

Pharmosa Biopharm Inc.

2025 Annual Shareholders' Meeting Meeting Handbook

(Translation)

Type : Physical Meeting

Time : Tuesday, May 27, 2025, at 9:30 a.m.

Location : Room 3 & 4, 1st Floor, No. 508, Section 7, Zhongxiao
East Road, Nangang District, Taipei City (Taipei
Bioinnovation Park)

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I 、 Meeting Procedures

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II 、 Meeting Agenda

Pharmosa Biopharm Inc.

Meeting Agenda of 2025 Annual Shareholders' Meeting

Type : Physical Meeting

Time : Tuesday, May 27, 2025, at 9:30 a.m.

Location : Room 3 & 4,1st Floor, No. 508, Section 7, Zhongxiao East Road,
Nangang District, Taipei City (Taipei Bioinnovation Park)

i 、 Calling of Meeting to Order

ii 、 Chairman's Remarks

iii 、 Report Items

1. 2024 Business Report
2. 2024 Audit Committee's Review Report
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1. 2024 Business Report and Financial Statements
2. 2024 Deficit Compensation

v 、 Matters for Discussion

1. The Amendment of Articles of Incorporation
2. Lifting of non-competition restrictions for the Directors

vi 、 Extempore Motions

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Report Items

Report No. 1

2024 Business Report.

Explanation : Please refer to Attachment 1 for the Business Report of fiscal year 2024.

Report No. 2

2024 Audit Committee's Review Report.

Explanation : Please refer to Attachment 2 for the Audit Committee's Review Report for the year 2024.

Report No. 3

2024 Implementation Report for the Sound Business Plan.

Explanation :

1. According to the Taipei Exchange's regulations, as stated in Office Letter No. 1100012380 (dated November 25, 2021) and Letter No. 1120012506 (dated December 26, 2023), the Sound Business Plan must be submitted quarterly to the Board of Directors for oversight and reported to the Shareholders' Meeting.
2. Please refer to Attachment 3 for the Implementation Report for the Sound Business Plan for the year 2024.

Report No. 4

2024 Directors' Remuneration.

Explanation :

1. According to Article 10-1 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, listed and OTC companies should report the remuneration received by directors at the shareholder's meeting, including the remuneration policy, the content of individual

remuneration, the amount, and the correlation with performance evaluation results.

2. The remuneration of the Company's directors is determined by the Remuneration Committee, which considers the reasonableness of its correlation with the directors' level of participation in the Company's operations and their contributions. The committee also refers to industry standards before proposing the remuneration for approval by the Board of Directors. Directors' remuneration is paid on a monthly salary basis and consists of a fixed amount as well as business execution allowances. The remuneration of independent directors may be set at a reasonable level that differs from that of general directors.
3. According to the Company's Articles of Association, if the Company generates a profit in a fiscal year, no more than 2% shall be allocated as directors' remuneration, subject to approval by the Board of Directors and reported to the Shareholders' Meeting.
4. Please refer to Attachment 4 for Directors' Compensation in 2024.

Ratification Items

Proposal No. 1

2024 Business Report and Financial Statements

[Proposed by the board of directors]

Explanation :

- 1.The Company's Financial Statements for fiscal year 2024 have been audited and certified by independent auditors Shu-Fen Yu and Yu-Fang Yen of PricewaterhouseCoopers Taiwan.
- 2.For the Business Report, Auditor's Report, and Financial Statements, please refer to Attachments 1, 5, and 6.

Resolution :

Proposal No. 2

2024 Deficit Compensation

[Proposed by the board of directors]

Explanation :

- 1.The beginning balance of the Company's undistributed earnings was NT\$7,610,307. After the finalization of the fiscal year 2024, the net loss after tax amounted to NT\$166,653,730, resulting in an accumulated deficit of NT\$159,043,423 at year-end.
2. According to Article 239 of the Company Act, it is proposed to offset the accumulated deficit of NT\$159,043,423 using the "Capital Surplus – Additional Paid-in Capital on Common Stock" account, reducing the year-end accumulated deficit to zero. As the Company incurred a loss this year (with no earnings), no legal reserve will be appropriated as required by law, nor will any shareholder dividends, employee compensation, or director remuneration be distributed. For details on the 2024 deficit compensation

statement, please refer to Attachment 7.

Resolution :

Matters for Discussion

Proposal No. 1

The Amendment of Articles of Incorporation

[Proposed by the board of directors]

Explanation : In response to the amendment of Article 14 of the Securities and Exchange Act, the Company proposes to revise its Articles of Incorporation. For the comparison table of the revised provisions, please refer to Attachment 8.

Resolution :

Proposal No. 2

Lifting of non-competition restrictions for the Directors

[Proposed by the board of directors]

Explanation :

1. According to Article 209 of the Company Act, “A director who does anything for himself or on behalf of another person that is within the scope of the company's business shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”
2. To leverage the expertise and relevant experience of the company's directors, we have requested shareholder approval to lift the non-competition restrictions on directors and their representatives in accordance with the provisions of the Company Law.

3. Please refer to the following table :

Job title	Name	Other Position
Vice chairman	Lin-Chiuan Yan	Director of Anxo Pharmaceutical Co., Ltd. Chief executive officer of Aupa Biopharm Co., Ltd.
Independent Director	Yen-Ling Fang	Independent Director of The Shanghai Commercial & Savings Bank, Ltd.

Permitted Scope of Competitive Activities : Business activities similar to

the company's scope of operations.

Permitted Duration of Competitive Activities : The period during which the individual serves as a director of the company.

Resolution :

Extempore Motions

Adjournment

2024 Business Report

Dear Shareholders,

We sincerely appreciate your attendance at the 2025 Annual shareholder's Meeting, despite your busy schedules.

Below is a summary of the key operating results for 2024 and an overview of the 2025 business plan:

I. 2024 Business Results

(I) Business Plan Implementation Results

The company successfully completed a pre-listing cash capital increase in March 2024, issuing 11,800 thousand new shares and raising a total of NT\$964,904 thousand. By the end of the year. On March 26, the company was successfully listed on the Taipei Exchange (TPEX). At the same time, the company received several prestigious awards, including the 2023 Outstanding Benchmark Enterprise Award, the 2024 Emerging Benchmark Award, and the 2024 Taipei Biotechnology Gold Award.

Unit : NT\$ Thousand

Item	2024	2023	Difference Amount	Difference Ratio (%)
Operating Revenue	167,568	314,500	(146,932)	(47%)
Operating Costs	40,665	-	40,665	100%
Operating Gross Profit	126,903	314,500	(187,597)	(60%)
Operating Expenses	345,470	317,324	28,146	9%
Operating (Loss) Profit	(218,567)	(2,824)	215,743	7,639%
Net Non-Operating Income	51,914	11,280	40,634	360%
Net (Loss) Profit Before Tax	(166,653)	8,456	(175,109)	(2,071%)
Net (Loss) Profit for the Period	(166,653)	8,456	(175,109)	(2,071%)

1. Operating Revenue, Operating Costs, and Operating Gross Profit

(1) For the sales of R&D drugs, the main sales and production in 2024 were for L606, which was sold to Liquidia. The operating revenue and operating costs amounted to NT\$54,863 thousand and NT\$40,600 thousand, respectively.

(2) Regarding milestone payments, in 2024, the L606 combination drug was gradually licensed for the MENAT region to Menagen and for Europe, Japan, and other regions to Liquidia. Since the MENAT region is under a distribution license, the upfront received must be deferred under IFRS 15 revenue recognition standards and recognized proportionally based on L606 sales in the region. As a

result, the operating revenue for 2024 was NT\$112,630 thousand (USD 3.5 million) from upfront for licensing in Europe and other regions.

In summary, the gross profit for 2024 was NT\$126,903 thousand, a decrease of NT\$187,597 thousand compared to NT\$314,500 thousand in the previous year. As the company is engaged in new drug development, its primary revenue before market launch comes from milestone payments for drug licensing and development. Consequently, annual revenue fluctuations are influenced by the timing of milestone payments, which is characteristic of the industry.

2. Operating Expenses

In 2024, the company's operating expenses totaled NT\$345,470 thousand, with research and development expenses accounting for NT\$294,785 thousand, making up the majority. Selling and administrative expenses amounted to NT\$50,685 thousand. The main operating expenses included the development of a next-generation proprietary nebulizer for the L606 combination drug, with related outsourced development costs. For L608, in addition to completing a Phase I clinical trial in Australia, another Phase I clinical trial in New Zealand was initiated, leading to investments in clinical drug manufacturing and clinical trials. On the operational front, to accommodate the expansion of the company's operations and the establishment of a drug filling facility, the company increased its R&D and management personnel, resulting in corresponding operational expenses. In summary, total operating expenses in 2024 were NT\$345,470 thousand, reflecting a slight increase of NT\$28,146 thousand compared to NT\$317,324 thousand in 2023. The changes in expense allocation were primarily influenced by the licensing status of the L606 and L608 combination drugs, the progress of clinical trials, and the overall growth of the company's operations.

3. Net Non-Operating Income

In 2024, the company's net non-operating income totaled NT\$51,914 thousand, primarily consisting of interest income of NT\$32,074 thousand and foreign exchange gains of NT\$19,312 thousand. The interest income was generated due to the completion of the pre-listing cash capital increase in March 2024 and the inflow of USD foreign currency from operations. The increase in cash levels contributed to higher interest income. Additionally, foreign exchange gains were recorded due to fluctuations in exchange rates during the year. As a result, the company's total net non-operating income for 2024 reached NT\$51,914 thousand, reflecting an increase of NT\$40,634 thousand compared to NT\$11,280 thousand in 2023.

4. Net (Loss) Profit Before Tax and Net (Loss) Profit for the Period

The company's net loss before tax and net loss for the period in 2024 amounted to NT\$166,653 thousand. This was primarily due to the gradual completion of regional licensing for the L606 combination drug, which led to the recognition of licensing upfront and revenue from the sale of L606 for R&D purposes. However, ongoing R&D expenses for L608 and L606, both of which remain in the clinical development trial phase, along with increased operating expenses due to business expansion, contributed to the overall operating loss. Although interest income and other revenue sources provided some financial support, the company still incurred an operational loss. In comparison, the company's net profit before tax and net profit for the period in 2023 were NT\$8,456 thousand. The fluctuations between these two years were driven by the receipt of licensing milestone payments and the progress of clinical trials for new drug development, which are inherent characteristics of the industry.

(II) Financial Performance and Profitability Analysis

Analysis Item \ Year		2024	2023
Solvency	Current Ratio (%)	1,448.14	1,302.10
	Quick Ratio (%)	1,403.39	1,257.53
Profitability	Earnings Per Share (NT\$)	(1.32)	0.07

(III) Research and Development Status

1. 2024 R&D Expenditures

Unit : NT\$ Thousand ; Person

Item \ Year		2024
Operating Revenue (A)		167,568
R&D Expenses (B)		294,785
Total Number of Employees (D)		50
Total Number of R&D Employees (E)		37
Proportion of R&D Employees to Total Employees (E/D)		74%

2. 2024 R&D Results

Product Name	Indications	Development Results
L606 Pulmonary Inhalation Drug Delivery Combination	Pulmonary Arterial Hypertension (PAH)	In January 2019, the investigational new drug (IND) application was approved by the U.S. Food and Drug Administration (FDA). In September of the same year, the Phase I clinical trial was completed in the United States. In 2021, L606 officially initiated Phase III clinical trial in the

Product Name	Indications	Development Results
		U.S. In March 2023, protocol amendment was submitted to expand the patient enrollment criteria. Initially, the study focused only on PAH patients using Tyvaso [®] , but it was expanded to include PAH and PH-ILD patients using Tyvaso [®] and Tyvaso DPI [®] , as well as PAH patients with no prior treatment experience with prostacyclin-class drugs, to assess safety. After the licensing partner takes over, the progress of the Phase III clinical trial for L606 in the U.S. is expected to accelerate.
	Pulmonary Hypertension Due to Interstitial Lung Disease (PH-ILD)	A validation animal study has been completed. In December 2021, a Pre-IND meeting was conducted with the U.S. FDA to plan the clinical development strategy, and the consultation process was completed. After the licensing partner takes over, the consultation with European regulatory authorities and the clinical trial design have been completed.
	Licensing Results	
	<ul style="list-style-type: none"> ✓ In 2023 and 2024, the L606 drug-device combination was gradually licensed to Liquidia for new drug development and commercialization in major global markets, including North America, Europe, and Japan, for the treatment of PAH and PH-ILD. Liquidia is responsible for all future clinical development and marketing expenses related to the product. ✓ In 2024, the commercialization rights for the L606 drug-device combination in the Middle East, North Africa, and Turkey were licensed to Menagen. ✓ Following the licensing of the L606 drug-device combination, the company remains responsible for supplying the drug and the proprietary L606 nebulizer to its licensing partners from the clinical development phase through commercial launch. 	
L608 Pulmonary Inhalation Drug Delivery Combination	Pulmonary Arterial Hypertension (PAH)	The production of clinical trial drugs has been completed. In August 2023, the Australian Human Research Ethics Committee (HREC) approved the Phase I clinical trial, which was also registered with the Australian Therapeutic Goods Administration (TGA). The Phase I clinical trial was completed in Australia in October 2024.
	Raynaud's Phenomenon and Digital Ulcers Associated with Systemic Sclerosis (SSc-RP/DU)	In December 2023, the U.S. FDA granted orphan drug designation for the treatment of systemic sclerosis (SSc). The Phase I clinical trial in Australia in 2024 confirmed the sustained-release effect in humans. Based on these proof-of-concept study results, discussions were held with the U.S. FDA in 2024 regarding the subsequent clinical development strategy for the treatment of SSc-RP/DU.

(IV) Budget Execution

The company did not publicly disclose financial forecasts for 2024 but set internal management targets. The overall budget execution remained within the company's internally set targets.

II. 2025 Business Plan Overview

The business plan will focus on four key areas: product licensing, product development, the filling plant/analytical laboratory, and employee retention planning.

(I) Product Licensing Plan

1. L606

L606 has successfully completed licensing agreements in major global markets in 2023 and 2024. Specifically, the rights for North America, Europe, and Japan have been licensed to Liquidia, while the Middle East, North Africa, and Turkey have been licensed to Menagen. The next phase of licensing for L606 will focus on remained key markets, including China, South Korea, and Southeast Asia. The company is actively partnering action for these regions.

2. L608

L608 successfully completed a Phase I clinical trial in Australia in 2024. The results demonstrated both safety and pharmacokinetics in line with the expected proof-of-concept in humans. As a result, in 2025, the company will initiate its commercial expansion efforts, seeking potential partners and licensing opportunities in North America, Europe, or the Asia-Pacific region (including Taiwan).

(II) Product Development Plan

1. L606

Following the collaboration between L606 and Liquidia, Pharmosa Biopharm will focus on the following development plans in 2025:

(1) Supporting Liquidia's clinical trial drug supply for regulatory submissions in major global markets.

Liquidia is currently conducting a Phase III clinical trial for PAH and planning another clinical trial for PH-ILD. In response, Pharmosa Biopharm has scheduled the production of clinical trial drugs and nebulizers accordingly. Simultaneously, the company is working on establishing a stable supply chain for both the drug and nebulizer to meet future commercialization requirements across various global regions.

(2) Providing proprietary nebulizer to Liquidia for clinical research.

Pharmosa Biopharm is conducting regulatory studies for FDA/EMA medical device approval of the nebulizer, ensuring compliance with future global drug and medical device registration requirements for L606.

(3) Assisting Liquidia in establishing a second production line outside of Taiwan.

Under the licensing agreement with Liquidia, Pharmosa Biopharm is responsible for supporting the establishment of a second production line outside of Taiwan. Therefore, Pharmosa Biopharm will assist in this setup according to Liquidia's project plans and timelines.

2. L608

(1) Planning and Execution of Clinical Trials

The Phase I clinical trial completed in Australia has confirmed the sustained-release effect of L608 in humans. Based on these proof-of-concept study results, discussions have been held with the U.S. FDA to outline the next steps in clinical development for the treatment of SSc-RP/DU. In 2025, the company will proceed with finalizing the clinical trial design details with the U.S. FDA, submitting an IND application, and advancing to Phase II clinical development. Simultaneously, Pharmosa Biopharm will engage with European regulatory authorities to discuss the clinical development and regulatory strategies for L608 across various indications.

(2) Planning and Execution of Preclinical studies for Different Requirements

Based on the requirements of regulatory authorities in target markets, the company is planning inhalation toxicology studies to meet long-term animal safety data requirements for various indications.

3. Research on the Proprietary Nebulizer

In collaboration with medical device partners, Pharmosa Biopharm is conducting FDA/EMA regulatory enabling studies for nebulizer medical device approval to support global drug and medical device registration for L606 in major markets. Additionally, the company is developing a nebulizer supply chain and establishing a qualified production line to support future clinical trials and commercialization.

(III) Construction of the Filling Facility

Pharmosa Biopharm has licensed its L606 new drug to Liquidia and Menagen and is responsible for the production of clinical trial drugs and future commercial-scale manufacturing. Currently, the filling and packaging of the drug is outsourced to foreign manufacturers. However, considering the future demand for clinical trials and large-scale commercial production, the company is gradually establishing its own filling facility to ensure sufficient production capacity for future drug supply. In Q4 2023, the conceptual

and basic design of the facility has been completed. In 2024, the detailed design has been finalized, and engineering contracts have been awarded, followed by construction. The expected construction period, including facility validation, is 12 to 15 months.

(IV) Employee Retention Plan

The final batch of employee stock options previously issued by Pharmosa Biopharm for employee retention will be fully vested in 2025. To continue its talent retention strategy, the company plans to issue new employee stock options to maintain and incentivize key personnel.

III. Future Corporate Development Strategy

Pharmosa Biopharm is a research-driven biotech company focused on developing sustained-release drug formulations and combination medical device products for home-based treatment. The company's future development plans are outlined as follows:

(I) Short-Term Development Strategies and Plans

1. Complete the licensing of the L606 combination drug in key target markets, including China, South Korea, and Southeast Asia.
2. Collaborate with partners to complete the Phase III clinical trial in the U.S. for the treatment of WHO Group 1 Pulmonary Arterial Hypertension (PAH), as well as a global, multi-center Phase III clinical trial for WHO Group 3 Pulmonary Hypertension associated with Interstitial Lung Disease (PH-ILD).
3. Work with partners to complete global regulatory submissions and commercialization of the L606 combination drug.
4. Complete the Phase II clinical trial for L608 in the treatment of Raynaud's Phenomenon and Digital Ulcers associated with Systemic Sclerosis (SSc-RP/DU) and engage with regulatory agencies to plan subsequent clinical development.
5. Advance the commercial expansion of L608 through regional partnerships and licensing agreements.

(II) Long-Term Development Strategies and Plans

1. Pharmosa Biopharm aims to license new drugs to international pharmaceutical companies, generating royalty revenues to ensure a stable income stream. At the same time, the company is establishing stable drug supply production lines for licensed products, reducing operational costs and risks while gradually expanding its business scale.
2. The company will continue to expand new indications and global markets for L606 and L608, collaborating with licensing partners to accelerate clinical trials in humans.

Potential new indications include Pulmonary Hypertension associated with Chronic Obstructive Pulmonary Disease (PH-COPD), Chronic Thromboembolic Pulmonary Hypertension (CTEPH), and Pulmonary Fibrosis.

3. Pharmosa Biopharm remains focused on developing new drug-device combination products, extending beyond respiratory therapies like L606 and L608 to injectable drug-device combination systems for peripheral vascular diseases, while continuing to explore innovative medical devices for new drug-device applications.
4. Building on its existing Drug-Device Delivery System, the company plans to develop new combination formulations to address unmet medical needs and expand into new indications to improve patient outcomes.
5. By forming strategic partnerships with globally renowned pharmaceutical companies, Pharmosa Biopharm leverages its strong R&D capabilities and manufacturing expertise. Through collaboration in clinical, regulatory, and commercial aspects, the company aims to efficiently manage drug development costs and shorten the time to market.

IV. Navigating External Competitive, Regulatory, and Business Environments

New drug development is a complex, time-consuming, and capital-intensive process, requiring substantial resources for support. Shortening development timelines and accelerating commercialization is a key competitive advantage. Pharmosa Biopharm's drug development model utilizes its proprietary drug-device technology platform, efficiently applying it to various drug-device combination products. By first conducting proof-of-concept clinical trials, the company works closely with regulatory agencies to negotiate reasonable clinical and regulatory pathways. This approach helps reduce the extensive time and costs associated with new drug development, minimizes development risks, and maximizes the value of R&D achievements.

Pharmosa Biopharm commits to addressing unmet medical needs by developing innovative drug-device combinations tailored to patient and healthcare provider requirements. By prioritizing convenience for home use, the company seeks to expand market potential and improve both medical outcomes and quality of life for patients. We remain dedicated to continued growth and expansion in 2025. We sincerely thank all shareholders for their confidence in Pharmosa Biopharm. On behalf of the entire management team, we express our deepest gratitude for your steadfast support over the years.

Wishing all shareholders

good health and success in all endeavors!

Chairman : Chien-Chih Wang

CEO : Pei Kan

Head of Accounting : Shu-Ping Yang

Pharmosa Biopharm Inc. Audit Committee's Review Report

The Board of Directors has prepared the Company's Business Report, Financial Statements, and Deficit Compensation Statement for the year 2024. The CPAs Shu-Fen Yu and Yu-Fang Yen of PricewaterhouseCoopers Taiwan were retained to audit Pharmosa's Financial Statements and has issued an audit report relating to the Financial Statement.

The Business Report, Financial Statements, and Deficit Compensation Statement have been reviewed and determined to be correct and accurate by the Audit Committee members of Pharmosa Biopharm Inc. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To

The Shareholders' Meeting of Pharmosa Biopharm Inc.

(2025 Annual Shareholder's Meeting)

The convener of Audit Committee : Peter Wu

February 26, 2025

Pharmosa Biopharm Inc.

2024 Implementation Report for the Sound Business Plan

Unit : NT\$ Thousand

Item	2024			
	Forecast	Actual	Difference Amount	Difference Ratio (%)
Operating Revenue	218,761	167,568	(51,193)	(23.40%)
Operating Costs	(53,096)	(40,665)	(12,431)	(23.41%)
Operating Gross Profit	165,665	126,903	(38,762)	(23.40%)
Operating Expenses	(472,587)	(345,470)	(127,117)	(26.90%)
Operating Loss	(306,922)	(218,567)	(88,355)	(28.79%)
Net Non-Operating Income	17,123	51,914	34,791	203.18%
Net Loss Before Tax	(289,799)	(166,653)	(123,146)	(42.49%)
Net Loss for the Period	(289,799)	(166,653)	(123,146)	(42.49%)

Analysis of Variances :

1. Operating Revenue, Operating Costs, and Operating Gross Profit

- (1) For the sales of R&D drugs, the main sales and production in 2024 were for L606, which was sold to Liquidia. The operating revenue and operating costs amounted to NT\$54,863 thousand and NT\$40,600 thousand, respectively ; These amounts were slightly below the forecasted NT\$63,461 thousand and NT\$52,884 thousand, mainly because certain batches of the L606 R&D drugs were still under production and had not yet been sold.
- (2) Regarding milestone payments, in 2024, the L606 combination drug was gradually licensed for the MENAT region to Menagen and for Europe, Japan, and other regions to Liquidia. Since the MENAT region is under a distribution license, the upfront received must be deferred under IFRS 15 revenue recognition standards and recognized proportionally based on L606 sales in the region. As a result, the operating revenue for 2024 was NT\$112,630 thousand (USD 3.5 million) from upfront for licensing in Europe and other regions, slightly below the forecasted NT\$155,000 thousand (USD 5 million).

In summary, the Company's gross profit for 2024 was NT\$126,903 thousand, representing a decrease of NT\$38,762 thousand or 23.40% compared to the projected NT\$165,665 thousand. The variance was primarily due to lower-than-expected licensing income from L606 in Europe and other regions, as well as the fact that some R&D drugs batches were still in production and had not yet been sold.

2. Operating Expenses

In 2024, the company's operating expenses totaled NT\$345,470 thousand, with research and

development expenses accounting for NT\$294,785 thousand, making up the majority. Selling and administrative expenses amounted to NT\$50,685 thousand. The main operating expenses included the development of a next-generation proprietary nebulizer for the L606 combination drug, with related outsourced development costs. For L608, in addition to completing a Phase I clinical trial in Australia, another Phase I clinical trial in New Zealand was initiated, leading to investments in clinical drug manufacturing and clinical trials. On the operational front, to accommodate the expansion of the company's operations and the establishment of a drug filling facility, the company increased its R&D and management personnel, resulting in corresponding operational expenses.

As a summary, the Company's total operating expenses in 2024 were NT\$345,470 thousand decreased by NT\$127,117 thousand or 26.90% compared to the forecasted NT\$472,587 thousand. The variance was mainly due to the deferral of the originally scheduled animal toxicology studies for L608 to 2025, which delayed related expenditures.

3. Net Non-Operating Income

In 2024, the company's net non-operating income totaled NT\$51,914 thousand, primarily consisting of interest income of NT\$32,074 thousand and foreign exchange gains of NT\$19,312 thousand. The interest income was generated due to the completion of the pre-listing cash capital increase in March 2024 and the inflow of USD foreign currency from operations. The increase in cash levels contributed to higher interest income. Additionally, foreign exchange gains were recorded due to fluctuations in exchange rates during the year. In summary, the Company's net non-operating income for 2024 was NT\$51,914 thousand, representing an increase of NT\$34,791 thousand or 203.18% compared to the forecasted NT\$17,123 thousand.

4. Net Loss Profit for the Period

The company's net loss before tax and net loss for the period in 2024 amounted to NT\$166,653 thousand. This was primarily due to the gradual completion of regional licensing for the L606 combination drug, which led to the recognition of licensing upfront and revenue from the sale of L606 for R&D purposes. However, ongoing R&D expenses for L608 and L606, both of which remain in the clinical development phase, along with increased operating expenses due to business expansion, contributed to the overall operating loss. Although interest income and other revenue sources provided some financial support, the company still incurred an operational loss. In summary, the Company's net loss for 2024 was NT\$166,653 thousand, representing a reduction of NT\$123,146 thousand or 42.49% compared to the forecasted NT\$289,799 thousand. The variance was primarily due to the slightly lower-than-expected licensing income from L606 and the deferral of the L608 animal toxicology studies to 2025.

Response Measures :

The Company will strengthen budget control to meet expected targets and continue advancing new drug development projects to achieve substantial value growth.

Pharmosa Biopharm Inc.
2024 Director's Compensation

【Attachments 4】

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F +G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base Compensation (A)		Retirement pay and pension (B)		Director profit- sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company		All consolidated entities		The company	All consolidated entities	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman	Fengsi Investment Co., Ltd.	180	180	-	-	-	-	-	-	180 (0.11)	180 (0.11)	-	-	-	-	-	-	-	-	180 (0.11)	180 (0.11)	-
	Representative : Chien-Chih Wang	3,006	3,006	-	-	-	-	52	52	3,058 (1.83)	3,058 (1.83)	-	-	-	-	-	-	-	-	3,058 (1.83)	3,058 (1.83)	-
Vice- Chairman (Note 2)	Fukeshen Investment Co., Ltd.	180	180	-	-	-	-	-	-	180 (0.11)	180 (0.11)	-	-	-	-	-	-	-	-	180 (0.11)	180 (0.11)	-
	Representative : Lin-Chiuan Yan	1,503	1,503	-	-	-	-	39	39	1,542 (0.93)	1,542 (0.93)	-	-	-	-	-	-	-	-	1,542 (0.93)	1,542 (0.93)	-
Director (Note 1)	Fukeshen Investment Co., Ltd .Representative : Wen-hsu Yen	-	-	-	-	-	-	13	13	13 (0.01)	13 (0.01)	-	-	-	-	-	-	-	-	13 (0.01)	13 (0.01)	-
Director (Note 1)	Fengsi Investment Co., Ltd. Representative : Simon Jian	-	-	-	-	-	-	13	13	13 (0.01)	13 (0.01)	-	-	-	-	-	-	-	-	13 (0.01)	13 (0.01)	-
Director	Pei Kan	360	360	-	-	-	-	52	52	412 (0.25)	412 (0.25)	5,516	5,516	108	108	-	-	-	-	6,023 (3.61)	6,023 (3.62)	
Director	Gschliesser Siegfried	360	360	-	-	-	-	52	52	412 (0.25)	412 (0.25)	-	-	-	-	-	-	-	-	412 (0.25)	412 (0.25)	-
Director (Note 1)	CDIB Capital Healthcare Ventures II Limited Partnership	180	180	-	-	-	-	-	-	180 (0.11)	180 (0.11)	-	-	-	-	-	-	-	-	180 (0.11)	180 (0.11)	-
	Representative : Leo Kung	-	-	-	-	-	-	13	13	13 (0.01)	13 (0.01)	-	-	-	-	-	-	-	-	13 (0.01)	13 (0.01)	-

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F +G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base Compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company		All consolidated entities		The company	All consolidated entities	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Independent Director	Yen-Ling Fang	570	570	-	-	-	-	52	52	622 (0.37)	622 (0.37)	-	-	-	-	-	-	-	-	622 (0.37)	622 (0.37)	-
Independent Director	Wen-Chang Chang	570	570	-	-	-	-	52	52	622 (0.37)	622 (0.37)	-	-	-	-	-	-	-	-	622 (0.37)	622 (0.37)	-
Independent Director	Peter Wu	570	570	-	-	-	-	52	52	622 (0.37)	622 (0.37)	-	-	-	-	-	-	-	-	622 (0.37)	622 (0.37)	-

Note 1: Stepped down following the comprehensive re-election of directors at the shareholders' meeting on June 26, 2024.

Note 2: Assumed office following the comprehensive re-election of directors at the shareholders' meeting on June 26, 2024.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of PHARMOSA BIOPHARM INC.

Opinion

We have audited the accompanying consolidated balance sheets of PHARMOSA BIOPHARM INC. and subsidiaries (the “Group”) as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Accuracy of recognition of revenue from licensing intellectual property

Description

The Group is mainly engaged in technology out-licensing. The licensing revenue amounted to NT\$112,630 thousand, constituting 67% of total operating revenue for the year ended December 31, 2024. Refer to Note 4(25) for accounting policy on licensing revenue recognition, and Note 6(16) for details of operating revenue. The Company recognizes revenue in accordance with the terms and conditions specified in each license contract. As the amount of revenue is material, we considered the accuracy of licensing revenue recognition a key audit matter.

How our audit addressed the matter

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

1. Obtained management's policy on licensing revenue and confirmed whether the recognition of licensing revenue has complied with the internal control procedure.
2. Checked the contents of license contract and confirmed whether management's judgment on revenue recognition is in accordance with the terms of the contract and related accounting standards.
3. Confirmed whether the recognition of revenue has proper supporting documents.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of PHARMOSA BIOPHARM INC as at and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Yu, Shu-Fen

Yen, Yu-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

February 26, 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.

PHARMOSA BIOPHARM INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 749,443	35	\$ 974,059	73
1136	Current financial assets at amortized cost	6(2)	869,000	40	-	-
1170	Accounts receivable, net	6(3)	4,654	-	-	-
1200	Other receivables		2,778	-	1,472	-
1220	Current tax assets		3,907	-	-	-
130X	Inventories	6(4)	24,741	1	21,909	2
1410	Prepayments		27,224	2	12,666	1
11XX	Current assets		1,681,747	78	1,010,106	76
Non-current assets						
1550	Investments accounted for using equity method	6(5)	73,259	4	71,223	5
1600	Property, plant and equipment	6(6)	201,849	9	45,916	4
1755	Right-of-use assets	6(7)	113,208	5	134,692	10
1780	Intangible assets		657	-	91	-
1900	Other non-current assets	6(8) and 8	92,882	4	71,615	5
15XX	Non-current assets		481,855	22	323,537	24
1XXX	Total assets		\$ 2,163,602	100	\$ 1,333,643	100
Liabilities and Equity						
Current liabilities						
2130	Current contract liabilities	6(16)	\$ 6,893	-	\$ -	-
2170	Accounts payable		677	-	585	-
2200	Other payables	6(9)	90,388	4	50,128	4
2280	Current lease liabilities		17,983	1	24,692	2
2320	Long-term liabilities, current portion	6(10) and 7	-	-	1,262	-
2399	Other current liabilities, others		190	-	908	-
21XX	Current liabilities		116,131	5	77,575	6
Non-current liabilities						
2527	Non-current contract liabilities	6(16)	4,820	-	-	-
2540	Long-term borrowings	6(10) and 7	-	-	1,186	-
2550	Non-current provisions		5,097	-	-	-
2580	Non-current lease liabilities		99,616	5	117,229	9
25XX	Non-current liabilities		109,533	5	118,415	9
2XXX	Total Liabilities		225,664	10	195,990	15
Equity						
Share capital						
3110	Ordinary share	6(13)	645,432	30	586,020	44
Capital surplus						
3200	Capital surplus	6(14)	1,438,858	67	531,343	40
Retained earnings						
3310	Legal reserve	6(15)	12,674	-	11,828	1
3350	Unappropriated retained earnings (accumulated deficit)		(159,043)	(7)	8,456	-
Other equity interest						
3400	Other equity interest		17	-	6	-
3XXX	Total Equity		1,937,938	90	1,137,653	85
Significant contingent liabilities and unrecognized contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		\$ 2,163,602	100	\$ 1,333,643	100

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

PHARMOSA BIOPHARM INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except for earning (loss) per share amount)

			Year ended December 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(16)		\$ 167,568	100	\$ 314,500	100
5000 Operating costs	6(4)(21)		(40,665)	(24)	-	-
5900 Gross profit			<u>126,903</u>	<u>76</u>	<u>314,500</u>	<u>100</u>
Operating expenses	6(4)(12)(21)					
6100 Selling expenses		(403)	-	-	-	-
6200 Administrative expenses		(50,282)	(30)	(40,353)	(13)	
6300 Research and development expenses		(294,785)	(176)	(276,971)	(88)	
6000 Operating expenses		(345,470)	(206)	(317,324)	(101)	
6900 Net operating loss		(218,567)	(130)	(2,824)	(1)	
Non-operating income and expenses						
7100 Interest income	6(2)(17)	32,074	19	9,525	3	
7010 Other income	6(18)	1,161	1	5,788	2	
7020 Other gains and losses	6(19)	19,151	11	(6,680)	(2)	
7050 Finance costs	6(7)(10)(20)	(2,419)	(1)	(2,857)	(1)	
7060 Share of profit of associates and joint ventures accounted for using equity method	6(5)	<u>1,947</u>	<u>1</u>	<u>5,504</u>	<u>2</u>	
7000 Non-operating income and expenses		<u>51,914</u>	<u>31</u>	<u>11,280</u>	<u>4</u>	
7900 (Loss) Profit before Income Tax		(166,653)	(99)	8,456	3	
7950 Income tax expense	6(22)	-	-	-	-	
8200 Net (loss) income		<u>(\$ 166,653)</u>	<u>(99)</u>	<u>\$ 8,456</u>	<u>3</u>	
Other comprehensive income						
Components of other comprehensive income that will be reclassified to profit or loss						
8361 Exchange differences on translation of foreign operations		\$ 11	-	\$ 1	-	
8360 Components of other comprehensive income that will be reclassified to profit or loss		<u>11</u>	<u>-</u>	<u>1</u>	<u>-</u>	
8300 Other comprehensive income, net of tax		<u>\$ 11</u>	<u>-</u>	<u>\$ 1</u>	<u>-</u>	
8500 Total comprehensive income		<u>(\$ 166,642)</u>	<u>(99)</u>	<u>\$ 8,457</u>	<u>3</u>	
Loss attributable to:						
8610 owners of parent		<u>(\$ 166,653)</u>	<u>(99)</u>	<u>\$ 8,456</u>	<u>3</u>	
Comprehensive loss attributable to:						
8710 owners of parent		<u>(\$ 166,642)</u>	<u>(99)</u>	<u>\$ 8,457</u>	<u>3</u>	
(Loss) earnings per share	6(23)					
9750 Basic (loss) earnings per share		(\$ 1.32)		\$ 0.07		
9850 Diluted (loss) earnings per share		(\$ 1.32)		\$ 0.07		

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

PHARMOSA BIOPHARM INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent							
		Capital Surplus				Retained Earnings		Other Equity	
		Ordinary share	Additional paid-in capital	Changes in equity of associates and joint ventures accounted for using equity method	Employee share options	Others	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements
									Total equity
Year ended December 31, 2023									
Balance at January 1, 2023		\$ 554,669	\$ 1,165,740	\$ 13,655	\$ 1,250	(\$ 758)	\$ 11,828	(\$ 985,272)	\$ 5
Profit for the year		-	-	-	-	-	-	8,456	-
Other comprehensive income		-	-	-	-	-	-	-	1
Total comprehensive income		-	-	-	-	-	-	8,456	1
Capital surplus used to offset accumulated deficits	6(15)	-	(985,272)	-	-	-	-	985,272	-
Issue of shares	6(13)	30,000	330,000	-	-	-	-	-	-
Exercise of employee stock options	6(12)	1,351	4,310	-	(1,204)	-	-	-	-
Compensation costs of employee stock options	6(12)	-	-	-	868	-	-	-	-
Employee stock options forfeited		-	-	-	(623)	623	-	-	-
Transfers of employee stock ownership trust	6(14)	-	2,727	-	-	-	-	-	-
Associates accounted for using equity method - employee stock options	6(5)	-	-	27	-	-	-	-	-
Balance at December 31, 2023		\$ 586,020	\$ 517,505	\$ 13,682	\$ 291	(\$ 135)	\$ 11,828	\$ 8,456	\$ 6
Year ended December 31, 2024									
Balance at January 1, 2024		\$ 586,020	\$ 517,505	\$ 13,682	\$ 291	(\$ 135)	\$ 11,828	\$ 8,456	\$ 6
Loss for the year		-	-	-	-	-	-	(166,653)	-
Other comprehensive income		-	-	-	-	-	-	-	11
Total comprehensive income		-	-	-	-	-	-	(166,653)	11
Appropriations of 2023 earnings:	6(15)	-	-	-	-	-	846	(846)	-
Legal reserve		-	-	-	-	-	-	-	-
Issue of shares	6(13)	59,000	906,441	-	(3,538)	-	-	-	-
Exercise of employee stock options	6(12)	412	1,091	-	(143)	-	-	-	-
Compensation costs of share-based payments	6(12)	-	-	-	3,575	-	-	-	-
Associates accounted for using equity method - employee stock options	6(5)	-	-	89	-	-	-	-	-
Balance at December 31, 2024		\$ 645,432	\$ 1,425,037	\$ 13,771	\$ 185	(\$ 135)	\$ 12,674	(\$ 159,043)	\$ 17

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

PHARMOSA BIOPHARM INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
(Loss) profit before tax		(\$ 166,653)	\$ 8,456
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(6)(7)(21)	25,673	23,255
Amortization expense	6(21)	132	66
Share-based payments	6(12)(21)	3,575	868
Interest expense		2,419	2,857
Interest income	6(17)	(32,074)	(9,525)
Loss on disposal of property, plant, and equipment	6(19)	342	-
Gains arising from lease modifications	6(7)(19)	(181)	-
Share of profit of associates accounted for using equity method	6(5)	(1,947)	(5,504)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		(4,654)	-
Other receivables		1,288	(1,183)
Inventories		(2,832)	(21,909)
Prepayments		(15,528)	4,962
Changes in operating liabilities			
Contract liabilities		11,713	-
Accounts payable		92	585
Other payables		30,081	21,663
Other current liabilities		(718)	188
Cash (outflow) inflow generated from operations		(149,272)	24,779
Interest received		29,480	9,525
Interest paid		(4,435)	(2,857)
Income tax paid		(2,937)	-
Net cash flows (used in) from operating activities		(127,164)	31,447
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortized cost		(869,000)	-
Acquisition of property, plant and equipment	6(24)	(165,268)	(81,460)
Acquisition of intangible asset		(698)	(6)
Increase in guarantee deposits paid		(4,539)	(12,375)
(Increase) decrease in other non-current assets		(65)	10,974
Net cash flows used in investing activities		(1,039,570)	(82,867)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayments of long-term borrowings	6(25)	(2,448)	(3,522)
Repayments of lease principal	6(7)(25)	(18,708)	(10,696)
Proceeds from issuing shares	6(13)	961,903	360,000
Employee stock options exercised	6(12)	1,360	4,457
Transfers of employee stock ownership trust	6(14)	-	2,727
Net cash flows from financing activities		942,107	352,966
Effects due to change in exchange rate		11	1
Net (decrease) increase in cash and cash equivalents		(224,616)	301,547
Cash and cash equivalents at beginning of year		974,059	672,512
Cash and cash equivalents at end of year		\$ 749,443	\$ 974,059

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of PHARMOSA BIOPHARM INC.

Opinion

We have audited the accompanying parent company only balance sheets of PHARMOSA BIOPHARM INC. as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of PHARMOSA BIOPHARM INC. as at December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants” and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the parent company only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

Accuracy of recognition of revenue from licensing intellectual property

Description

The Company is mainly engaged in technology out-licensing. The licensing revenue amounted to NT\$112,630 thousand, constituting 67% of total operating revenue for the year ended December 31, 2024. Refer to Note 4(24) for accounting policy on licensing revenue recognition, and Note 6(16) for details of operating revenue. The Company recognizes revenue in accordance with the terms and conditions specified in each license contract. As the amount of revenue is material, we considered the accuracy of licensing revenue recognition a key audit matter.

How our audit addressed the matter

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

1. Obtained management's policy on licensing revenue and confirmed whether the recognition of licensing revenue has complied with the internal control procedure.
2. Checked the contents of license contract and confirmed whether management's judgment on revenue recognition is in accordance with the terms of the contract and related accounting standards.
3. Confirmed whether the recognition of revenue has proper supporting documents.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing PHARMOSA BIOPHARM INC. ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate PHARMOSA BIOPHARM INC. or to cease operations, or has no realistic alternative but to do so. Those charged with governance, including audit committee, are responsible for overseeing PHARMOSA BIOPHARM INC. financial reporting process.

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

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

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

4. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
5. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PHARMOSA BIOPHARM INC. internal control.
6. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
7. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on PHARMOSA BIOPHARM INC. ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
8. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within PHARMOSA BIOPHARM INC. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Yu, Shu-Fen

Yen, Yu-Fang

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 26, 2025

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers 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.

PHARMOSA BIOPHARM INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	749,300	35	\$	974,042	73
1136	Current financial assets at amortized cost	6(2)		869,000	40		-	-
1170	Accounts receivable, net	6(3)		4,654	-		-	-
1200	Other receivables			2,778	-		1,472	-
1220	Current tax assets			3,907	-		-	-
130X	Inventories	6(4)		24,741	1		21,909	2
1410	Prepayments			27,138	2		12,640	1
11XX	Current assets			1,681,518	78		1,010,063	76
Non-current assets								
1550	Investments accounted for using equity method	6(5) and 7		73,488	4		71,266	5
1600	Property, plant and equipment	6(6)		201,849	9		45,916	4
1755	Right-of-use assets	6(7)		113,208	5		134,692	10
1780	Intangible assets			657	-		91	-
1900	Other non-current assets	6(8) and 8		92,882	4		71,615	5
15XX	Non-current assets			482,084	22		323,580	24
1XXX	Total assets		\$	2,163,602	100	\$	1,333,643	100
Liabilities and Equity								
Current liabilities								
2130	Current contract liabilities	6(16)	\$	6,893	-	\$	-	-
2170	Accounts payable			677	-		585	-
2200	Other payables	6(9)		90,388	4		50,128	4
2280	Current lease liabilities			17,983	1		24,692	2
2320	Long-term liabilities, current portion	6(10) and 7		-	-		1,262	-
2399	Other current liabilities, others			190	-		908	-
21XX	Current liabilities			116,131	5		77,575	6
Non-current liabilities								
2527	Non-current contract liabilities	6(16)		4,820	-		-	-
2540	Long-term borrowings	6(10) and 7		-	-		1,186	-
2550	Non-current provisions			5,097	-		-	-
2580	Non-current lease liabilities			99,616	5		117,229	9
25XX	Non-current liabilities			109,533	5		118,415	9
2XXX	Total Liabilities			225,664	10		195,990	15
Equity								
	Share capital	6(13)						
3110	Ordinary share			645,432	30		586,020	44
	Capital surplus	6(14)						
3200	Capital surplus			1,438,858	67		531,343	40
	Retained earnings	6(15)						
3310	Legal reserve			12,674	-		11,828	1
3350	Unappropriated retained earnings (accumulated deficit)		(159,043)	(7)		8,456	-
	Other equity interest							
3400	Other equity interest			17	-		6	-
3XXX	Total Equity			1,937,938	90		1,137,653	85
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		\$	2,163,602	100	\$	1,333,643	100

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

PHARMOSA BIOPHARM INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except for earning (loss) per share amount)

			Year ended December 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(16)		\$ 167,568	100	\$ 314,500	100
5000 Operating costs	6(4)(21)		(40,665)	(24)	-	-
5900 Gross profit			<u>126,903</u>	<u>76</u>	<u>314,500</u>	<u>100</u>
Operating expenses	6(11)(12)(21)					
6100 Selling expenses		(403)	-	-	-	-
6200 Administrative expenses		(50,203)	(30)	(40,277)	(13)	
6300 Research and development expenses		(294,785)	(176)	(276,971)	(88)	
6000 Operating expenses		(345,391)	(206)	(317,248)	(101)	
6900 Net operating loss		(218,488)	(130)	(2,748)	(1)	
Non-operating income and expenses						
7100 Interest income	6(2)(17)	32,073	19	9,525	3	
7010 Other income	6(18)	1,161	1	5,788	2	
7020 Other gains and losses	6(19)	19,151	11	(6,680)	(2)	
7050 Finance costs	6(7)(10)(20)	(2,419)	(1)	(2,857)	(1)	
7070 Share of profit of associates and joint ventures accounted for using equity method	6(5)	<u>1,869</u>	<u>1</u>	<u>5,428</u>	<u>2</u>	
7000 Non-operating income and expenses		<u>51,835</u>	<u>31</u>	<u>11,204</u>	<u>4</u>	
7900 (Loss) Profit before Income Tax		(166,653)	(99)	8,456	3	
7950 Tax expense	6(22)	-	-	-	-	
8200 Net (loss) income		<u>(\$ 166,653)</u>	<u>(99)</u>	<u>\$ 8,456</u>	<u>3</u>	
Components of other comprehensive income that will be reclassified to profit						
8361 Exchange differences on translation of foreign operations	6(5)	\$ <u>11</u>	-	\$ <u>1</u>	-	
8360 Components of other comprehensive income that will be reclassified to profit		<u>11</u>	-	<u>1</u>	-	
8300 Other comprehensive income, net of tax		<u>\$ 11</u>	-	<u>\$ 1</u>	-	
8500 Total comprehensive income(loss)		<u>(\$ 166,642)</u>	<u>(99)</u>	<u>\$ 8,457</u>	<u>3</u>	
(Loss) earnings per share	6(23)					
9750 Basic (loss) earnings per share		<u>(\$ 1.32)</u>		<u>\$ 0.07</u>		
9850 Diluted (loss) earnings per share		<u>(\$ 1.32)</u>		<u>\$ 0.07</u>		

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

PHARMOSA BIOPHARM INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

			Capital Surplus				Retained Earnings		Other Equity	
	Notes	Ordinary share	Additional paid-in capital	Changes in equity of associates and joint ventures accounted for using equity method	Employee share options	Others	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Total equity
<u>Year ended December 31, 2023</u>										
Balance at January 1, 2023		\$ 554,669	\$ 1,165,740	\$ 13,655	\$ 1,250	(\$ 758)	\$ 11,828	(\$ 985,272)	\$ 5	\$ 761,117
Profit for the year		-	-	-	-	-	-	8,456	-	8,456
Other comprehensive income		-	-	-	-	-	-	-	1	1
Total comprehensive income		-	-	-	-	-	-	8,456	1	8,457
Capital surplus used to offset accumulated deficits	6(15)	-	(985,272)	-	-	-	-	985,272	-	-
Issue of shares	6(13)	30,000	330,000	-	-	-	-	-	-	360,000
Exercise of employee stock options	6(12)	1,351	4,310	-	(1,204)	-	-	-	-	4,457
Compensation costs of employee stock options	6(12)	-	-	-	868	-	-	-	-	868
Employee stock options forfeited		-	-	-	(623)	623	-	-	-	-
Transfers of employee stock ownership trust	6(14)	-	2,727	-	-	-	-	-	-	2,727
Associates accounted for using equity method - employee stock options	6(5)	-	-	27	-	-	-	-	-	27
Balance at December 31, 2023		<u>\$ 586,020</u>	<u>\$ 517,505</u>	<u>\$ 13,682</u>	<u>\$ 291</u>	<u>(\$ 135)</u>	<u>\$ 11,828</u>	<u>\$ 8,456</u>	<u>\$ 6</u>	<u>\$ 1,137,653</u>
<u>Year ended December 31, 2024</u>										
Balance at January 1, 2024		\$ 586,020	\$ 517,505	\$ 13,682	\$ 291	(\$ 135)	\$ 11,828	\$ 8,456	\$ 6	\$ 1,137,653
Loss for the year		-	-	-	-	-	-	(166,653)	-	(166,653)
Other comprehensive income		-	-	-	-	-	-	-	11	11
Total comprehensive income		-	-	-	-	-	-	(166,653)	11	(166,642)
Appropriations of 2023 earnings:	6(15)									
Legal reserve		-	-	-	-	-	846	(846)	-	-
Issue of shares	6(13)	59,000	906,441	-	(3,538)	-	-	-	-	961,903
Exercise of employee stock options	6(12)	412	1,091	-	(143)	-	-	-	-	1,360
Compensation costs of share-based payments	6(12)	-	-	-	3,575	-	-	-	-	3,575
Associates accounted for using equity method - employee stock options	6(5)	-	-	89	-	-	-	-	-	89
Balance at December 31, 2024		<u>\$ 645,432</u>	<u>\$ 1,425,037</u>	<u>\$ 13,771</u>	<u>\$ 185</u>	<u>(\$ 135)</u>	<u>\$ 12,674</u>	<u>(\$ 159,043)</u>	<u>\$ 17</u>	<u>\$ 1,937,938</u>

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

PHARMOSA BIOPHARM INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
(Loss) profit before tax		(\$ 166,653)	\$ 8,456
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(6)(7)(21)	25,673	23,255
Amortization expense	6(21)	132	66
Share-based payments	6(12)(21)	3,575	868
Interest expense	6(20)	2,419	2,857
Interest income	6(2)(17)	(32,073)	(9,525)
Loss on disposal of property, plant, and equipment	6(19)	342	-
Gain arising from lease modifications	6(7)(19)	(181)	-
Share of profit of associates accounted for using equity method	6(5)	(1,869)	(5,428)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		(4,654)	-
Other receivables		1,288	(1,183)
Inventories		(2,832)	(21,909)
Prepayments		(15,468)	5,919
Changes in operating liabilities			
Contract liabilities		11,713	-
Accounts payable		92	585
Other payables		30,081	21,663
Other current liabilities		(718)	188
Cash (outflow) inflow generated from operations		(149,133)	25,812
Interest received		29,479	9,525
Interest paid		(4,435)	(2,857)
Income tax paid		(2,937)	(931)
Net cash flows (used in) from operating activities		(127,026)	31,549
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortized cost		(869,000)	-
Acquisition of investments accounted for under equity method		(253)	-
Acquisition of property, plant and equipment	6(24)	(165,268)	(81,460)
Acquisition of intangible asset		(698)	(6)
Increase in guarantee deposits paid		(4,539)	(12,375)
(Increase) decrease in other non-current assets		(65)	10,974
Net cash flows used in investing activities		(1,039,823)	(82,867)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayments of long-term borrowings	6(25)	(2,448)	(3,522)
Payments of lease principal	6(7)(25)	(18,708)	(10,696)
Proceeds from issuing shares	6(13)	961,903	360,000
Employee stock options exercised	6(12)	1,360	4,457
Transfers of employee stock ownership trust	6(14)	-	2,727
Net cash flows from financing activities		942,107	352,966
Net (decrease) increase in cash and cash equivalents		(224,742)	301,648
Cash and cash equivalents at beginning of year		974,042	672,394
Cash and cash equivalents at end of year		<u>\$ 749,300</u>	<u>\$ 974,042</u>

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

Pharmosa Biopharm Inc.

2024 Deficit Compensation Statement

Unit : NT\$

Subject	Amount
Undistributed Earnings in the beginning of the year	7,610,307
Plus : 2024 net loss after tax	(166,653,730)
Accumulated deficit at the end of the period	(159,043,423)
Capital Surplus – Additional Paid-in Capital used to cover accumulated deficit	159,043,423
Accumulated deficit at the end of the term	0

Chairman : Chien-Chih Wang CEO : Pei Kan Head of Accounting : Shu-Ping Yang

Pharmosa Biopharm Inc.

Comparison Table of Amended Articles of Incorporation

Amended article	Existing article	Explanation
<p>Article 28</p> <p>If this Company has profit in a year, at least 1% of the profit shall be allocated as employee compensation, and no more than 2% shall be allocated as director compensation.</p> <p><u>At least 1% of the employee remuneration mentioned in the preceding paragraph shall be allocated to general staffs.</u> Employee compensation may be distributed in the form of stocks or cash. The distribution plan for employee and director compensation shall be resolved by the Board of Directors and reported to the shareholders' meeting.</p> <p>Articles 3 to 7 are omitted.</p>	<p>Article 28</p> <p>If this Company has profit in a year, at least 1% of the profit shall be allocated as employee compensation, and no more than 2% shall be allocated as director compensation.</p> <p>Employee compensation may be distributed in the form of stocks or cash. The distribution plan for employee and director compensation shall be resolved by the Board of Directors and reported to the shareholders' meeting.</p> <p>Articles 3 to 7 are omitted.</p>	<p>In response to the amendment to Article 14 of the Securities Exchange Act</p>
<p>Article 30</p> <p>The Articles of Incorporation were established on May 18, 2000.</p> <p>1st Amendment on September 20, 2002.</p> <p>2nd Amendment on January 5, 2003.</p> <p>3rd Amendment on December 3, 2003.</p> <p>4th Amendment on December 2, 2009.</p> <p>5th Amendment on November 6, 2010.</p> <p>6th Amendment on October 22, 2011.</p> <p>7th Amendment on December 2, 2012.</p> <p>8th Amendment on January 14, 2013.</p> <p>9th Amendment on June 20, 2013.</p> <p>10th Amendment on May 21, 2014.</p> <p>11th Amendment on June 21, 2016.</p> <p>12th Amendment on October 12, 2016.</p> <p>13th Amendment on June 27, 2017.</p> <p>14th Amendment on June 22, 2018.</p> <p>15th Amendment on June 26, 2019.</p> <p>16th Amendment on August 31, 2021.</p> <p>17th Amendment on June 22, 2022.</p> <p>18th Amendment on June 21, 2023.</p> <p>19th Amendment on June 26, 2024.</p> <p><u>20th Amendment on May 27, 2025.</u></p>	<p>Article 30</p> <p>The Articles of Incorporation were established on May 18, 2000.</p> <p>1st Amendment on September 20, 2002.</p> <p>2nd Amendment on January 5, 2003.</p> <p>3rd Amendment on December 3, 2003.</p> <p>4th Amendment on December 2, 2009.</p> <p>5th Amendment on November 6, 2010.</p> <p>6th Amendment on October 22, 2011.</p> <p>7th Amendment on December 2, 2012.</p> <p>8th Amendment on January 14, 2013.</p> <p>9th Amendment on June 20, 2013.</p> <p>10th Amendment on May 21, 2014</p> <p>11th Amendment on June 21, 2016.</p> <p>12th Amendment on October 12, 2016.</p> <p>13th Amendment on June 27, 2017.</p> <p>14th Amendment on June 22, 2018.</p> <p>15th Amendment on June 26, 2019.</p> <p>16th Amendment on August 31, 2021.</p> <p>17th Amendment on June 22, 2022.</p> <p>18th Amendment on June 21, 2023.</p> <p>19th Amendment on June 26, 2024.</p>	<p>To adapt to practical execution requirements</p>

Pharmosa Biopharm Inc. Articles of Incorporation (Before the Revision)

Chapter I General Provisions

Article 1

The Company shall be incorporated as a company limited by shares under the Company Act, and its name shall be 「國邑藥品科技股份有限公司」 in Chinese and 「Pharmosa Biopharm Inc.」 in English.

Article 2

The scope of business of the Company shall be as follows :

- 1 、 IG01010 Biotechnology Services
- 2 、 IG02010 Research and Development Service
- 3 、 F601010 Intellectual Property Rights
- 4 、 F102170 Wholesale of Foods and Groceries
- 5 、 F107200 Wholesale of Chemical Feedstock
- 6 、 F108021 Wholesale of Western Pharmaceutical
- 7 、 F108040 Wholesale of Cosmetics.
- 8 、 F401010 International Trade
- 9 、 F208021 Retail Sale of Western Pharmaceutical
- 10 、 ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3

The Company shall not be subject to the restriction set forth in Article 13 of the Company Act with respect to its reinvestment in other enterprises. All matters relating to external investments shall be fully authorized to the Board of Directors for resolution and execution.

Article 4

Due to the operational or investment needs of the Company, the Company may provide endorsements and guarantees to others in accordance with the “Procedures for Endorsements and Guarantees” of the Company.

Unless otherwise provided in Article 15 of the Company Act, the capital of the Company shall not be lent to any shareholder of the Company or any other person.

Article 5

The Company’ s head office shall be located in Taipei City. The Board may decide to establish branch institutions in or outside the R.O.C.

Article 6

Any and all public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Chapter II Share Capital

Article 7

The Company's total authorized capital is NT\$1,000,000,000, divided into 200,000,000 shares, each with a par value of NT\$5. The Board of Directors is authorized to issue the shares in installments as needed. Within the aforesaid authorized capital, NT\$100,000,000, divided into 20,000,000 shares with a par value of NT\$5 per share, is reserved for the issuance of employee stock option certificates, and the Board of Directors is authorized to issue such shares in installments in accordance with applicable laws and regulations.

Article 8

If the Company intends to issue employee stock options certificates where the exercise price for such options is lower than the closing price of the Company's common shares on the date of issuance, such issuance shall be approved by a resolution adopted by at least two-thirds (2/3) of the voting rights of the shareholders present at a shareholders' meeting attended by shareholders representing more than one-half (1/2) of the total outstanding shares of the Company.

If the Company intends to transfer shares at a price lower than the average repurchase price of such shares, such transfer shall, prior to execution, be approved by a resolution adopted by at least two-thirds (2/3) of the voting rights of the shareholders present at the most recent shareholders' meeting attended by shareholders representing more than one-half (1/2) of the total outstanding shares of the Company.

Article 9

If this Company wishes to cancel public offering of its stocks, it shall submit the matter for shareholder resolution and no change shall be made during the Taiwan Stock Exchange (TWSE) or Taipei Exchange (TPEX) listing period.

Article 10

The shares of the Company shall be registered shares, affixed with the signatures or seals of the directors representing the Company, and issued upon certification in accordance with applicable laws. After the Company becomes a public company, it may issue new shares without physical printing share certificates for the shares issued, but the Company shall engage a centralized securities depository institution to handle recording or depository matters. The same shall apply to the issuance of other securities by the Company.

Article 11

The entries of the shareholders' roster of the Company shall be closed within the period stipulated in Article 165 of the Company Act.

Chapter III Shareholders' Meetings

Article 12

Shareholders' meetings include annual shareholders' meeting and special shareholders' meetings. The Company shall in each year hold a shareholders' meeting as its annual shareholders' meeting no later than six (6) months after the close of each financial year. A special shareholders' meeting may be called by the Board as they consider necessary.

The Company's shareholders' meetings may be convened by means of visual communication network or other methods promulgated by the central competent authority.

Article 13

A notice to call an annual shareholders' meeting shall be sent to the shareholders thirty (30) days prior to the meeting date; a notice to call a special shareholders' meeting shall be sent to the shareholders fifteen (15) days prior to the meeting date. Such notice shall state the meeting date, venue and purpose of convening the meeting. The meeting notice may be given via writing or electronic transmission. The notice of the shareholders' meeting to shareholders who own fewer than 1,000 shares of nominal stocks may be given in the form of a public announcement.

Article 14

If a shareholder is unable to attend a shareholders' meeting, the shareholder may appoint a proxy to attend on their behalf by completing the power of attorney in the form prescribed by the Company, specifying the scope of authorization. Such a proxy form shall be signed or sealed by the shareholder in accordance with Article 177 of the Company Act.

In addition to the foregoing, the use of proxies shall comply with the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" as promulgated by the competent authority.

Article 15

Every shareholder of the Company has one voting power, except where voting power are restricted or excluded in accordance with Article 179 of the Company Act.

A company whose shareholders may exercise their voting power in writing or by way of electronic transmission in a shareholders' meeting shall describe in the shareholders' meeting notice the method of exercising their voting power.

A shareholder who exercises his/her/its at a shareholders' meeting in writing or by way of electronic transmission as set forth in the preceding Paragraph shall be deemed to have attended the said shareholders' meeting in person, and all relevant matters shall be handled in accordance with applicable laws and regulations.

Article 16

Resolutions at a shareholders' meeting shall, unless otherwise provided by the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half (1/2) of the total number of voting shares.

Article 17

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting.

The distribution of the minutes as referred to in the preceding paragraph may be effected by means of a public announcement.

Chapter IV Directors and Audit Committee

Article 18

The Company shall have five (5) to nine (9) directors, who will hold office for three (3) years, and shall be elected by the shareholders' meeting from among persons with legal capacity. Directors may be re-elected. The election of directors shall be conducted by means of the cumulative voting method. Each share shall be entitled to the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect. In the event that any amendments to the cumulative voting method are necessary, such amendments shall be made in accordance with Article 172 and other relevant provisions of the Company Act, and the notice of the shareholders' meeting shall specify and explain the proposed amendments.

Among the total number of directors, the Company shall appoint no fewer than two (2) independent directors, and the number of independent directors shall not be less than one-third (1/3) of the total board seats. Independent directors should not serve more than three (3) consecutive terms. Independent directors shall be elected through a candidate nomination system, with the shareholders selecting from a list of independent director candidates. The nomination process shall comply with Article 192-1 of the Company Act. Matters concerning the professional qualifications of independent directors, shareholding, part-time restrictions, nomination and selection methods, and others shall be handled in accordance with relevant regulations of the competent securities authority.

The nomination system shall apply to the election of all directors of the Company, and shareholders shall elect directors from the list of nominated candidates.

The Company may establish various functional committees, among which the Audit Committee shall be composed entirely of independent directors.

Article 19

The total number of registered shares of the Company held by all directors shall comply with the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies as promulgated by the competent authority.

A company may obtain directors' liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.

Article 20

The Board is constituted by the directors. The Chairman of the Board shall be elected from among the directors by a majority vote at a meeting attended by two-thirds (2/3) or more of the directors. The same procedure may be followed to elect a Vice Chairman. The Chairman of the Board shall represent the Company.

Article 21

If the Chairman of the Board takes leave or is unable to perform his/her duties with cause, his/her proxy shall be determined pursuant to Article 208 of the Company Act. A director may appoint another director as his/her proxy to attend a directors' meeting, and shall specify the scope of authorization with respect to the matters to be discussed. The proxy shall accept the appointment of one director only.

Article 22

In calling a meeting of the board of directors, a notice shall set forth therein the subject(s) to be discussed at the meeting, and shall be sent to each member of the Board seven (7) days prior to the meeting, provided that such period for advance notice may be shortened in the case of an emergency. Such notice may be issued in writing, by email or by facsimile.

The meeting of the Board may be conducted visual communication network, then the directors taking part in such a visual communication network shall be deemed to have attended the meeting in person.

Article 23

Except as otherwise provided in the Company Act, meetings of the Board shall be called by its Chairman. Except as otherwise provided in the Company Act or these Articles of Incorporation, resolutions at meetings of the Board shall be adopted by a majority vote a meeting attended by more than one-half (1/2) of the directors.

Article 24

When the number of vacancies in the board of directors of a company equals to one third of the total number of directors, the board of directors shall call, within 60 days, a special shareholders' meeting of shareholders to elect succeeding directors to fill the vacancies.

When an independent director is dismissed for any reason (including resignation, removal, or expiration of term), resulting in a number of directors lower than that required under the company's articles of incorporation, a by-election for independent director shall be held at the next shareholders meeting. When all independent directors have been dismissed, the company shall convene a special shareholders' meeting to hold a by-election within 60 days from the date the situation arose.

Article 25

The Board is authorized to determine the compensation of the directors in accordance with their respective involvement in the operations of the Company and contributions to the Company as well as the common compensation standards adopted by domestic and foreign companies in the same industry.

Chapter V Managers

Article 26

The Company may appoint one or more managerial personnel. Their appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter VI Accounts

Article 27

At the close of each fiscal year, the Board of Directors shall prepare the following statements and reports and submit them to the annual shareholders' meeting for approval.

- 1.the business report;
- 2.the financial statements; and
- 3.the surplus earning distribution or loss off-setting proposals.

Article 28

If this Company has profit in a year, at least 1% of the profit shall be allocated as employees' compensation, and no more than 2% shall be allocated as director's compensation. Employee compensation may be distributed in the form of stocks or cash. The distribution plan for employee and director compensation shall be resolved by the Board of Directors and reported to the shareholders' meeting.

Whatever the company exerts on rewarding employees affiliated with the company, such as offering employees' compensation, share subscription warrants, issuing new shares to these employees with their rights reserved, issuing restricted shares, and transferring the repurchased shares to employees, the target may include employees of parents or subsidiaries that meet the requirements determined by the Board of Directors.

If the Company has accumulated losses, such losses shall be offset first before allocating employees' compensation and directors' compensation in accordance with the ratio set forth in the preceding paragraph.

When there is any profit for distribution in a given financial year, the Company shall first pay all applicable taxes and offset losses from previous years, and then set aside ten (10) percent of the remaining profits of the Company from the relevant financial year as a legal reserve; where such legal reserve is equal in amount to the authorized capital of the Company, the Company may not set aside such legal reserve. The Company may set aside a special reserve from the remaining profit. When distributing surplus earning in the form of new shares to be issued, the Board may submit the distribution proposal to set aside the remaining profit for the relevant financial year and previous financial years for the approval of the shareholders' meeting.

The profit policy of the Company should be consistent with the current and future development of the Company, the investment environment, needs for funding and competition domestically and abroad, and the protection of shareholders. The Company may distribute bonuses to shareholders from the remaining profit of the relevant financial year. The bonus to shareholders may be distributed in cash or stock dividends, and the dividends (including cash or in the form of shares) shall be no less than ten (10) percent of the after tax earnings. The cash dividends shall comprise no less than ten (10) percent of the aggregate of the cash and stock dividends declared in such year.

Where dividends, bonuses, the capital reserve, or the legal reserve are to be distributed in whole or in part in the form of cash, such distribution may be authorized by a resolution of the Board of Directors adopted by a majority of the directors present at a meeting attended by at least two-thirds (2/3) of the total number of directors, and shall be reported to the shareholders' meeting.

Chapter VII Supplementary Provisions

Article 29

Matters not covered by the Articles of Incorporation shall be dealt with according to the provisions of the Company Act and applicable laws.

Article 30

The Articles of Incorporation were established on May 18, 2000.

1st Amendment on September 20, 2002.

2nd Amendment on January 5, 2003.

3rd Amendment on December 3, 2003.

4th Amendment on December 2, 2009.

5th Amendment on November 6, 2010.

6th Amendment on October 22, 2011.

7th Amendment on December 2, 2012.
8th Amendment on January 14, 2013.
9th Amendment on June 20, 2013.
10th Amendment on May 21, 2014.
11th Amendment on June 21, 2016.
12th Amendment on October 12, 2016.
13th Amendment on June 27, 2017.
14th Amendment on June 22, 2018.
15th Amendment on June 26, 2019.
16th Amendment on August 31, 2021.
17th Amendment on June 22, 2022
18th Amendment on June 21, 2023.
19th Amendment on June 26, 2024.

Pharmosa Biopharm Inc.
Chairman : Chien-Chih Wang

Pharmosa Biopharm Inc.

Rules of Procedures for the Shareholders' Meeting

Article 1

The rules of procedures for this Corporation's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 2

Shareholders attending the Meeting shall present their attendance cards for the purpose of signing in. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance cards, and the shares checked in on the virtual Meeting platform, submitted by the shareholders plus the number of shares whose voting rights are exercised by correspondence or electronically.

Article 3 (Principles determining the time and place of a shareholders' meeting)

The venue for a shareholders' meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders' meeting.

Article 4 (Documentation of a shareholders' meeting by audio or video)

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders' meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders' meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 5

Unless otherwise provided by law or regulation, this Corporation's shareholders' meetings shall be convened by the board of directors.

Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, a company that will convene a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors.

Changes to how this Corporation convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders' meeting notice.

This Corporation shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a annual shareholders' meeting or before 15 days before the date of a special shareholders' meeting. This Corporation shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the annual shareholders' meeting or before 15 days before the date of the special shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, this Corporation shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.

This Corporation shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:

1. For physical shareholders' meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing

with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a annual shareholders' meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual shareholders' meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 6 (The chair and non-voting participants of a shareholders' meeting)

If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, another director shall act on his/her behalf in accordance with Article 208 of the Company Act.

When a director of the Company serves as the chairperson of the Meeting on behalf of the chairman of the Company, as referred to in the preceding paragraph, that director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as the chairperson of the Meeting.

It is advisable that shareholders' meetings convened by the board of the board in person and attended by a majority of the directors, at least one supervisor in person.

If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 7

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 9.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 8

If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 9 (Preparation of documents such as the attendance book)

This Corporation shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.

In the event of a virtual shareholders' meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 9-1

To convene a virtual shareholders' meeting, this Corporation shall include the following particulars in the shareholders' meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - B. Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
 - C. In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholder' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.
 - D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified. Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations

Governing the Administration of Shareholder Services of Public Companies, the shareholders shall at least be provided with connection facilities and necessary assistance, and the period during which shareholders may apply to the company and other related matters requiring attention shall be specified.

Article 10 (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 11

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When this Corporation convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When this Corporation convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 9 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 12 (Calculation of voting shares and recusal system)

Voting at a shareholders' meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting

rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Article 14

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 15

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers

of votes with which they were elected, and the names of directors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 16

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the date(year, month, day) and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of this Corporation.

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholders' meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online.

Article 17 (Public disclosure)

On the day of a shareholders' meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event a virtual shareholders' meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During this Corporation's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 18 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 19 (Recess and resumption of a shareholders' meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 20 (Disclosure of information at virtual meetings)

In the event of a virtual shareholders' meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 21 (Location of the chair and secretary of virtual-only shareholders' meeting)

When this Corporation convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 22 (Handling of disconnection)

In the event of a virtual shareholders' meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.

When this Corporation convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these

shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

Article 23

When convening a virtual-only shareholders' meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online. Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the shareholders shall at least be provided with connection facilities and necessary assistance, and the period during which shareholders may apply to the company and other related matters requiring attention shall be specified.

Article 24

These Rules shall take effect upon approved by the Board of Directors and submitted to the shareholders' Meeting for discussion. Subsequent amendments thereto shall be effected in the same manner.

Pharmosa Biopharm Inc.

Shareholdings of All Directors

Record Date : March 29, 2025(the book closure date)

Position	Name	Number of shares current hold	Shareholding ratio(%)
Chairman	Fengsi Investment Co., Ltd. Representative : Chien-Chih Wang	7,340,324	5.69
Vice Chairman	Fukeshen Investment Co., Ltd. Representative : Lin-Chiuan Yan	8,566,664	6.63
Director	Pei Kan	2,710,000 (of which 240,000 shares are reserved with discretionary usage rights)	2.10
Director	Gschliesser Siegfried	-	-
Independent Director	Yen-Ling Fang	-	-
Independent Director	Wen-Chang Chang	-	-
Independent Director	Peter Wu	-	-
Total		18,616,988	14.42

Note: Total share issued as of March 29,2025 are 129,086,404 common share.