.04
Options outstanding at end of the period	<u>10,811,744</u>	143.31	<u>9,577,140</u>	165.47
Options exercisable at end of the period	<u>7,476,723</u>		<u>6,569,393</u>	
Options authorised but not granted at end of the period	<u>50,000</u>		<u>2,075,000</u>	

(b) Restricted stocks to employees:

	Three months ended March 31,	
	2025	2024
	No. of shares	No. of shares
Stocks outstanding at January 1 and March 31	<u>\$ 80,000</u>	<u>\$ 160,000</u>

(c) The employee stock option plan of subsidiary, Amaran Biotechnology Inc.:

	Three months ended March 31,			
	2025		2024	
	No. of units	Weighted-average exercise price (in dollars)	No. of units	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the period	4,520	\$ 29.33	3,293	\$ 35.66
Options granted	-	-	1,900	20.00
Options exercisable	(18)	20.00	-	-
Options forfeited or expired	(325)	22.77	(92)	35.27
Options outstanding at end of the period	<u>4,177</u>	29.88	<u>5,101</u>	29.83
Options exercisable at end of the period	<u>2,680</u>		<u>2,578</u>	
Options authorised but not granted at end of the period	<u>2,000</u>		<u>100</u>	

(d) The employee stock option plan of subsidiary, Obigen Pharma, Inc.:

	Three months ended March 31,			
	2025		2024	
	No. of units	Weighted-average exercise price (in dollars)	No. of units	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the period	5,520,500	\$ 22.17	4,247,000	\$ 20.00
Options granted	1,000,000	32.00	445,000	20.00
Options forfeited or expired	(273,750)	22.39	(114,000)	20.00
Options outstanding at end of the period	<u>6,246,750</u>	23.73	<u>4,578,000</u>	20.00
Options exercisable at end of the period	<u>3,239,000</u>		<u>2,317,000</u>	
Options authorised but not granted at end of the period	<u>986,000</u>		<u>3,000,000</u>	

C. The Company and the subsidiary, Obigen Pharma, Inc., have no stock option exercised for the three months ended March 31, 2025 and 2024. The subsidiary's, Amaran Biotechnology Inc.'s, weighted average stock price on the execution date for stock options exercised for the three months ended March 31, 2025 was \$20 (in dollars) and no stock options were exercised for the three months ended March 31, 2024.

D. As of March 31, 2025, December 31, 2024 and March 31, 2024, the range of exercise prices of the Company's stock options outstanding were \$58.5~\$509.7 (in dollars), \$58.7~\$509.7 (in dollars) and \$63.8~\$575.3 (in dollars), respectively. The range of exercise prices of the subsidiary's, Amaran Biotechnology Inc.'s, stock options outstanding was all \$15~\$70 (in dollars). The exercise price of the subsidiary's, Obigen Pharma, Inc.'s, stock options outstanding were \$20~\$32 (in dollars), \$20~\$32 (in dollars) and \$20 (in dollars), respectively.

E. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

(a) The Company's employee stock option plan:

Type of agreement	Grant date	Underlying market value on measurement date (in dollars)	Exercise price per share (in dollars)	Expected volatility (Note 1)	Expected option life	Expected dividend yield	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock option plan	2014.02.21	\$ 231.4	\$ 191.1	47.62%	6.375 years	0%	1.34%	\$ 114.8
"	2014.03.26	215.0	201.0	46.54%	6.375 years	0%	1.38%	97.07
"	2015.05.06	334.0	252.9	44.46%	6.375 years	0%	1.33%	150.18
"	2015.08.04	283.0	219.6	43.90%	6.375 years	0%	1.21%	125.27
"	2015.11.06	422.0	310.4	44.11%	6.375 years	0%	1.01%	186.00
"	2015.12.15	727.0	509.7	45.44%	6.375 years	0%	0.99%	328.28
"	2016.03.25	420.0	309.1	47.70%	6.375 years	0%	0.72%	195.43
"	2017.03.09	326.0	307.7	50.01%	6.375 years	0%	1.11%	159.90

Type of agreement	Grant date	Underlying market value on measurement date (in dollars)	Exercise price per share (in dollars)	Expected volatility (Note 1)	Expected option life	Expected dividend yield	Risk-free interest rate	Fair value per unit (in dollars)
"	2017.05.12	\$ 261.0	\$ 246.4	49.51%	6.375 years	0%	0.96%	\$ 126.34
"	2017.08.11	191.0	180.3	48.61%	6.375 years	0%	0.82%	90.60
"	2017.11.10	169.0	159.5	48.44%	6.375 years	0%	0.81%	79.91
"	2018.01.19	170.5	161.0	48.61%	6.375 years	0%	0.88%	81.04
"	2019.09.06	144.0	137.7	45.65%	6.375 years	0%	0.62%	64.29
"	2019.11.08	131.0	125.3	45.03%	6.375 years	0%	0.65%	57.88
"	2020.08.05	120.0	114.8	45.37%	6.375 years	0%	0.37%	52.76
"	2021.11.05	108.0	103.4	45.03%	6.375 years	0%	0.45%	47.33
"	2022.03.18	110.0	105.3	44.11%	6.375 years	0%	0.79%	48.06
"	2022.05.06	118.5	116.2	43.61%	6.375 years	0%	1.17%	52.11
"	2022.08.08	79.0	77.5	43.15%	6.375 years	0%	1.10%	34.33
"	2023.08.07	84.6	83.0	42.23%	6.375 years	0%	1.11%	36.12
"	2024.03.11	63.8	62.6	40.73%	6.375 years	0%	1.20%	26.53
"	2024.05.10	61.7	60.5	39.92%	6.375 years	0%	1.56%	25.68
"	2024.08.02	59.9	58.7	39.60%	6.375 years	0%	1.49%	24.69
"	2025.03.10	58.5	58.5	39.28%	6.375 years	0%	1.66%	24.15
Cash capital increase reserved for employee subscription	2024.10.14	67.8	64.0	50.83%	0.060 years	0%	1.22%	5.55
Restricted stocks to employees	2022.10.25	66.0			Note 2			66.00

Note 1: Expected price volatility rate was estimated by using the average price volatility of similar listed and OTC companies within the appropriate period and the Company's historical transaction data since its shares traded on the Emerging Stock Market.

Note 2: The Company issued employee restricted shares with a par value of NT\$10 (in dollars) per share, the issuance price was NT\$0 (at no cost), and the fair value was measured at the closing price of the Company's share at the grant date.

(b) The employee stock option plan of subsidiary, Amaran Biotechnology Inc.:

Type of agreement	Grant date	Underlying market value on measurement date (in dollars)	Exercise price per share (in dollars)	Expected volatility (Note)	Expected option life	Expected dividend yield	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock option	2014.01.15	\$ 27.5	\$ 15.0	48.22%	10 years	0%	1.09%	\$ 18.20
"	2014.05.02	27.5	15.0	48.22%	10 years	0%	1.09%	18.20
"	2014.09.03	31.5	50.0	48.22%	10 years	0%	1.02%	10.79
"	2015.02.12	31.5	50.0	48.22%	10 years	0%	1.02%	10.79
"	2015.05.27	31.5	50.0	48.22%	10 years	0%	1.02%	10.79
"	2015.09.09	31.5	50.0	42.87%	10 years	0%	0.93%	12.80
"	2015.12.15	31.5	50.0	42.87%	10 years	0%	0.93%	12.80

Type of agreement	Grant date	Underlying market value on measurement date (in dollars)	Exercise price per share (in dollars)	Expected volatility (Note)	Expected option life	Expected dividend yield	Risk-free interest rate	Fair value per unit (in dollars)
"	2016.03.02	\$ 31.5	\$ 50.0	42.87%	10 years	0%	0.93%	\$ 12.80
"	2016.09.02	35.6	50.0	42.31%	10 years	0%	0.78%	15.33
"	2017.01.01	35.6	70.0	42.31%	10 years	0%	0.78%	15.33
"	2017.04.01	35.6	70.0	42.31%	10 years	0%	0.78%	15.33
"	2017.06.01	35.6	70.0	42.31%	10 years	0%	0.78%	15.33
"	2018.03.23	25.0	25.0	27.45%	10 years	0%	0.70%	4.04
"	2018.09.18	25.0	25.0	27.45%	10 years	0%	0.70%	4.04
"	2019.01.01	24.8	25.0	33.75%	6.25 years	0%	0.77%	8.46
"	2019.03.01	21.9	25.0	33.51%	6.25 years	0%	0.73%	6.44
"	2019.10.01	20.9	25.0	32.32%	6.25 years	0%	0.65%	5.59
"	2020.04.01	24.4	25.0	38.05%	6.25 years	0%	0.44%	8.94
"	2020.05.01	20.4	25.0	38.39%	6.25 years	0%	0.44%	6.47
"	2021.07.01	23.0	25.0	46.15%	6.25 years	0%	0.35%	9.58
"	2021.08.01	23.0	25.0	46.15%	6.25 years	0%	0.35%	9.58
"	2021.09.01	23.0	25.0	46.15%	6.25 years	0%	0.35%	9.58
"	2021.10.01	23.0	25.0	46.15%	6.25 years	0%	0.35%	9.58
"	2022.04.01	23.7	25.0	45.62%	6.25 years	0%	0.95%	10.22
"	2022.05.01	23.7	25.0	45.62%	6.25 years	0%	0.95%	10.22
"	2022.06.01	23.7	25.0	45.62%	6.25 years	0%	0.95%	10.22
"	2023.01.01	23.7	25.0	45.62%	6.25 years	0%	0.95%	10.22
"	2024.01.01	22.1	20.0	46.54%	6.25 years	0%	1.20%	10.73
"	2024.06.01	22.1	20.0	46.54%	6.25 years	0%	1.20%	10.73
"	2024.08.01	22.1	20.0	46.54%	6.25 years	0%	1.20%	10.73
"	2024.10.01	22.1	20.0	46.54%	6.25 years	0%	1.20%	10.73
"	2024.12.01	22.1	20.0	46.54%	6.25 years	0%	1.20%	10.73

Note: Expected price volatility rate was estimated by using the average price volatility of similar listed and OTC companies within the appropriate period.

(c) The employee stock option plan of subsidiary, Obigen Pharma, Inc.:

Type of agreement	Grant date	Underlying market value on measurement date (in dollars)	Exercise price per share (in dollars)	Expected volatility (Note)	Expected option life	Expected dividend yield	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock option plan	2021.12.09	\$ 20.7	\$ 20.0	47.29%	6.375 years	0%	0.49%	\$ 9.70
"	2022.03.23	23.9	20.0	47.20%	6.375 years	0%	0.91%	12.25
"	2022.10.28	31.0	20.0	42.72%	6.375 years	0%	1.52%	17.59
"	2023.05.26	32.1	20.0	43.20%	6.375 years	0%	1.09%	18.32
"	2023.05.26	32.1	20.0	47.69%	4.250 years	0%	1.07%	17.29
"	2023.12.06	32.0	20.0	44.18%	6.375 years	0%	1.20%	18.54
"	2024.03.20	32.1	20.0	49.48%	4.250 years	0%	1.22%	17.62
"	2024.12.10	32.0	32.0	49.33%	6.375 years	0%	1.52%	15.78
"	2025.02.18	32.0	32.0	49.98%	6.375 years	0%	1.55%	15.93

Note: Expected price volatility rate was estimated by using the average price volatility of similar listed and OTC companies within the appropriate period.

- F. For the three months ended March 31, 2025 and 2024, the Group recognised compensation cost of \$3,793 and \$17,160, respectively.
- G. For the three months ended March 31, 2025 and 2024, the Group recognised compensation cost of \$34 due to stock options issued by AP Biosciences, Inc. to the employees of the Company in prior years.
- H. On November 12, 2024, the Company adjusted the exercise prices of employee stock options issued between May 6, 2015, and August 2, 2024, in accordance with the employee stock option plan. The exercise price range was lowered from \$59.9 to \$575.3 to \$58.7 to \$509.7(in dollars). This adjustment was made due to the issuance of new shares by the Company, and it did not result in any incremental fair value of the stock options.

(16) Share capital

- A. As of March 31, 2025, the Company's authorised capital was \$5,000,000, consisting of 500 million shares of ordinary stock (including 40 million shares reserved for employee stock options), and the outstanding capital was \$2,631,594 with a par value of \$10 (in dollars) per share.

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

	(Unit: shares in thousands)	
	2025	2024
Ordinary shares outstanding at January 1 and March 31	<u>262,968</u>	<u>229,248</u>

- B. The Board of Directors during its meeting on August 8, 2022 adopted a resolution to issue employee restricted ordinary shares with the effective date set on October 25, 2022. The number of shares issued is 160 thousand shares with a par value of NT\$10 (in dollars) per share. On December 10, 2024, the Board of Directors resolved to cancel 80 thousand stocks, with the record date of reduction set on December 10, 2024. As of March 31, 2025, the remaining restricted stocks have not been cancelled.

C. Treasury stock:

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

Reason for reacquisition	Three months ended March 31, 2025				Carrying amount
	Beginning shares	Additions	Disposal	Ending shares	
Shares of the parent company held by subsidiaries treated as treasury shares (Note)	191 thousand shares	-	-	191 thousand shares	\$ <u>26,528</u>

Reason for reacquisition	Three months ended March 31, 2024				Carrying amount
	Beginning shares	Additions	Disposal	Ending shares	
Shares of the parent company held by subsidiaries treated as treasury shares (Note)	191 thousand shares	-	-	191 thousand shares	\$ 26,533

Note: Shares of the parent company held by subsidiaries are treated as treasury shares but are entitled to the shareholders' rights. The number of shares was calculated by multiplying the number of shares of the Company held by the subsidiaries by the Company's shareholding ratio to subsidiaries.

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

(17) Capital surplus

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

	2025			
	Share premium	Employee stock options	Restricted stocks	Others
At January 1	\$ 6,896,039	\$ 731,257	\$ 4,480	\$ 1,468,965
Employee stock options compensation cost	-	292	-	(881)
Restricted employee stocks vested	2,240	-	(2,240)	-
Subsidiary employees exercising stock options	-	-	-	267
Expiration of employee stock options	-	-	-	1,269
Changes in associates accounted for using equity method	-	-	-	490
At March 31	\$ 6,898,279	\$ 731,549	\$ 2,240	\$ 1,470,110

	2024			
	Share premium	Employee stock options	Restricted stocks	Others
At January 1	\$ 5,065,714	\$ 834,682	\$ 8,960	\$ 1,218,394
Employee stock options compensation cost	-	6,997	-	3,599
Changes in associates accounted for using equity method	-	-	-	(623)
At March 31	<u>\$ 5,065,714</u>	<u>\$ 841,679</u>	<u>\$ 8,960</u>	<u>\$ 1,221,370</u>

(18) Retained earnings

- A. The current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Cash dividends shall first be appropriated, and the remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting.
- B. The Company is facing a capital intensive industrial environment, with the life cycle of the industry in the growth phase. The residual dividend policy is adopted taking into consideration the Company's operating expansion plans and investment demands. According to the balanced dividend policy adopted by the Board of Directors, stock dividends and cash dividends will be allocated in consideration of the actual net income and funds status and are subject to the approval by the Board of Directors and resolution by shareholders and cash dividends shall account for at least 10% of the total dividends distributed.
- C. Except for covering accumulated deficit, increasing capital or payment of cash, the legal reserve shall not be used for any other purpose. The amount capitalised or the cash payment shall not exceed 25% of the paid-in capital.
- D. As resolved by the shareholders on June 17, 2024, the Company's proposal for 2023 deficit compensation is as follows:

	Year ended December 31, 2023
Accumulated deficit at beginning of the year	(\$ 4,522,538)
Net loss for 2023	(1,046,475)
Accumulated deficit at end of the year	<u>(\$ 5,569,013)</u>

E. As resolved by the directors on March 10, 2025, the Company's proposal for 2024 deficit compensation is as follows:

	Year ended December 31, 2024
Accumulated deficit at beginning of the year	(\$ 5,569,013)
Net loss for 2024	(2,310,026)
Accumulated deficit at end of the year	(\$ 7,879,039)

As of May 12, 2025, the aforementioned proposal for 2024 deficit compensation has not yet been resolved by the shareholders.

(19) Operating revenue

Disaggregation of revenue from contracts with customers is as follows:

	Three months ended March 31,	
	2025	2024
Revenue from contracts with customers	\$ 14,458	\$ 9,135

Disaggregation of revenue from contracts with customers is as follows:

Three months ended March 31, 2025	Contract Development and Manufacturing Organization revenue	Patent Technology Licensing	Total
Revenue from external customer contracts			
Contract revenue	\$ 14,002	\$ 456	\$ 14,458

Three months ended March 31, 2024	Contract Development and Manufacturing Organization revenue	Patent Technology Licensing	Total
Revenue from external customer contracts			
Contract revenue	\$ 8,669	\$ 466	\$ 9,135

The Group has recognised the following revenue-related contract liabilities:

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Contract liabilities				
Contract liabilities - unearned revenue	\$ 5,408	\$ 7,783	\$ 5,868	\$ 6,285

For the three months ended March 31, 2025 and 2024, the Group recognised revenues from the beginning balance of contract liabilities amounting to \$4,474 and \$814, respectively.

(20) Interest income

	Three months ended March 31,	
	2025	2024
Interest income from bank deposits	\$ 2,914	\$ 7,223
Interest income from financial assets measured at amortised cost	7,171	7,070
	<u>\$ 10,085</u>	<u>\$ 14,293</u>

(21) Other gains and losses

	Three months ended March 31,	
	2025	2024
Gains on disposal of property, plant and equipment	\$ -	\$ 44,297
Gains on disposals of investments	-	397
Net currency exchange (losses) gains	(1,710)	24,677
Net losses on financial assets at fair value through profit or loss	(89)	(10)
Others	(116)	(1,398)
	<u>(\$ 1,915)</u>	<u>\$ 67,963</u>

(22) Finance costs

	Three months ended March 31,	
	2025	2024
Interest expense	<u>\$ 2,731</u>	<u>\$ 2,662</u>

(23) Expenses by nature

	Three months ended March 31,	
	2025	2024
Employee benefit expenses	\$ 151,845	\$ 145,706
Clinical trials cost	134,279	83,822
Clinical material expenses	84,849	97,007
Depreciation	54,332	48,705
Consulting and service fees	29,751	33,230
Outsourced research expenses	23,462	16,851
Amortisation	4,929	4,588
Rental expenses	650	2,968
Royalty fees	-	94,260
Other expenses	41,766	52,552
Operating costs and expenses	<u>\$ 525,863</u>	<u>\$ 579,689</u>

(24) Employee benefit expense

	Three months ended March 31,	
	2025	2024
Wages and salaries (including directors' remuneration)	\$ 124,036	\$ 108,900
Share-based payment expense	3,827	17,194
Labor and health insurance fees	7,092	6,324
Pension costs	5,287	4,800
Other personnel expenses	11,603	8,488
	<u>\$ 151,845</u>	<u>\$ 145,706</u>

- A. In accordance with the Articles of Incorporation, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' remuneration. A 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 abovementioned employees' compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation. The term shall be defined by the Board of Directors.
- B. As of March 31, 2025 and 2024, the Company had an accumulated deficit; thus, no employees' compensation and directors' remuneration was recognised nor distributed for the three months ended March 31, 2025 and 2024.
- C. As of December 31, 2024, the Company had an accumulated deficit; thus, no employees' compensation and directors' remuneration were distributed, which were in agreement with the amount recognised in the 2024 financial statements. Information about employees' compensation and directors' remuneration of the Company as resolved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(25) Income tax

- A. Components of income tax expense:

	Three months ended March 31,	
	2025	2024
Current tax:		
Current tax on loss for the period	<u>\$ 2,231</u>	<u>\$ 1,745</u>

- B. The income tax returns of the Company through 2022 have been assessed and approved by the Tax Authority. The income tax returns of the subsidiaries, Obigen Pharma, Inc. and Amaran Biotechnology Inc., through 2023 have been assessed and approved by the Tax Authority.

(26) Loss per share

	Three months ended March 31, 2025		
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic and diluted loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ <u>511,545</u>)	<u>262,888</u>	(\$ <u>1.95</u>)
	Three months ended March 31, 2024		
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic and diluted loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ <u>522,255</u>)	<u>229,248</u>	(\$ <u>2.28</u>)

Note: The potential ordinary shares have anti-dilutive effect due to net loss for the three months ended March 31, 2025 and 2024, so the calculation of diluted loss per share is the same as the calculation of basic loss per share.

(27) Non-controlling interest

- A. For the three months ended March 31, 2025 and 2024, the Group's subsidiaries, Amaran Biotechnology Inc. and Obigen Pharma, Inc., recognised employee compensation cost for the Company's or each subsidiaries' employee stock options granted to their respective employees as well as the expiration of certain stock options. Further, some subsidiaries granted their employee stock options to the Company's employees. These resulted to an increase in the non-controlling interest by \$2,923 and \$5,523, respectively, and an increase in equity attributable to owners of the parent by \$1,300 and \$540, respectively.
- B. For the three months ended March 31, 2025, the subsidiary's, Amaran Biotechnology Inc.'s, employees exercised stock options, resulting to an increase in the non-controlling interest by \$93 and equity attributable to owners of the parent by \$267. There was no such transation for the three months ended March 31, 2024.
- C. The changes in non-controlling interests in the subsidiaries, Amaran Biotechnology Inc. and Obigen Pharma, Inc., and the effects on the equity attributable to owners of the parent for the

three months ended March 31, 2025 and 2024 are shown below:

Effect of changes in subsidiary ownership equity:

	Three months ended March 31,	
	2025	2024
Cash	\$ 360	\$ -
Increase in the carrying amount of non-controlling interest	(93)	-
Capital surplus - recognition of changes in ownership interest in subsidiaries	\$ 267	\$ -

Effect of share-based payment transactions:

	Three months ended March 31,	
	2025	2024
Employee compensation cost	\$ 4,223	\$ 6,063
Increase in the carrying amount of non-controlling interest	(2,923)	(5,523)
Capital surplus - others	\$ 1,300	\$ 540

(28) Supplemental cash flow information

Investing activities with partial cash payments:

	Three months ended March 31,	
	2025	2024
Acquisition of property, plant and equipment	\$ 6,417	\$ 51,248
Add: Opening balance of payable	8,490	3,834
Less: Ending balance of payable	(1,539)	(10,810)
Cash paid during the period	\$ 13,368	\$ 44,272

(29) Changes in liabilities from financing activities

	Lease liabilities	Short-term borrowings	Long-term borrowings	Liabilities from financing activities - gross
At January 1, 2025	\$ 421,903	\$ 412	\$ 82,311	\$ 504,626
Changes in cash flow from financing activities	(13,653)	25,156	(8,523)	2,980
Impact of changes in foreign exchange rate	68	-	-	68
Others	188	-	-	188
At March 31, 2025	\$ 408,506	\$ 25,568	\$ 73,788	\$ 507,862

	Lease liabilities	Short-term borrowings	Long-term borrowings	Guarantee deposits received	Liabilities from financing activities - gross
At January 1, 2024	\$ 475,748	\$ 4,305	\$ 21,000	\$ 3	\$ 501,056
Changes in cash flow from financing activities	(5,141)	(1,021)	14,000	(3)	7,835
Impact of changes in foreign exchange rate	296	-	-	-	296
Others	(4,126)	-	-	-	(4,126)
At March 31, 2024	<u>\$ 466,777</u>	<u>\$ 3,284</u>	<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ 505,061</u>

7. RELATED PARTY TRANSACTIONS

(1) Name of related parties and relationship

Name of related party	Relationship with the Group
AP Biosciences, Inc.	Investee accounted for using equity method

(2) Significant related party transactions

A. Non-operating income

	Three months ended March 31,	
	2025	2024
Other Income		
Investee accounted for using equity method		
-AP Biosciences, Inc.	<u>\$ 11</u>	<u>\$ -</u>

The Group offered AP Biosciences with the use of testing instruments, and the prices and payment terms are handled according to the agreement between both parties.

B. Research and development expenses

	Three months ended March 31,	
	2025	2024
Investee accounted for using equity method		
-AP Biosciences, Inc.	<u>\$ 21</u>	<u>\$ -</u>

The Group used testing instruments of AP Biosciences, Inc., and the prices and payment terms were based on mutual agreement.

C. Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Investee accounted for using equity method			
-AP Biosciences, Inc.	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 17</u>

Other payables mainly refer to research and development expenses.

(3) Key management compensation

	Three months ended March 31,	
	2025	2024
Salaries and other short-term employee benefits	\$ 47,979	\$ 40,675
Share-based payments (Note)	(2,959)	9,491
	<u>\$ 45,020</u>	<u>\$ 50,166</u>

Note: Negative amounts refer to reversal of compensation cost due to employee termination.

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	March 31, 2025	December 31, 2024	March 31, 2024	
Financial assets at amortised cost - non-current	\$ 12,900	\$ 12,900	\$ -	Duty paid after customer release and pledged time deposits.
Buildings and structures	215,512	219,488	230,115	Short-term borrowings and long-term borrowings (Note 1)
Other non-current assets (refundable deposits)	24,142	24,119	37,446	Deposits for clinical trial agreement, rental deposit and letters of credit, etc.
	<u>\$ 252,554</u>	<u>\$ 256,507</u>	<u>\$ 267,561</u>	

Note 1: The subsidiary, Amaran Biotechnology Inc., entered into a loan agreement with Mega International Commercial Bank as of March 31, 2025, December 31, 2024 and March 31, 2024, for a total credit facility of \$100 million, and pledged properties as collateral with line of credit guarantee to Mega International Commercial Bank. Refer to Notes 6(10) and 6(11) for details.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

Aside from the commitments described in Note 6(9), others are as follows:

- (1) The Company purchased patent named "OBI-822" (formerly named "OPT-822"), therapeutically metastatic breast cancer vaccines on December 29, 2003. The amount of payment was determined based on whether the milestones in the agreement are achieved or not. As of March 31, 2025, the remaining unpaid amount was US\$9 million. The Company decided to terminate the Phase III clinical trial of OBI-822 for triple-negative breast cancer in April 2025. Given that the payment under the contract is conditional upon achievement of certain milestones, the Company management is of the opinion that the Company has no obligation to settle the aforementioned unpaid amount in the short term. Refer to Note 11(1) for details.
- (2) Pursuant to the government grants for OBI-822, therapeutically metastatic breast cancer vaccines, in Phase II obtained by the Company from Department of Industrial Technology of Ministry of Economic Affairs R.O.C. (MOEA) on December 25, 2012, if OBI-822 will be successfully licensed to others, the Company promises to contribute 5% of the signing bonus and achieved milestones as feedback fund and the maximum amount for feedback fund is \$150,256. The Company decided to

terminate the Phase III clinical trial of OBI-822 for triple-negative breast cancer in April 2025. Given that the payment under the contract is conditional upon achievement of certain milestones, the Company management is of the opinion that the Company has no obligation to settle the aforementioned unpaid amount in the short term. Refer to Note 11(1) for details.

- (3) The Company entered into a licensing agreement of ‘Nectin-4 humanised antibody sequences’ with Ablexis, LLC on July 3, 2023. The amount of payment was determined based on whether the milestones in the agreement were achieved or not. As of March 31, 2025, the remaining unpaid amount was US\$8,750 thousand.
- (4) To conduct clinical trials of new drugs research, the Group entered into outsourcing research agreements with a variety of CROs (Contract research organizations). Service fees and other miscellaneous expenses are calculated based on the number of patients accepted in the clinical trials, and becomes billable pursuant to the progress of the clinical trials. The agreements can be terminated at any time.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- (1) The Company’s Phase III clinical trial of its active cancer immunotherapy, OBI-822, for the triple-negative breast cancer, received recommendation from the Data and Safety Monitoring Board (DSMB) in April 2025 regarding the second interim analysis, that the Company terminate the study. Following thorough internal evaluation, the Company has decided to follow the DSMB recommendation and to terminate the trial. Further, the Company will redirect its resources to focus on the development of next-generation Antibody-Drug Conjugates (ADCs).
- (2) The Company’s active cancer immunotherapy, OBI-833, was terminated upon the approval of the Board of Directors on May 12, 2025, due to rapidly tightened competition in the pharmaceuticals market and unpredictability of clinical trials. Further, the Company will redirect its resources to focus on the development of next-generation Antibody-Drug Conjugates (ADCs).
- (3) In response to market competition and long-term strategies, as well as multiple methods of fundraising across the globe, the Board of Directors of the Company on May 12, 2025 resolved to conduct private placements in order to raise funds from strategic or financial investors to meet expenditure needs on new drugs research projects and enrich working capital. The resolution was submitted to the Company’s shareholders’ meeting for approval for authorisation to the Board of Directors with the right to determine the issuance details and terms of private placements within no more than 75,000 thousand shares, in consideration of market conditions and capital needs and in accordance with relevant regulations. As of May 12, 2025, the resolution has not yet been approved by shareholders.

12. OTHERS

(1) Capital management

There was no significant change in the reporting period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2024.

(2) Financial instruments

A. Financial instruments by category

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss	\$ -	\$ 89	\$ 217
Financial assets at fair value through other comprehensive income	\$ 8,975	\$ 9,017	\$ 9,896
<u>Financial assets</u>			
Financial assets at amortised cost			
Cash and cash equivalents	\$ 604,281	\$ 1,732,050	\$ 1,282,066
Financial assets at amortised cost	1,861,600	1,411,600	1,092,900
Accounts receivable	4,870	4,200	5,913
Other receivables	22,543	19,005	33,139
Other financial assets (guarantee deposits paid)	24,142	24,119	37,446
	<u>\$ 2,517,436</u>	<u>\$ 3,190,974</u>	<u>\$ 2,451,464</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss	\$ -	\$ -	\$ 48,000
Financial liabilities at amortised cost			
Short-term borrowings	\$ 25,568	\$ 412	\$ 3,284
Notes payable	162	540	-
Accounts payable	1,661	2,900	831
Other payables (including related parties)	83,245	297,833	60,390
Long-term borrowings (including current portion)	73,788	82,311	35,000
	<u>\$ 184,424</u>	<u>\$ 383,996</u>	<u>\$ 99,505</u>
Lease liabilities	<u>\$ 408,506</u>	<u>\$ 421,903</u>	<u>\$ 466,777</u>

B. Financial risk management policies

There was no significant change in the reporting period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2024.

C. Significant financial risks and degrees of financial risks

There was no significant change in the reporting period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2024, except for the items

explained below.

(a) Market risk

Foreign exchange risk

The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; the subsidiaries' functional currencies: USD, AUD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

March 31, 2025						
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Sensitivity Analysis	
					Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 94	\$ 33.205	\$ 3,121	1%	\$ 31	\$ -
<u>Financial assets</u>						
<u>Non-monetary items</u>						
USD:NTD	2,778	33.205	92,234	-	-	-
AUD:NTD	318	20.810	6,623	-	-	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	1,935	33.205	64,252	1%	643	-

December 31, 2024						
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity Analysis		
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 87	32.785	\$ 2,852	1%	\$ 29	\$ -
<u>Financial assets</u>						
<u>Non-monetary</u>						
<u>items</u>						
USD:NTD	2,694	32.785	88,334	-	-	-
AUD:NTD	908	20.390	18,520	-	-	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	6,473	32.785	212,217	1%	2,122	-
EUR:NTD	147	34.140	5,019	1%	50	-

March 31, 2024						
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity Analysis		
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 16,074	32.000	\$ 514,368	1%	\$ 5,144	\$ -
<u>Financial assets</u>						
<u>Non-monetary</u>						
<u>items</u>						
USD:NTD	14,495	32.000	463,846	-	-	-
RMB:USD	388	0.138	1,712	-	-	-
AUD:NTD	1,996	20.820	41,551	-	-	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	1,768	32.000	56,576	1%	566	-

The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2025 and 2024, amounted to (\$1,710) and \$24,677, respectively.

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in financial assets at fair value through other comprehensive income and financial liabilities at fair value through profit or loss is included in Level 3.

B. The book value of financial instruments not measured at fair value including cash and cash equivalents, financial assets at amortised cost, accounts receivable, other receivables, other financial assets (guarantee deposits paid), notes payable, accounts payable, and other payables (including those to related parties) is a reasonable approximation to their fair value; the interest rate on long-term and short-term borrowings (including the portion due within a year or one operating cycle) is close to the market interest rate, and therefore their book value is a reasonable basis for the estimation of their fair value.

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

	March 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Foreign listed stocks	\$ -	\$ -	\$ -	\$ -
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	8,975	8,975
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,975</u>	<u>\$ 8,975</u>

December 31, 2024				
	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Foreign listed stocks	\$ 89	\$ -	\$ -	\$ 89
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	9,017	9,017
	<u>\$ 89</u>	<u>\$ -</u>	<u>\$ 9,017</u>	<u>\$ 9,106</u>
March 31, 2024				
	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Foreign listed stocks	\$ 217	\$ -	\$ -	\$ 217
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	9,896	9,896
	<u>\$ 217</u>	<u>\$ -</u>	<u>\$ 9,896</u>	<u>\$ 10,113</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Hybrid instrument	\$ -	\$ -	\$ 48,000	\$ 48,000

D. The methods and assumptions the Group used to measure fair value are as follows:

The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed stocks
Market quoted price	Closing price

- E. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price.
- F. The following is the qualitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	<u>Fair value at March 31, 2025</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (median)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	<u>\$ 8,975</u>	Market comparable companies	Price to book ratio multiple	1.04~4.89 (1.67)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	11.54%~ 33.71% (21.02%)	The higher the discount for lack of marketability, the lower the fair value
	<u>Fair value at December 31, 2024</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (median)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	<u>\$ 9,017</u>	Market comparable companies	Price to book ratio multiple	0.99~3.95 (1.62)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	10.69%~ 33.60% (21.32%)	The higher the discount for lack of marketability, the lower the fair value

	Fair value at March 31, 2024	Valuation technique	Significant unobservable input	Range (median)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	<u>\$ 9,896</u>	Market comparable companies	Price to book ratio multiple	1.17~3.83 (1.74)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	9.85%~ 31.92% (25.34%)	The higher the discount for lack of marketability, the lower the fair value
Hybrid instrument:					
Convertible preferred shares	<u>\$ 48,000</u>	Most recent non-active market price	Not applicable	-	Not applicable

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

			March 31, 2025			
	Input	Change	Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable	Unfavourable	Favourable	Unfavourable
			change	change	change	change
Financial assets						
Equity instruments	Price to book ratio multiple	±10%	\$ -	\$ -	\$ 898	(\$ 898)
	Discount for lack of marketability	±10%	\$ -	\$ -	\$ 239	(\$ 239)

			December 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Price to book ratio multiple	±10%	\$ -	\$ -	\$ 901	(\$ 901)
	Discount for lack of marketability	±10%	\$ -	\$ -	\$ 245	(\$ 245)
			March 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Price to book ratio multiple	±10%	\$ -	\$ -	\$ 991	(\$ 991)
	Discount for lack of marketability	±10%	\$ -	\$ -	\$ 336	(\$ 336)

H. The following chart is the movement of Level 3 f for the three months ended March 31, 2025 and 2024:

Three months ended March 31, 2025			
	Equity securities	Hybrid instrument	Total
Opening net book amount	\$ 9,017	\$ -	\$ 9,017
Loss recognised in other comprehensive income	(42)	-	(42)
Closing net book amount	\$ 8,975	\$ -	\$ 8,975
Three months ended March 31, 2024			
	Equity securities	Hybrid instrument	Total
Opening net book amount	\$ 10,621	\$ 46,057	\$ 56,678
Loss recognised in other comprehensive income	(725)	-	(725)
Effect of exchange rate changes	-	1,943	1,943
Closing net book amount	\$ 9,896	\$ 48,000	\$ 57,896

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

(2) Information on investees

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

(3) Information on investments in Mainland China

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

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has three reportable segments, which are anti-cancer new drug segment, botulinum toxin new drug segment and CDMO segment. The segments are identified in the functional perspective such as the territory of the research and development of new drugs and CDMO (Contract Development and Manufacturing Organization).

(2) Measurement of segment information

All operating segments of the Group apply the same accounting policies.

(3) Segment information

The segment income or loss after tax reported to the chief operating decision-maker is measured in a manner consistent with revenues and expenses in the statement of comprehensive income. For the three months ended March 31, 2025 and 2024, the segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Anti-cancer new drug	Botulinum toxin new drug	CDMO	Reconciliation and elimination	Total
<u>Three months ended March 31, 2025</u>					
Revenue from external customers	\$ 456	\$ -	\$ 14,002	\$ -	\$ 14,458
Inter-segment revenue	-	-	6,526	(6,526)	-
Total segment revenue	<u>\$ 456</u>	<u>\$ -</u>	<u>\$ 20,528</u>	<u>(\$ 6,526)</u>	<u>\$ 14,458</u>
Segment loss	<u>(\$ 415,603)</u>	<u>(\$ 60,325)</u>	<u>(\$ 32,728)</u>	<u>(\$ 41,464)</u>	<u>(\$ 550,120)</u>
Segment loss, including:					
Depreciation	\$ 18,097	\$ 18,128	\$ 18,107	\$ -	\$ 54,332
Amortisation	3,722	10,515	1,022	(10,330)	4,929
Finance costs	1,412	458	861	-	2,731
Interest income	7,476	2,571	38	-	10,085

	Anti-cancer new drug	Botulinum toxin new drug	CDMO	Reconciliation and elimination	Total
<u>Three months ended March 31, 2024</u>					
Revenue from external customers	\$ 466	\$ -	\$ 8,669	\$ -	\$ 9,135
Inter-segment revenue	-	-	5,225	(5,225)	-
Total segment revenue	<u>\$ 466</u>	<u>\$ -</u>	<u>\$ 13,894</u>	<u>(\$ 5,225)</u>	<u>\$ 9,135</u>
Segment loss	<u>(\$ 376,521)</u>	<u>(\$ 65,905)</u>	<u>(\$ 45,718)</u>	<u>(\$ 79,011)</u>	<u>(\$ 567,155)</u>
Segment loss, including:					
Depreciation	\$ 13,307	\$ 16,650	\$ 18,805	(\$ 57)	\$ 48,705
Amortisation	3,888	10,507	523	(10,330)	4,588
Finance costs	1,751	526	385	-	2,662
Interest income	11,332	2,865	96	-	14,293

OBI Pharma, Inc. and Subsidiaries
Significant inter-company transactions during the reporting period
Three months ended March 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
1	OBI Pharma USA, Inc.	OBI Pharma, Inc.	2	Accounts receivable	\$ 64,203	(Note 4)	1.31
1	"	"	"	Service revenue	74,347	"	514.23

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for consolidated income statement accounts.

Note 4: The transaction terms are based on the mutual agreement.

Note 5: Only those inter-company transactions exceeding \$10,000 are disclosed, with the transactions from the counterparty undisclosed.

OBI Pharma, Inc. and Subsidiaries
Information on investees
Three months ended March 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2025			Net income (loss) of the investee for the three months ended March 31, 2025	Investment income (loss) recognised by the Company for the three months ended March 31, 2025	Footnote
				Balance as at March 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
OBI Pharma, Inc.	AP Biosciences, Inc.	Taiwan	Research and development of biotechnology	\$ 558,276	\$ 558,276	23,223,000	27.28	\$ 896,119	(\$ 75,692)	(\$ 42,403)	
"	Amaran Biotechnology Inc.	Taiwan	Manufacture and wholesale of western pharmaceuticals as well as research and development of biotechnology	676,096	676,096	64,915,252	70.68	254,785	(32,728)	(23,116)	Note 2
"	Obigen Pharma, Inc.	Taiwan	Research and development of biotechnology	1,195,000	1,195,000	55,062,500	51.94	152,949	(60,325)	(31,335)	"
"	OBI Pharma USA, Inc.	USA	Research and development of biotechnology	89,654	89,654	2,701,000	100.00	92,234	3,654	3,654	"
"	OBI Pharma Australia Pty Ltd.	Australia	Research and development of biotechnology	301,745	301,745	14,500,000	100.00	6,623	(12,175)	(12,175)	"

Note 1: The accounts of the Company are maintained in New Taiwan dollars. Income statement accounts denominated in foreign currencies are translated into New Taiwan dollars at the weighted average exchange rates and balance sheet accounts at spot exchange rates prevailing at the balance sheet date.

Note 2: Inter-company transactions between companies within the Group are eliminated.