

BIONIME CORPORATION
FINANCIAL STATEMENTS
With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024

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The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors of Bionime Corporation:

Opinion

We have audited the financial statements of Bionime Corporation (“the Company”), which comprise the balance sheets as of December 31, 2025 and 2024, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its 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 Statements Audit and Attestation Engagement of Certified Public Accountants and the 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 Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

1. Revenue Recognition

The accounting principle of revenue recognition, refer to financial statements Note 4 (m); The explanation about revenue recognition, refer to financial statements Note 6 (v).

Description of key audit matters:

The Company's revenues are derived from the sale of blood glucose meters and test strips to domestic and foreign clients. The Company's sales are widely distributed across various regions and most of its clients are foreign customers, the timing of revenue recognition varies depending on the transaction terms with different clients. Therefore, as the financial reporting date approaches, there is a risk that certain revenues may not be recorded in the correct period.

Therefore, testing whether revenue was recognized in the correct period is one of our key audit matters.

How the matter was addressed in our audit

Our principal audit procedures included: testing the Company's efficacy on the design and operation of internal controls surrounding revenue, which includes confirming the terms in the sales contract to ensure the revenue is being recorded accurately; selecting the sales transaction before and after the balance sheet date on a sample basis, inspecting the related accounting documents, as well as evaluating whether the revenue is recorded in the appropriate period.

2. Assessment of Intangible Assets impairment

For the accounting principle of Intangible Assets-Patent, assessment on accounting estimate and assumption uncertainty, and explanation of Intangible Assets assessment, please refer to Note 4 (k) "Intangible Assets", Note 5, and Note 6 (i), respectively.

Description of key audit matters:

Since the Company's Intangible Assets- Patent at fair value amounted to \$906,700 thousand, the management assessed the impairment test based on the provisions of International Accounting Standards No. 36 "Impairment of Assets". As the cash generating units determine the recoverable amount relating to future annual budget estimates, this subjective judgment is an accounting estimate with high estimation uncertainty. Therefore, the Company's intangible assets have been identified as one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedure included:

We assessed the competence, capabilities, and objectivity of the external valuation specialists engaged by management, verified their qualifications, discussed their scope of work and reviewed engagement terms to ensure no limitations or impairments to their objectivity. We also evaluated the valuation methodologies applied in accordance with IFRS and industry practices; We reviewed the process and basis by which management estimated future operating cash flows, sales growth rates, and profit margins of the respective cash-generating units to assess the reasonableness of key assumptions; With the assistance of internal valuation experts, we evaluated the valuation models and key assumptions used by management, including the discount rates, to assess the reasonableness of the underlying data.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the 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 on the investment in other entities accounted for using the equity method to express an opinion on this financial statement. 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audit resulting in this independent auditors' report are Yen-Hui Chen and Shyh-Huar Kuo.

KPMG

Taipei, Taiwan (Republic of China)
March 11, 2026

Notes to Readers

The accompanying financial statements are intended only to present the statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
BIONIME CORPORATION

Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2025		December 31, 2024		Liabilities and Equity	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets:					Current liabilities:				
Cash and cash equivalents (note 6 (a))	\$ 243,048	4	159,926	3	Short-term borrowings (note 6 (l) and 8)	\$ 473,662	8	867,540	15
Notes receivable, net (note 6 (c))	7,743	-	5,187	-	Current contract liabilities (note 6 (u))	114,190	2	1,752	2
Trade receivables, net (note 6 (c))	496,705	9	634,176	11	Short-term notes and bills payable (note 6 (k))	-	-	99,902	2
Trade receivables-related parties, net (note 6 (c) and 7)	34,503	1	36,068	1	Notes payable	1,259		5	
Other receivables (note 6 (d))	4,562	-	50,715	1	Trade payables	140,778	2	189,094	3
Inventories (note 6 (e))	418,411	7	524,763	9	Trade payables-related parties (note 7)	-	-	42	-
Prepayments	62,099	1	70,990	1	Other payables (note 6 (m) and (q))	482,556	8	473,451	8
Other current assets (note 6 (j))	10,658	-	20,079	-	Other payables-related parties (note 6 (m) and 7)	30,010	1	29,823	1
Other current financial assets (note 6 (j) and 8)	200	-	200	-	Payables on machinery and equipment	9,734	-	20,259	-
	<u>1,277,929</u>	<u>22</u>	<u>1,502,104</u>	<u>26</u>	Current income tax liabilities	6,514	-	6,514	-
Non-current assets:					Current lease liabilities (note 6 (p))	1,182	-	872	-
Non-current financial assets at fair value through other comprehensive income (note 6 (b))	187,901	3	166,152	3	Other current liabilities (note 6 (n) and 7)	106,856	2	6,566	-
Investments accounted for using equity method (note 6 (f))	288,025	5	275,947	5	Long-term borrowings, current portion (note 6 (o) and 8)	<u>715,142</u>	<u>13</u>	<u>609,830</u>	<u>11</u>
Property, plant and equipment (note 6 (g) and 8)	2,522,635	45	2,577,874	45		<u>2,081,883</u>	<u>36</u>	<u>2,305,650</u>	<u>40</u>
Right-of-use assets (note 6 (h))	3,241	-	858	-	Non-Current liabilities:				
Intangible assets (note 6 (i))	919,251	16	775,915	13	Long-term borrowings (note 6 (o) and 8)	1,863,431	33	1,578,190	27
Deferred income tax assets (note 6 (r))	229,927	4	157,646	3	Deferred income tax liabilities (note 6 (r))	724	-	1,266	-
Prepayments for business facilities	243,078	5	277,986	5	Non-current lease liabilities (note 6 (p))	2,067	-	-	-
Guarantee deposits paid	2,498	-	3,252	-	Guarantee deposits received	<u>2,204</u>	<u>-</u>	<u>4</u>	<u>-</u>
Defined benefit asset, net (note 6 (q))	2,642	-	2,642	-		<u>1,868,426</u>	<u>33</u>	<u>1,579,460</u>	<u>27</u>
Other non-current assets (note 6 (j))	<u>18,588</u>	<u>-</u>	<u>24,712</u>	<u>-</u>	Total liabilities	<u>3,950,309</u>	<u>69</u>	<u>3,885,110</u>	<u>67</u>
	4,417,786	78	4,262,984	74	Equity (note 6 (s))				
					Ordinary shares	672,727	12	610,388	11
					Advance receipts for share capital	597	-	1,792	-
					Capital surplus	1,079,304	19	1,115,593	19
					Retained earnings	(167,217)	(3)	13,060	-
					Other equity interest	<u>159,995</u>	<u>3</u>	<u>139,145</u>	<u>3</u>
					Total equity	<u>1,745,406</u>	<u>31</u>	<u>1,879,978</u>	<u>33</u>
Total assets	<u>\$ 5,695,715</u>	<u>100</u>	<u>5,765,088</u>	<u>100</u>	Total liabilities and equity	<u>\$ 5,695,715</u>	<u>100</u>	<u>5,765,088</u>	<u>100</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
BIONIME CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, except for earnings per share)

	2025		2024	
	Amount	%	Amount	%
Net operating revenues (note 6 (v) and 7)	\$ 1,703,050	100	1,771,792	100
Operating costs (note 6 (e), (i), (q), (w) and 7)	1,173,965	69	1,126,128	64
Gross profit from operations	529,085	31	645,664	36
Less: Net unrealized gains between affiliates	(1,887)	-	(7,532)	1
Gross profit from operations	530,972	31	653,196	37
Operating expenses (note 6 (i), (p), (q), (t), (w) and 7)):				
Selling expenses	223,066	13	275,069	16
Administrative expenses	167,047	10	207,166	12
Research and development expenses	354,770	21	322,326	18
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9 (note 6 (3) and (4))	(5,889)	-	26,137	1
	738,994	44	830,698	47
Net operating Loss	(208,022)	(13)	(177,502)	(10)
Non-operating income and expenses (note 6 (x)):				
Interest income	1,560	-	1,412	-
Other income	13,378	1	23,804	1
Other gains and losses (note 6 (g))	(7,153)	-	5,475	-
Finance costs (note 6 (p))	(64,598)	(4)	(61,983)	(3)
Share of profit of associates accounted for using equity method	11,735	1	20,292	1
	(45,078)	(2)	(11,000)	(1)
Loss before income tax	(253,100)	(15)	(188,502)	(11)
Less: tax income (note 6 (r))	(72,823)	(4)	(61,286)	(4)
Loss	(180,277)	(11)	(127,216)	(7)
Other comprehensive income:				
Items that may not be reclassified subsequently to profit or loss				
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	21,749	1	110,336	6
	21,749	1	110,336	6
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign financial statements	(899)	-	12,421	1
Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6 (r))	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	(899)	-	12,421	1
Other comprehensive income (after tax)	20,850	1	122,757	7
Comprehensive income	\$ (159,427)	(10)	(4,459)	-
Earnings per share (NT dollars) (note 6 (u))				
Basic earnings per share	\$ (2.68)		(1.90)	
Diluted earnings per share	\$ (2.68)		(1.90)	

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
BIONIME CORPORATION

Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Share capital				Retained earnings				Other equity interest			
	Ordinary shares	Advance receipts for share capital	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
Balance at January 1, 2024	\$ 608,202	6,550	614,752	1,208,821	136,125	3,513	6,433	146,071	(3,328)	19,716	16,388	1,986,032
Loss for the year ended December 31, 2024	-	-	-	-	-	-	(127,216)	(127,216)	-	-	-	(127,216)
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	-	-	12,421	110,336	122,757	122,757
Comprehensive income for the year ended December 31,2024	-	-	-	-	-	-	(127,216)	(127,216)	12,421	110,336	122,757	(4,459)
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	-	-	615	-	(615)	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	(185)	185	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	-	(5,795)	(5,795)	-	-	-	(5,795)
Employee stock options compensation costs	-	-	-	13,479	-	-	-	-	-	-	-	13,479
Employee stock options exercised	2,186	(11,687)	(9,501)	9,501	-	-	-	-	-	-	-	-
Advance receipts for share capital	-	6,929	6,929	-	-	-	-	-	-	-	-	6,929
Cash dividends of capital surplus	-	-	-	(116,208)	-	-	-	-	-	-	-	(116,208)
Balance on December 31, 2024	\$ 610,388	1,792	612,180	1,115,593	136,740	3,328	(127,008)	13,060	9,093	130,052	139,145	1,879,978
Balance on January 1, 2025	\$ 610,388	1,792	612,180	1,115,593	136,740	3,328	(127,008)	13,060	9,093	130,052	139,145	1,879,978
Loss for the year ended December 31, 2025	-	-	-	-	-	-	(180,277)	(180,277)	-	-	-	(180,277)
Other comprehensive income for the year ended December 31, 2025	-	-	-	-	-	-	-	-	(899)	21,749	20,850	20,850
Comprehensive income for the year months ended December 31, 2025	-	-	-	-	-	-	(180,277)	(180,277)	(899)	21,749	20,850	(159,427)
Appropriation and distribution of retained earnings:												
Reversal of special reserve	-	-	-	-	-	(3,328)	3,328	-	-	-	-	-
Legal reserve used to offset accumulated deficits	-	-	-	-	(123,680)	-	123,680	-	-	-	-	-
Capital increase through capitalization of capital surplus	61,077	-	61,077	(61,077)	-	-	-	-	-	-	-	-
Employee stock options compensation costs	-	-	-	19,478	-	-	-	-	-	-	-	19,478
Employee stock options exercised	1,262	(6,572)	(5,310)	5,310	-	-	-	-	-	-	-	-
Advance receipts for share capital	-	5,377	5,377	-	-	-	-	-	-	-	-	5,377
Balance on December 31, 2025	\$ 672,727	597	673,324	1,079,304	13,060	-	(180,277)	(167,217)	8,194	151,801	159,995	1,745,406

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

BIONIME CORPORATION**Statements of Cash Flows****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	2025	2024
Cash flows from (used in) operating activities:		
Loss before tax	\$ (253,100)	(188,502)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	155,154	155,991
Amortization expense	17,952	16,742
Expected credit (gain) loss	(5,889)	26,137
Interest expense	64,598	61,983
Interest income	(1,560)	(1,412)
Dividend income	(1,656)	(192)
Share-based payments transactions	19,478	13,479
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(11,735)	(20,292)
Loss on disposal of property, plant and equipment	3,068	-
Prepayments for business facilities transferred to expenses	45,501	106
Net unrealized gains between affiliates	(1,887)	(7,532)
Impairment loss on property, plant and equipment	9,447	3,976
Total adjustments to reconcile profit	292,471	248,986
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	(2,556)	1,178
Trade receivables	145,350	(180,509)
Trade receivables due from related parties	1,565	15,837
Other receivables	44,163	(44,737)
Other receivables due from related parties	-	108
Inventories	100,344	(87,276)
Other operating assets	24,436	58,098
Total changes in operating assets	313,302	(237,301)
Changes in operating liabilities:		
Notes payable	1,254	(920)
Trade payables	(48,316)	46,217
Trade payables due from related parties	(42)	42
Other payables	10,006	175,689
Other payables due from related parties	187	(625)
Other operating liabilities	212,728	3,807
Total changes in operating liabilities	175,817	224,210
Total changes in operating assets and liabilities	489,119	(13,091)
Total adjustments	781,590	235,895
Cash inflow generated from operations	528,490	47,393
Interest received	1,560	1,412
Interest paid	(65,401)	(61,479)
Net cash flows from (used in) operating activities	464,649	(12,674)
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(36,167)	(68,232)
Decrease (increase) in refundable deposits	754	(178)
Acquisition of intangible assets	(132,216)	(146,672)
Increase in prepayments for business facilities	(119,200)	(117,592)
Dividends received	2,301	424
Net cash from (used in) investing activities	(284,528)	(332,250)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	1,688,346	2,082,676
Decrease in short-term borrowings	(2,084,419)	(1,636,651)
Increase in short-term notes and bills payable	450,000	1,400,000
Decrease in short-term notes and bills payable	(550,000)	(1,400,000)
Proceeds from long-term borrowings	1,000,000	600,000
Repayments of long-term borrowings	(609,447)	(703,278)
Increase in guarantee deposits received	2,200	-
Payment of lease liabilities	(1,251)	(1,272)
Cash dividends paid	-	(122,003)
Proceeds from exercise of employee stock options	5,377	6,929
Net cash flows from (used in) financing activities	(99,194)	226,401
Effect of exchange rate changes on cash and cash equivalents	2,195	16,642
Net increase (decrease) in cash and cash equivalents	83,122	(101,881)
Cash and cash equivalents at beginning of period	159,926	261,807
Cash and cash equivalents at end of period	\$ 243,048	159,926

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

BIONIME CORPORATION

Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Bionime Corporation (the “Company”) was incorporated on April 14, 2003 as a Company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The Company’s common shares were listed on the Taiwan Stock Exchange (TWSE) in December 2010. The address of the Company’s registered office is No.100, Sec. 2, Daqing St., South Dist., Taichung City, Taiwan. The Company is primarily involved in the manufacturing and selling medical instruments, providing biotechnology services, examining pharmaceuticals, and selling precision instruments.

(2) Approval date and procedures of the financial statements

The financial statements were authorized for issue by the Board of Directors on March 11, 2026.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

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BIONIME CORPORATION

Notes to the Financial Statements

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies

The material accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

- 1) Fair value through profit or loss (Available-for-sale financial assets) are measured at fair value.
- 2) The defined benefit asset is recognized as the fair value of the plan assets, less, the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the Company operates. The financial statements are presented in New Taiwan dollars, which is the Company’s functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

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BIONIME CORPORATION
Notes to the Financial Statements

(c) Foreign currencies

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as noncurrent.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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BIONIME CORPORATION
Notes to the Financial Statements

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment or FVOCI – equity investment.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL :

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivables, guarantee deposit paid and other financial assets).

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL :

- debt securities that are determined to have low credit risk at the reporting date ; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

(Continued)

BIONIME CORPORATION

Notes to the Financial Statements

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 361 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

Lifetime ECLs are the ECL that result from all possible default events over the expected life of a financial instrument.

12-months ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data :

- significant financial difficulty of the borrower or issuer ;
- a breach of contract such as a default or being more than 1 year past due ;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider ;
- it is probable that the borrower will enter bankruptcy or other financial reorganization ; or
- the disappearance of an active market for a security because of financial difficulties.

(Continued)

BIONIME CORPORATION

Notes to the Financial Statements

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

(Continued)

BIONIME CORPORATION

Notes to the Financial Statements

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted-average method and includes the expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment in subsidiaries

The subsidiaries in which the Company holds a controlling interest are accounted for under the equity method in the non-consolidated financial statements. Under equity method, net income, other comprehensive income, and equity in the non-consolidated financial statements are the same as those attributable to the owners of the parent in the consolidated financial statements.

Changes in ownership of the subsidiaries are recognized as equity transaction.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- 1) buildings and structures: 2~50 years
- 2) machinery and equipment: 2~10 years
- 3) molding equipment: 2~5 years
- 4) transportation equipment: 5 years
- 5) leasehold improvements: 3 years
- 6) office and other equipment: 2~20 years

Buildings and structures constitute mainly of building, wastewater treatment plant, and others. Each such part depreciates based on its useful life of 50 years, 30 years, and 5 years, respectively.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise an extension or termination option; or
- there is any lease modification

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

(Continued)

BIONIME CORPORATION

Notes to the Financial Statements

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of the offices and other sporadic leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(k) Intangible assets

(i) Recognition and measurement

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(Continued)

BIONIME CORPORATION

Notes to the Financial Statements

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

1. Computer Software: 1-7 years

The amortization expense is recognized as profit or loss based on the estimated total production quantity using the units of production amortization method.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(l) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other assets other than goodwill, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(m) Revenue

Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

1) Sale of goods

The Company manufactures and sells blood glucose meters and test strips to medical equipment companies, pharmacies and hospitals. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

2) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(n) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

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BIONIME CORPORATION

Notes to the Financial Statements

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the board of directors authorized the price and number of a new award.

(p) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date.

(Continued)

BIONIME CORPORATION

Notes to the Financial Statements

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.
- (q) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as employee bonus and employee stock options.

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BIONIME CORPORATION
Notes to the Financial Statements

(r) Operating segments

Please refer to the consolidated financial statements of Bionime Corporation for the years ended December 31, 2025 and 2024.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

(a) Assessment of Intangible Assets impairment

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Company's management is required to make subjective judgments in determining the independent cash flows, expected future income and expenses related to the specific asset of the Company, taking into account the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in future years. Please refer to note 6 (i) for key assumptions used in the recoverable amount.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Petty cash and cash on hand	\$ 310	340
Demand deposits	242,738	139,586
Time deposits	<u>-</u>	<u>20,000</u>
Cash and cash equivalents in the statement of cash flow	<u><u>\$ 243,048</u></u>	<u><u>159,926</u></u>

Please refer to Note 6 (y) for the exchange rate risk, interest rate risk, sensitivity analysis of the financial assets and liabilities of the Company.

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

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

Financial assets at fair value through other comprehensive income

	December 31, 2025	December 31, 2024
Equity investments at fair value through other comprehensive income :		
Domestic common shares-Bonraybio Co., Ltd.	\$ <u>187,901</u>	<u>166,152</u>

On January 1, 2025 and 2024, the Company designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term for strategic purposes.

No strategic investments were disposed as of December 31, 2025 and 2024, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

For market risk, please refer to note 6 (y).

None of the financial assets of the Company had been pledged as collateral for borrowings.

(c) Notes and trade receivables (including related parties)

	December 31, 2025	December 31, 2024
Notes receivable from operating activities	\$ <u>7,743</u>	<u>5,187</u>
Trade receivables-measured as amortized cost	\$ 515,053	660,403
Trade receivables-related parties-measured as amortized cost	34,503	36,068
Less : Loss allowance	<u>(18,348)</u>	<u>(26,227)</u>
	\$ <u>531,208</u>	<u>670,244</u>

The Company applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all notes and trade receivables. To measure the expected credit losses, notes and trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions in Taiwan were determined as follows:

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

	December 31, 2025		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 393,789	-%	-
1 to 90 days past due	146,713	1.11%	1,633
91 to 180 days past due	3,280	100.00%	3,280
181 to 360 days past due	13,517	99.40%	13,435
More than 361 days	-	100.00%	-
Total	<u>\$ 557,299</u>		<u>18,348</u>

	December 31, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 465,817	-%	-
1 to 90 days past due	175,987	4.95%	8,713
91 to 180 days past due	45,525	25.06%	11,409
181 to 360 days past due	14,329	42.61%	6,105
More than 361 days	-	100.00%	-
Total	<u>\$ 701,658</u>		<u>26,227</u>

The movement in the allowance for notes and trade receivable was as follows:

	For the years ended December 31,	
	2025	2024
Balance on January 1	\$ 26,227	105
Impairment losses recognized	-	26,122
Impairment losses reversed	(7,879)	-
Balance on December 31	<u>\$ 18,348</u>	<u>26,227</u>

None of the receivables was discounted or pledged as collateral as of December 31, 2025 and 2024.

(d) Other receivables (including related parties)

	December 31, 2025	December 31, 2024
Other receivables	\$ 6,567	50,730
Less: Loss allowance	(2,005)	(15)
	<u>\$ 4,562</u>	<u>50,715</u>

For further credit risk information, please refer to note 6 (y).

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

The movement in the allowance for other receivables was as follows:

	2025	2024
Balance on January 1	\$ 15	-
Impairment losses recognized	<u>1,990</u>	<u>15</u>
Balance on December 31	<u>\$ 2,005</u>	<u>15</u>

(e) Inventories

	December 31, 2025	December 31, 2024
Finished goods	\$ 39,868	36,731
Work in progress	312,447	410,443
Raw materials	<u>66,096</u>	<u>77,589</u>
	<u>\$ 418,411</u>	<u>524,763</u>

The details of the cost of sales were as follows:

	For the years ended December 31,	
	2025	2024
Cost of goods sold	\$ 1,121,428	1,106,853
Provisions for inventory valuation and obsolescence	26,609	5,114
Losses on disposal of scrap	32,174	22,328
Gains on disposal of leftover bits and pieces	(6,175)	(8,096)
Gains on physical inventory	<u>(71)</u>	<u>(71)</u>
Operating costs recognized	<u>\$ 1,173,965</u>	<u>1,126,128</u>

As of December 31, 2025 and 2024, the Company did not provide any inventories as collateral for its loans.

(f) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

(i) Subsidiary

	December 31, 2025	December 31, 2024
Subsidiaries	<u>\$ 288,025</u>	<u>275,947</u>

Please refer to 2025 consolidated statement report.

(ii) As of December 31, 2025 and 2024, the Company did not provide any investment accounted for using equity method as collateral for its loans.

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

(g) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Company for the years ended December 31, 2025 and 2024 were as follows:

	Land	Buildings and Structures	Machinery and Equipment	Molding Equipment	Transportation Equipment	Leasehold Improvements	Office and other Equipment	Total
Cost or deemed cost:								
Balance at January 1, 2025	\$ 1,420,840	1,068,804	966,978	203,622	1,588	18,447	539,218	4,219,497
Additions	-	593	8,203	9,240	-	92	7,514	25,642
Disposal	-	(1,126)	(45,026)	(435)	-	-	(4,017)	(50,604)
Reclassification	-	80	66,727	18,650	-	-	86	85,543
Balance at December 31, 2025	<u>\$ 1,420,840</u>	<u>1,068,351</u>	<u>996,882</u>	<u>231,077</u>	<u>1,588</u>	<u>18,539</u>	<u>542,801</u>	<u>4,280,078</u>
Balance at January 1, 2024	\$ 1,420,840	894,776	928,791	171,621	1,588	17,847	532,984	3,968,447
Additions	-	23,912	42,128	4,080	-	600	7,857	78,577
Disposal	-	-	(16,270)	(4,091)	-	-	(1,938)	(22,299)
Reclassification	-	150,116	12,329	32,012	-	-	315	194,772
Balance at December 31, 2024	<u>\$ 1,420,840</u>	<u>1,068,804</u>	<u>966,978</u>	<u>203,622</u>	<u>1,588</u>	<u>18,447</u>	<u>539,218</u>	<u>4,219,497</u>
Depreciation and impairment loss:								
Balance at January 1, 2025	\$ -	254,094	799,606	159,210	1,588	17,678	409,447	1,641,623
Depreciation for the year	-	43,727	60,563	22,214	-	488	26,917	153,909
Impairment loss	-	-	9,447	-	-	-	-	9,447
Disposal	-	(1,126)	(41,958)	(435)	-	-	(4,017)	(47,536)
Balance at December 31, 2025	<u>\$ -</u>	<u>296,695</u>	<u>827,658</u>	<u>180,989</u>	<u>1,588</u>	<u>18,166</u>	<u>432,347</u>	<u>1,757,443</u>
Balance at January 1, 2024	\$ -	217,577	737,936	146,349	1,588	17,391	384,381	1,505,222
Depreciation for the year	-	36,517	73,995	16,952	-	287	26,973	154,724
Impairment loss	-	-	3,945	-	-	-	31	3,976
Disposal	-	-	(16,270)	(4,091)	-	-	(1,938)	(22,299)
Balance at December 31, 2024	<u>\$ -</u>	<u>254,094</u>	<u>799,606</u>	<u>159,210</u>	<u>1,588</u>	<u>17,678</u>	<u>409,447</u>	<u>1,641,623</u>
Carrying amounts:								
Balance at December 31, 2025	<u>\$ 1,420,840</u>	<u>771,656</u>	<u>169,224</u>	<u>50,088</u>	<u>-</u>	<u>373</u>	<u>110,454</u>	<u>2,522,635</u>
Balance at January 1, 2024	<u>\$ 1,420,840</u>	<u>677,199</u>	<u>190,855</u>	<u>25,272</u>	<u>-</u>	<u>456</u>	<u>148,603</u>	<u>2,463,225</u>
Balance at December 31, 2024	<u>\$ 1,420,840</u>	<u>814,710</u>	<u>167,372</u>	<u>44,412</u>	<u>-</u>	<u>769</u>	<u>129,771</u>	<u>2,577,874</u>

(i) Impairment loss

For the years ended December 31, 2025 and 2024, the Company recognized impairment loss of \$9,447 and \$3,976 thousand for part of the carrying amount of machinery and other equipment that are over the useful life and are expected to scrap.

(ii) Disclosures on pledges

As of December 31, 2025 and 2024, the property, plant and equipment of the Company had been pledged as collateral for borrowings; please refer to Note 8.

(iii) Property, plant and equipment under construction

For the years ended December 31, 2025 and 2024, capitalized borrowing costs related to the construction of the new plant amounted to \$9,066 thousand and \$10,436 thousand, with a capitalization rate of 3.3780% to 3.8709% and 4.1097% to 4.1458%, respectively.

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

(h) Right-of-use assets

The Company leases many assets including buildings, vehicles, machinery and equipment. Information about leases for which the Company as a lessee was presented below:

	<u>Buildings</u>	<u>Transportation Equipment</u>	<u>Machinery and Equipment</u>	<u>Total</u>
Costs:				
Balance at January 1, 2025	\$ 6,230	611	-	6,841
Additions	3,501	127	-	3,628
Disposal	<u>(6,230)</u>	<u>(612)</u>	<u>-</u>	<u>(6,842)</u>
Balance at December 31, 2025	<u><u>\$ 3,501</u></u>	<u><u>126</u></u>	<u><u>-</u></u>	<u><u>3,627</u></u>
Balance at January 1, 2024	\$ 6,230	469	1,048	7,747
Additions	-	142	-	142
Disposal	<u>-</u>	<u>-</u>	<u>(1,048)</u>	<u>(1,048)</u>
Balance at December 31, 2024	<u><u>\$ 6,230</u></u>	<u><u>611</u></u>	<u><u>-</u></u>	<u><u>6,841</u></u>
Accumulated depreciation and impairment losses:				
Balance at January 1, 2025	\$ 5,419	564	-	5,983
Depreciation for the year	1,103	142	-	1,245
Disposal	<u>(6,230)</u>	<u>(612)</u>	<u>-</u>	<u>(6,842)</u>
Balance at December 31, 2025	<u><u>\$ 292</u></u>	<u><u>94</u></u>	<u><u>-</u></u>	<u><u>386</u></u>
Balance at January 1, 2024	\$ 4,339	431	994	5,764
Depreciation for the year	1,080	133	54	1,267
Disposal	<u>-</u>	<u>-</u>	<u>(1,048)</u>	<u>(1,048)</u>
Balance at December 31, 2024	<u><u>\$ 5,419</u></u>	<u><u>564</u></u>	<u><u>-</u></u>	<u><u>5,983</u></u>
Carrying amount:				
Balance at December 31, 2025	<u><u>\$ 3,209</u></u>	<u><u>32</u></u>	<u><u>-</u></u>	<u><u>3,241</u></u>
Balance at January 1, 2024	<u><u>\$ 1,891</u></u>	<u><u>38</u></u>	<u><u>54</u></u>	<u><u>1,983</u></u>
Balance at December 31, 2024	<u><u>\$ 811</u></u>	<u><u>47</u></u>	<u><u>-</u></u>	<u><u>858</u></u>

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BIONIME CORPORATION
Notes to the Financial Statements

(i) Intangible assets

The costs of intangible assets and amortization of the Company for the years ended December 31, 2025 and 2024 were as follows:

	<u>Computer software</u>	<u>Development cost</u>	<u>Patent</u>	<u>Total</u>
Costs:				
Balance at January 1, 2025	\$ 47,811	132,491	628,559	808,861
Additions	14,380	-	-	14,380
Acquisition internally developed	-	146,274	-	146,274
Reclassification	634	-	-	634
Balance at December 31, 2025	<u>\$ 62,825</u>	<u>278,765</u>	<u>628,559</u>	<u>970,149</u>
Balance at January 1, 2024	\$ 45,072	-	628,559	673,631
Additions	14,181	-	-	14,181
Acquisition internally developed	-	132,491	-	132,491
Reclassification	2,425	-	-	2,425
Disposal	(13,867)	-	-	(13,867)
Balance at December 31, 2024	<u>\$ 47,811</u>	<u>132,491</u>	<u>628,559</u>	<u>808,861</u>
Amortization and Impairment Loss:				
Balance at January 1, 2025	\$ 32,871	-	75	32,946
Amortization for the year	17,403	-	549	17,952
Balance at December 31, 2025	<u>\$ 50,274</u>	<u>-</u>	<u>624</u>	<u>50,898</u>
Balance at January 1, 2024	\$ 30,071	-	-	30,071
Amortization for the year	16,667	-	75	16,742
Disposal	(13,867)	-	-	(13,867)
Balance at December 31, 2024	<u>\$ 32,871</u>	<u>-</u>	<u>75</u>	<u>32,946</u>
Carrying amounts:				
Balance at December 31, 2025	<u>\$ 12,551</u>	<u>278,765</u>	<u>627,935</u>	<u>919,251</u>
Balance at January 1, 2024	<u>\$ 15,001</u>	<u>-</u>	<u>628,559</u>	<u>643,560</u>
Balance at December 31, 2024	<u>\$ 14,940</u>	<u>132,491</u>	<u>628,484</u>	<u>775,915</u>

The Company is dedicated to developing its new product called Continuous Glucose Monitoring (CGM). For the year ended December 31, 2019, the product of 10-day model has met the criteria for capitalization. The CGM developed by the Company received the second-level medical device license approval notice issued by Taiwan Food and Drug Administration on October 13, 2024, resulting in the Company's capitalized cost of \$628,559 thousand to be reclassified to Patent and amortized using the units of production amortization method. For the year ended December 31, 2024, the product of 15-day model has met the criteria for capitalization. It is expected to be amortized using an appropriate method after the capitalization period end.

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BIONIME CORPORATION
Notes to the Financial Statements

(i) Amortization

The amortizations of intangible assets were included in the statement of comprehensive income for the years ended December 31, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Operating costs	\$ <u>1,553</u>	<u>1,197</u>
Operating expenses	\$ <u>16,399</u>	<u>15,545</u>

(ii) Impairment loss

The amount of recoverable future cash flows from the combined Company's expertise and development costs are based on the estimates of financial budgets approved by the management, wherein the appropriate valuation methods and assumptions are used to calculate the recoverable amount of the cash generating units. The discount rate used on December 31, 2025 and 2024 was 14%. According to the impairment test results of the Company, the recoverable amount of the Patent is greater than its carrying amount; hence, no impairment loss was recognized in 2025 and 2024.

(iii) Disclosures on pledges

None of the intangible assets of the Company had been pledged as collateral.

(j) Other current assets and other non-current assets

The other current assets and other non-current assets of the Company were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other financial assets:		
Time deposits with original maturities of more than three months	\$ <u>200</u>	<u>200</u>
Other Current assets:		
Overpaid sales tax	\$ 4,411	6,509
Temporary payments	1,853	9,323
Others	<u>4,394</u>	<u>4,247</u>
	\$ <u>10,658</u>	<u>20,079</u>
Other non-current assets:		
Other non-current assets — other	\$ <u>18,588</u>	<u>24,712</u>

(i) Other financial assets-current are the time deposits which are over three months of original expiry date. For the collateral pledged status, please refer to note 8.

(ii) Other non-current assets-other mainly consist of prepayment of royalties to GE company.

(iii) For further credit risk information, please refer to note 6(y).

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BIONIME CORPORATION
Notes to the Financial Statements

(k) Short-term notes and bills payable

The short-term notes and bills payable were summarized as follows:

	December 31, 2024		
	Guarantee or acceptance institution	Range of interest rate %	Amounts
Commercial paper payable	CHINA BILLS FINANCE CORPORATION	2.088%	\$ 100,000
Less: Discount on short-term notes and bills payable			<u>(98)</u>
Total			<u><u>\$ 99,902</u></u>

(l) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2025	December 31, 2024
Unsecured bank loans	\$ 473,662	557,835
Secured bank loans	<u>-</u>	<u>309,705</u>
	<u><u>\$ 473,662</u></u>	<u><u>867,540</u></u>
Unused credit line	<u>\$ 1,154,915</u>	<u>900,196</u>
Range of Interest rates	<u><u>2.2000%~4.8280%</u></u>	<u><u>1.9250%~6.2896%</u></u>

For the collateral pledged for short-term borrowings, please refer to note 8.

(m) Other payables (including related parties)

The details were as follow:

	December 31, 2025	December 31, 2024
Accrued Expenses	\$ 479,677	471,263
Other payables-related parties	30,010	29,823
Others	<u>2,879</u>	<u>2,188</u>
	<u><u>\$ 512,566</u></u>	<u><u>503,274</u></u>

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

(n) Other current liabilities

The details were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Temporary receipts	\$ 17,724	1,580
Others	<u>89,132</u>	<u>4,986</u>
	<u><u>\$ 106,856</u></u>	<u><u>6,566</u></u>

(o) Long-term borrowings

The details were as follows:

<u>December 31, 2025</u>				
	<u>Currency</u>	<u>Interest rates</u>	<u>Maturity year</u>	<u>Amount</u>
Secured bank loans	NTD	1.875%~2.145%	2026~2030	\$ 2,578,573
Less: current portion				<u>(715,142)</u>
Total				<u><u>\$ 1,863,431</u></u>
Unused credit line				<u><u>\$ 800,000</u></u>

<u>December 31, 2024</u>				
	<u>Currency</u>	<u>Interest rates</u>	<u>Maturity year</u>	<u>Amount</u>
Secured bank loans	NTD	1.875%~2.075%	2025~2030	\$ 2,188,020
Less: current portion				<u>(609,830)</u>
Total				<u><u>\$ 1,578,190</u></u>
Unused credit line				<u><u>\$ 300,000</u></u>

Property, plant and equipment are pledged as collateral for long-term borrowings, please refer to note 8.

(p) Lease liabilities

The lease liabilities were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current	<u>\$ 1,182</u>	<u>872</u>
Non-current	<u><u>\$ 2,067</u></u>	<u><u>-</u></u>

For the maturity analysis, please refer to note 6(y).

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

The amounts recognized in profit or loss was as follows:

	For the years ended December 31,	
	2025	2024
Interest on lease liabilities	\$ <u>21</u>	<u>20</u>
Expenses relating to short-term leases	\$ <u>3,585</u>	<u>3,524</u>

The amounts recognized in the statement of cash flows for the Company was as follows:

	For the years ended December 31,	
	2025	2024
Total cash outflow for leases	\$ <u>4,857</u>	<u>4,816</u>

(i) Real estate leases

The Company leases warehouses, machinery and vehicles. The leases typically run for a period of 3 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases contain extension or cancellation options exercisable by the Company before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Company has some office and trivial leases with contract terms of one year. These leases are short-term or leases of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(q) Employee benefits

(i) Defined benefit plans

The net defined benefit liabilities (assets) were as follows:

	December 31, 2025	December 31, 2024
Net defined benefit liabilities (assets)	\$ <u>(2,642)</u>	<u>(2,642)</u>

In 2024, the Company reached a pension settlement agreement with its employees and settled their seniority in accordance with the Labor Pension Regulations.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$3,208 thousand. as of December 31, 2025. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

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BIONIME CORPORATION
Notes to the Financial Statements

(ii) Defined benefit plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company paid a fixed amount to the Bureau of the Labor Insurance without additional legal or constructive obligations.

The pension costs incurred from the defined contribution plan have been contributed to the Bureau of the Labor Insurance. The amounts of \$2,103 thousand and \$2,045 thousand for the years ended December 31, 2025 and 2024, respectively, were transferred to intangible assets as they were eligible for capitalization, please refer to note 6 (i), and the remaining pension costs are \$0 thousand and \$23,798 thousand respectively.

(r) Income taxes

(i) Income tax income

The Company of income tax in the years 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Deferred tax income		
Origination and reversal of temporary differences	\$ (72,823)	(61,286)
Tax income	<u>\$ (72,823)</u>	<u>(61,286)</u>

None of the amount of income tax recognized in other comprehensive income for 2025 and 2024.

Reconciliation of income tax and profit before tax for 2025 and 2024 is as follows.

	<u>2025</u>	<u>2024</u>
Loss excluding income tax	\$ <u>(253,100)</u>	<u>(188,502)</u>
Income tax using the Company's domestic tax rate	\$ (50,620)	(37,700)
Non-deductible expenses	3,428	1,725
Book-tax income differences of the revenue and expense	(24,918)	(26,499)
Investment income recognized under equity method	(2,347)	(4,058)
Changes in unrecognized temporary differences	1,965	5,246
Tax exempt income	(331)	-
	<u>\$ (72,823)</u>	<u>(61,286)</u>

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2025	December 31, 2024
Tax effect of deductible temporary differences	<u>\$ 15,359</u>	<u>13,394</u>

2) Unrecognized deferred tax liabilities

The entity is able to control the timing of the temporary differences associated with its investments in subsidiaries as of December 31, 2025 and 2024. Also the management considers it is probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2025	December 31, 2024
Aggregate amount of temporary differences related to investments in subsidiaries	<u>\$ 60,353</u>	<u>55,094</u>
Unrecognized deferred tax liabilities	<u>\$ 12,071</u>	<u>11,019</u>

3) Recognized deferred tax assets and liabilities
Changes in the amount of deferred tax assets and liabilities for 2025 and 2024 were as follows:

Deferred Tax Assets:

	Unrealized loss on inventory obsolescence	Unrealized foreign exchange loss	Unrealized inter- company profits resulting from sales to affiliated companies	Operating loss carry forward	Unrealized impairment loss	Unrealized sales discounts	Total
Balance at January 1, 2025	\$ 6,259	-	2,389	148,203	795	-	157,646
Recognized in profit or loss	2,661	-	(378)	25,849	1,094	43,055	72,281
Balance at December 31, 2025	<u>\$ 8,920</u>	<u>-</u>	<u>2,011</u>	<u>174,052</u>	<u>1,889</u>	<u>43,055</u>	<u>229,927</u>
Balance at January 1, 2024	\$ 5,747	331	3,895	85,408	-	-	95,381
Recognized in profit or loss	512	(331)	(1,506)	62,795	795	-	62,265
Balance at December 31, 2024	<u>\$ 6,259</u>	<u>-</u>	<u>2,389</u>	<u>148,203</u>	<u>795</u>	<u>-</u>	<u>157,646</u>

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

Deferred Tax Liabilities:

	Unrealized foreign exchange loss	Others	Total
Balance at January 1, 2025	\$ 979	287	1,266
Recognized in profit or loss	(542)	-	(542)
Balance at December 31, 2025	<u>\$ 437</u>	<u>287</u>	<u>724</u>
Balance at January 1, 2024	\$ -	287	287
Recognized in profit or loss	979	-	979
Balance at December 31, 2024	<u>\$ 979</u>	<u>287</u>	<u>1,266</u>

The R.O.C Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As of December 31, 2025, the information of the Company's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused tax loss	Expiry date	Remark
2020	\$ 107,675	2030	Number of approved
2021	99,117	2031	Number of approved
2022	6,562	2032	Number of approved
2023	57,395	2033	Number of approved
2024	207,132	2034	Number of declarations
2025	392,380	2035	Number of declarations
	<u>\$ 870,261</u>		

(iii) Assessment of tax

The Company's tax returns for the years through 2023 were assessed by the Tax Authority.

(s) Capital and other equity

As of December 31 2025 and 2024, the numbers of authorized ordinary shares were 100,000 thousand shares, with par value of \$10 per share. The total value of authorized ordinary shares amounted to \$1,000,000 thousand (and of which \$90,000 thousand was reserved for the exercising of employee share options for each year). As of the date, 67,273 thousand (2024: 61,039 thousand) of ordinary thousand shares amounted to \$672,727 thousand (2024: \$610,388 thousand) were issued.

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

Reconciliation of shares outstanding for 2025 and 2024 was as follows:

(in thousands of shares)

	Ordinary Shares	
	2025	2024
Balance on January 1	61,039	60,820
Capital increase through capitalization of capital surplus	6,108	-
Exercise of share options	126	219
Balance on December 31	67,273	61,039

(i) Ordinary shares

As of December 31, 2025 and 2024, the Company issued 126.2 thousand and 218.6 thousand new shares for employee stock options, with a par value of \$10 per share, totaling \$6,572 thousand and \$11,687 thousand, respectively, which were paid upon issuance. All relevant statutory registration procedures had since been completed, except for the remaining 12.6 thousand and 34.4 thousand shares, amounting to \$597 thousand and \$1,792 thousand, respectively, which have yet to be registered for the years then ended.

A resolution was passed during the board meeting on September 11, 2025 for the issue of 10,000 thousand new shares for cash, with a par value of \$10 per share, amounting to \$100,000 thousand. The Company has received approval from the Financial Supervisory Commission for this capital increase, with February 5, 2026 as the date of capital increase. The relevant statutory registration procedures are still in process.

The balances of capital surplus as of December 31, 2025 and 2024 were as follows:

	December 31, 2025	December 31, 2024
Share capital	\$ 734,497	795,574
Share capital of Employee share options	144,895	139,585
Employee share options	84,243	75,885
Expired options	115,669	104,549
	\$ 1,079,304	1,115,593

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the capital increase by transferring the capital surplus in excess of the par value should not exceed 10% of the total common stock outstanding.

The Company has determined to distribute \$61,077 thousand new common shares through a capital increase out of APIC (Additional Paid-In Capital) on June 17, 2025 with approval subjected to the shareholders' meeting.

(Continued)

BIONIME CORPORATION

Notes to the Financial Statements

The Company has determined to distribute \$116,208 thousand as cash dividends out of APIC (Additional Paid-In Capital) on March 14, 2024 with approval subjected to the stockholders' meeting.

(ii) Retained earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

According to the Company Act, the distribution of dividends and bonus, or all or part, of legal reserve and capital reserve, distributed by way of cash, shall be decided during the board meeting approved by more than half of the directors, with two thirds of directors in attendance; thereafter, to be reported at the shareholders' meeting.

The Company's dividend policy depends on the Company's capital expenditure budget and required working capital. The remaining earnings will be distributed either in cash or in stock dividends, or both. However, the cash dividend cannot be less than 5% of the total dividends distributed.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

During the earnings of distribution, the amount to be reclassified as a special reserve (which does not qualify for earnings distribution) should be equal to the total net current-period reduction of other shareholders' equity in accordance with the regulation of Taiwan Stock Exchange Authority. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

At the shareholders' meeting on June 17, 2025, the Company approved the reduction of capital to offset deficit for the year 2024.

The amounts of cash dividends on the appropriations of earnings for 2023 had been approved during the board meeting on March 14, 2024. The relevant dividend distributions to shareholders were as follows:

	2023	
	Amount per share	Total amount
Dividends distributed to ordinary shareholders		
Cash	\$ <u><u>0.095</u></u>	<u><u>5,795</u></u>

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

(iii) Other equity interests (net-of-taxes)

	Exchange differences on translation of foreign financial statements	Unrealized gains(losses) on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2025	\$ 9,093	130,052	139,145
Exchange differences on translation of foreign financial statements	(899)	-	(899)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	21,749	21,749
Balance at December 31, 2025	\$ 8,194	151,801	159,995
Balance at January 1, 2024	\$ (3,328)	19,716	16,388
Exchange differences on translation of foreign financial statements	12,421	-	12,421
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	110,336	110,336
Balance at December 31, 2024	\$ 9,093	130,052	139,145

(t) Share-Based payment

(i) Employee stock options

As of December 31, 2025, details of the Employee Stock Option Plans (“ESOP”) issued by the company were as follows:

	2019 ESOP	2024 ESOP	2025 ESOP
Grant date	2019.11.5	2024.04.09	2025.03.14
Units issued	2,930,000	3,500,000	1,500,000
Term of grant	2019.11.5~2029.11.4	2024.04.09~2031.04.08	2025.3.14~2032.3.13
Grant object	Full-time employees of the Company and its subsidiaries	Full-time employees of the Company and its subsidiaries	Full-time employees of the Company and its subsidiaries
Vesting conditions	Services of the next two years	Services of the next two years	Services of the next two years

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

1) Determining the fair value of equity instruments granted

The Company used Black-Scholes method in measuring the fair value of the share-based payment at the grant date. The measurement inputs were as follows:

	2019 ESOP	
	2025	2024
Fair value at grant date	\$22.53~25.83	22.53~25.83
Share price at grant date	60.2	60.2
Exercise price	47.4~52.1	52.1~53.6
Expected volatility(%)	38.50%	38.50%
Expected life (years)	10 years	10 years
Expected dividend	-	-
Risk-free interest rate(%)	0.54%	0.54%

	2024ESOP	
	2025	2024
Fair value at grant date	20.59~24.82	20.59~24.82
Share price at grant date	70.0	70.00
Exercise price	61.8~68.0	68.0~70.0
Expected volatility(%)	32.59%	32.59%
Expected life (years)	7 years	7 years
Expected dividend	-	-
Risk-free interest rate(%)	1.45%	1.45%

	2025ESOP	
	2025	
Fair value at grant date	15.64~19.07	
Share price at grant date	63.3	
Exercise price	57.6~63.3	
Expected volatility(%)	26.19%	
Expected life (years)	7 years	
Expected dividend	-	
Risk-free interest rate(%)	1.56%	

Expected volatility is based on the weighted average of historical volatility, and it is adjusted when there is additional market information about the volatility. The Company determined the expected dividends and risk-free rate during the life of the option. These rates are determined based on government bonds, which are in accordance with the regulations. Service and non-market performance conditions attached to the transactions are not taken into account in determining the fair value.

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

2) Description of share-based payment arrangements

Details of the employee stock options are as follows:

(in dollars)	2025		2024	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at January 1 (number)	63.52	4,518,000	53.60	1,481,800
Granted during the year (number)	63.30	1,500,000	70.00	3,500,000
Forfeited during the year (number)		(587,000)		(316,600)
Exercised during the year (number)		(104,400)		(130,800)
Expired during the year (number)		(9,800)		(16,400)
Outstanding at December 31 (number)	57.69	<u>5,316,800</u>	63.52	<u>4,518,000</u>
Exercisable at December 31 (number)		<u>5,316,800</u>		<u>4,518,000</u>

3) Employee recognized in profit or loss

The Company incurred expenses and liabilities of share-based arrangements in 2025 and 2024 were as follows:

	2025	2024
Expenses resulting from granted employee share options	<u>\$ 19,478</u>	<u>13,479</u>

(u) Earnings per share

(i) Basic earnings per share

The details on the calculation of basic earnings per share as of December 31, 2025 and 2024 were based on the profit attributable to ordinary shareholders of the Company amounting to \$(180,277) thousand and \$(127,216) thousand, respectively; and the weighted average number of ordinary shares outstanding of 67,197 thousand shares and 67,074 thousand shares, respectively, were calculated as follows:

1) Loss attributable to ordinary shareholders of the Company

	2025	2024
Loss attributable to ordinary shareholders of the Company	<u>\$ (180,277)</u>	<u>(127,216)</u>

2) Weighted average number of ordinary shares

	2025	2024
Weighted-average number of ordinary shares at December 31	<u>67,197</u>	<u>67,074</u>
Basic earnings per share	<u>\$ (2.68)</u>	<u>(1.90)</u>

For the year ended December 31, 2025 and 2024 is the net loss before tax and no dilutive effect occurred.

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2025</u>	<u>2024</u>
<u>Primary geographical markets</u>		
Algeria	\$ 530,604	550,945
China	122,991	142,175
Switzerland	38,108	57,281
United States	91,896	128,709
Belarus	88,685	105,504
Egypt	15,546	23,849
United Arab Emirates	24,546	38,068
Other	790,674	725,261
	<u><u>\$ 1,703,050</u></u>	<u><u>1,771,792</u></u>
<u>Major products</u>		
Meter and Strips	<u><u>\$ 1,703,050</u></u>	<u><u>1,771,792</u></u>

(ii) Contract balances

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Contract liabilities	<u><u>\$ 114,190</u></u>	<u><u>1,752</u></u>	<u><u>1,676</u></u>

The amount of revenue recognized for the years ended December 31, 2025 and 2024 that was included in the contract liability balance at the beginning of the period were \$1,706 thousand and \$1,652 thousand, respectively.

(w) Employee compensation, directors' remuneration

On June 17, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 3% shall be allocated as employee remuneration (including a minimum of 30% to those base-level employees) and a maximum of 3% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 1.5% should be allocated as employee remuneration and no more than 3% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, could include employees of the subsidiaries who met certain specific requirements.

For the year ended December 31, 2025 and 2024 are the net loss before tax, so the remuneration of employee and directors were not estimated.

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BIONIME CORPORATION
Notes to the Financial Statements

(x) Non-operating income and expenses

(i) interest income

The details of interest income for the years 2025 and 2024 were as follows:

	2025	2024
Interest income from bank deposits	\$ <u><u>1,560</u></u>	<u><u>1,412</u></u>

(ii) Other income

The details of other income for the years 2025 and 2024 were as follows:

	2025	2024
Rent income	\$ 535	535
Dividend income	1,656	192
Other income—others	<u>11,187</u>	<u>23,077</u>
	\$ <u><u>13,378</u></u>	<u><u>23,804</u></u>

(iii) Other gains and losses

The details of other gains and losses for the years 2025 and 2024 were as follows:

	2025	2024
Foreign exchange gains	\$ 5,362	9,451
Gains on disposals of property, plant and equipment	(3,068)	-
Impairment loss on property, plant and equipment	<u>(9,447)</u>	<u>(3,976)</u>
	\$ <u><u>(7,153)</u></u>	<u><u>5,475</u></u>

(iv) Finance costs

The details of financial costs for the years 2025 and 2024 were as follows:

	2025	2024
Interest expenses of bank loans	\$ 64,577	61,963
Interest of lease liabilities	<u>21</u>	<u>20</u>
	\$ <u><u>64,598</u></u>	<u><u>61,983</u></u>

(y) Financial Instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

2) Concentration of credit risk

The major clients of Company are concentrated in medical instruments market. To minimize credit risk, the Company periodically evaluates their financial positions and requests collateral if deemed necessary. It also periodically assesses the recoverability of the accounts receivable and recognizes an allowance for impairment. The impairment loss is within management's expectation. As of December 31, 2025 and 2024, 68% and 72%, respectively, of trade receivables were comprised of five customers. Thus, the credit risk is significantly centralized.

3) Receivables and debt securities

For credit risk exposure of notes and trade receivables, please refer to note 6 (c).

Other financial assets at amortized cost includes other receivables and time deposits. For the details on loss allowance, please refer to note 6(d).

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12-months expected losses. (Regarding how the financial instruments are considered to have low credit risk, please refer to note 4 (f).)

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 -2 years</u>	<u>2 -5 years</u>	<u>Over 5 years</u>
December 31, 2025						
Non-derivative financial liabilities						
Secured bank loans	\$ 2,578,573	2,629,383	729,233	764,550	1,135,600	-
Unsecured bank loans	473,662	489,762	489,762	-	-	-
Notes and trade payables (including related parties)	142,037	142,037	142,037	-	-	-
Other payables (including related parties)	512,566	512,566	512,566	-	-	-
Payable on machinery and equipment	9,734	9,734	9,734	-	-	-
Guarantee deposits received	2,204	2,204	2,204	-	-	-
Lease liabilities (Current and Non- Current)	<u>3,249</u>	<u>3,332</u>	<u>1,232</u>	<u>1,200</u>	<u>900</u>	<u>-</u>
	<u><u>\$ 3,722,025</u></u>	<u><u>3,789,018</u></u>	<u><u>1,886,768</u></u>	<u><u>765,750</u></u>	<u><u>1,136,500</u></u>	<u><u>-</u></u>

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BIONIME CORPORATION
Notes to the Financial Statements

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 -2 years</u>	<u>2 -5 years</u>	<u>Over 5 years</u>
December 31, 2024						
Non-derivative financial liabilities						
Secured bank loans	\$ 2,497,725	2,553,844	945,405	594,352	971,587	42,500
Unsecured bank loans	557,835	579,184	579,184	-	-	-
Short-term notes and bills payable	99,902	100,000	100,000	-	-	-
Notes and trade payables (including related parties)	189,141	189,141	189,141	-	-	-
Other payables (including related parties)	503,274	503,274	503,274	-	-	-
Payable on machinery and equipment	20,259	20,259	20,259	-	-	-
Guarantee deposits received	4	4	4	-	-	-
Lease liabilities (Current and Non-Current)	872	876	876	-	-	-
	<u>\$ 3,869,012</u>	<u>3,946,582</u>	<u>2,338,143</u>	<u>594,352</u>	<u>971,587</u>	<u>42,500</u>

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Currency risk

The Company's significant exposure to foreign currency risk was as follows:

<u>December 31, 2025</u>					<u>December 31, 2024</u>		
	<u>Foreign currency</u>	<u>Exchange rates</u>	<u>NTD</u>		<u>Foreign currency</u>	<u>Exchange rates</u>	<u>NTD</u>
<u>Financial assets</u>							
<u>Monetary items</u>							
USD	USD 16,935	31.43	532,267	USD 20,426	32.77	669,347	
EUR	EUR 2,140	36.89	78,945	EUR 2,717	34.09	92,618	
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD	USD 15,796	31.43	496,468	USD 19,297	32.77	632,363	
EUR	EUR 1,141	36.89	42,091	EUR 2,797	34.09	95,340	

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, loans and borrowings; and trade and other payables that are denominated in foreign currency.

A strengthening (weakening) of 0.5% of the NTD against the USD and the EUR as of December 31, 2025 and 2024, would have increased (decreased) the net profit after tax by \$291 thousand and \$137 thousand, respectively.

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BIONIME CORPORATION
Notes to the Financial Statements

3) Foreign exchange gain and loss on monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years 2025 and 2024, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$5,362 thousand and \$9,451 thousand, respectively.

(iv) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 0.5%, the Company's net income would have increased / decreased by \$12,209 thousand and \$12,222 thousand for the year ended December 31, 2025 and 2024, respectively with all other variable factors remaining constant. This is mainly due to the Company's borrowing at variable rates.

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2025				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	\$ 187,901	187,901	-	-	187,901
Financial assets measured at amortized cost					
Cash and cash equivalents	243,048	-	-	-	-
Notes and trade receivables (including related parties)	538,951	-	-	-	-
Other receivables (including related parties)	4,562	-	-	-	-
Other financial assets-current	200	-	-	-	-
Guarantee deposits received	2,498	-	-	-	-
	<u>789,259</u>	-	-	-	-
	<u>\$ 977,160</u>				

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BIONIME CORPORATION
Notes to the Financial Statements

		December 31, 2025			
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Short-term borrowings	\$ 473,662	-	-	-	-
Notes and trade payables, and other payables (including related parties)	654,603	-	-	-	-
Payable on machine and equipment	9,734	-	-	-	-
Lease liabilities (Current and Non-current)	3,249	-	-	-	-
Guarantee deposits received	2,204	-	-	-	-
Long-term borrowings, including current portion	<u>2,578,573</u>	-	-	-	-
	<u><u>\$ 3,722,025</u></u>				
		December 31, 2024			
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stocks unlisted companies	\$ <u>166,152</u>	166,152	-	-	166,152
Financial assets measured at amortized cost					
Cash and cash equivalents	159,926	-	-	-	-
Notes and trade receivables (including related parties)	675,431	-	-	-	-
Other receivables (including related parties)	50,715	-	-	-	-
Other financial assets-current	200	-	-	-	-
Guarantee deposits received	<u>3,252</u>	-	-	-	-
	<u>889,524</u>				
	<u><u>\$ 1,055,676</u></u>				
Financial liabilities at amortized					
Short-term borrowings	\$ 867,540	-	-	-	-
Short-term notes and bills payable	1,752	-	-	-	-
Notes and trade payables, and other payables (including related parties)	692,415	-	-	-	-
Payable on machine and equipment	20,259	-	-	-	-
Lease liabilities (Current and Non-current)	872	-	-	-	-
Guarantee deposits received	4	-	-	-	-
Long-term borrowings, including current portion	<u>2,188,020</u>	-	-	-	-
	<u><u>\$ 3,770,862</u></u>				

2) Valuation techniques for financial instruments not measured at fair value :

Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

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BIONIME CORPORATION
Notes to the Financial Statements

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

3) Transfers between Level 1 and Level 2

The equity investment in Bonraybio Co., Ltd. held by the company was classified as a financial asset measured at fair value through other comprehensive income. As of December 31, 2023, the investee's shares did not have quoted market prices and the valuation relied significantly on unobservable inputs; therefore, the fair value measurement was classified within Level 3. On December 6, 2024, the investee's shares began to be publicly traded and became quoted in an active market. Accordingly, as of December 31, 2024, the fair value measurement was transferred from Level 3 to Level 1.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	<u>Unquoted equity instruments</u>
Opening balance, January 1, 2024	\$ 55,816
In other comprehensive income	110,336
Transfers out of Level 3	<u>(166,152)</u>
Ending balance, December 31, 2024	<u>\$ -</u>

(z) Financial risk management

(i) Overview

The Company has exposures to the following risks from its financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

In this note expressed the information on risk exposure and objectives, policies and procedures of risk measurement and management. For detailed information, please refer to the related notes of each risk.

(Continued)

BIONIME CORPORATION

Notes to the Financial Statements

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's Planning Department, which is responsible for developing and controlling the Company's risk management policies, periodically reports to the Board of Directors on its operation. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations that arise principally from the Company's receivables from customers and investments in debt securities.

1) Trade and other receivables

The Company has established a credit policy, under which every new customer's credit rating shall be analyzed before granting delivery and payment terms. The Company reviews external ratings, customers' general information, and other information. The Company grants credit line for each customer and carries out periodical reviews thereafter. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis. The Company has an allowance account for impairment to reflect the estimate of the losses on accounts receivable and other receivables that may be incurred.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantee

The Company's policy is to provide financial guarantees only to wholly-owned subsidiaries. At December 31, 2025, no guarantees were outstanding (2024: none).

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

(iv) Liquidity risk

The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company management supervises the banking facilities and ensures compliance with the terms of loan agreements.

Loans and borrowings from the bank form an important source of liquidity for the Company. As of December 31, 2025 and 2024, the Company's unused credit lines were amounted to \$1,954,915 thousand and \$1,200,196 thousand, respectively.

(v) Market risk

Market risk is a risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affects the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Company is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of in addition to keeping abreast of the trends and changes in major currencies in the international foreign exchange market, the Company flexibly adjusts its export quotations, and maintains a considerable position in foreign currency accounts receivable and payable to avoid currency risk.

2) Interest rate risk

The borrowing rate of the Company is agreed in accordance with the contract, and financing decisions are all approved by the Board of Directors.

3) Other market price risk

The Company is exposed to equity price risk from its investments in equity securities. This is a strategic investment and is not held for trading. The Company does not actively trade in these investments as the management of the Company minimizes the risk by holding different investment portfolios. The Company's exposure to equity price risk is mainly due to the equity financial instruments on Taiwan's local stock exchange. The Company assigned a specific team to supervise and assess the equity price risk so as to avoid or minimize the risk from the hedging position.

(aa) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to its shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

The Company and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

As of December 31, 2025, the Company's capital management strategy is consistent with the prior year as of December 31, 2024, and the gearing ratio is maintained within 30% to 75% to ensure financing at reasonable cost. The Company's debt-to-equity ratio at the end of the reporting period was as follows:

	December 31, 2025	December 31, 2024
Total liabilities	\$ 3,950,309	3,885,110
Less: cash and cash equivalents	243,048	159,926
Net debt	<u><u>\$ 3,707,261</u></u>	<u><u>3,725,184</u></u>
Total equity	<u><u>\$ 1,745,406</u></u>	<u><u>1,879,978</u></u>
Total capital	<u><u>\$ 5,452,667</u></u>	<u><u>5,605,162</u></u>
Debt-to-equity ratio at 31 December	<u><u>67.99%</u></u>	<u><u>66.46%</u></u>

(ab) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2025 and 2024, were as follows:

(i) For right-of-assets under leases, please refer to note 6(h).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Non-cash changes				December 31, 2025
			Additions	Foreign exchange movement	Interest expenses	(Profit) loss of lease modification	
Long-term borrowings	\$ 2,188,020	390,553	-	-	-	-	2,578,573
Short-term borrowings	867,540	(396,073)	-	2,195	-	-	473,662
Short-term notes and bills payable	99,902	(100,000)	-	-	98	-	-
Lease liabilities (current and non-current)	872	(1,251)	3,628	-	-	-	3,249
Total liabilities from financing activities	<u><u>\$ 3,156,334</u></u>	<u><u>(106,771)</u></u>	<u><u>3,628</u></u>	<u><u>2,195</u></u>	<u><u>98</u></u>	<u><u>-</u></u>	<u><u>3,055,484</u></u>

	January 1, 2024	Cash flows	Non-cash changes				December 31, 2024
			Additions	Foreign exchange movement	Release the lease	(Profit) loss of lease modification	
Long-term borrowings	\$ 2,291,298	(103,278)	-	-	-	-	2,188,020
Short-term borrowings	404,872	446,025	-	16,643	-	-	867,540
Short-term notes and bills payable	99,866	-	-	-	36	-	99,902
Lease liabilities (current and non-current)	2,002	(1,272)	142	-	-	-	872
Total liabilities from financing activities	<u><u>\$ 2,798,038</u></u>	<u><u>341,475</u></u>	<u><u>142</u></u>	<u><u>16,643</u></u>	<u><u>36</u></u>	<u><u>-</u></u>	<u><u>3,156,334</u></u>

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with a related party during the periods covered in the financial statements.

<u>Name of related Party</u>	<u>Relationship with the Company</u>
Bionime Incorporated (B.V.I)	Subsidiary of the Company
Bionime GmbH	Subsidiary of the Company
Bionime USA Corporation	Subsidiary of the Company
Bionime Australia Pty Limited	Subsidiary of the Company
Bionime (Malaysia) Sdn Bhd	Subsidiary of the Company
Bionime (Shenzhen) Limited Company (Bionime Shenzhen)	Subsidiary of the Company
Bionime (Pingtan) Limited Company (Bionime Pingtan)	Subsidiary of the Company
Tonghua Dongbao Pharmaceutical Co., Ltd. (Tonghua Dongbao)	Director of the Company

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Company to its related party were as follows:

	<u>2025</u>	<u>2024</u>
Subsidiary		
Bionime Pingtan	\$ 118,278	123,900
Other subsidiary	67,572	76,171
Other related parties	<u>4,714</u>	<u>18,275</u>
	<u>\$ 190,564</u>	<u>218,346</u>

The price given to the related-parties is not comparable to other non-related products due to their product characteristics. The general customer's collection term is about 45 to 120 days, or advance sales receipts, and the collection term for Bionime Incorporated (B.V.I), Bionime GmbH, Bionime USA Corporation, Bionime Australia Pty Limited, Bionime (Malaysia) Sdn Bhd, Bionime (Pingtan) Limited Company and Bionime (Shenzhen) Limited Company were approximately 90 days, 60 days, 120 days, 120 days, 100 days, 90 days and 90 days, respectively, the other related parties of the Company of the collection conditions is 45 days from the end of the month of when the invoice is issued.

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

(ii) Purchases

The amounts of purchases by the Company from related parties were as follows:

	<u>2025</u>	<u>2024</u>
Subsidiary	\$ <u><u>52</u></u>	<u><u>49</u></u>

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors. The payment terms were 90 days.

(iii) Receivables from related parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Trade receivables	Subsidiary	\$ <u><u>34,503</u></u>	<u><u>36,068</u></u>

(iv) Payables to related parties

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Trade payables	Subsidiary	\$ -	42
Other payables	Subsidiary:		
	Bionime GmbH	29,786	29,069
	Bionime Pingtan	-	530
	Other related parties	<u>224</u>	<u>224</u>
		<u><u>\$ 30,010</u></u>	<u><u>29,865</u></u>

(v) Others (account for other current liabilities)

The others to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Temporary receipts	Subsidiary	\$ <u><u>209</u></u>	<u><u>209</u></u>

(vi) Other related parties

1) The service fees paid by the Company were as follows

	<u>2025</u>	<u>2024</u>
Bionime GmbH	\$ <u><u>-</u></u>	<u><u>22,298</u></u>

2) The sales expenses were \$28,568 thousand and \$30,362 thousand in 2025 and 2024 respectively, which caused by signing technical service contract with subsidiary of the Company-Bionime Shenzhen was under selling expenses.

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

(c) Key management personnel compensation

Key management personnel compensation comprised:

	2025	2024
Short-term employee benefits	\$ 13,613	13,235
Post-employment benefits	-	-
Termination benefits	-	-
Other long-term employee benefits	-	-
Share-based payments	4,504	2,245
	<u><u>\$ 18,117</u></u>	<u><u>15,480</u></u>

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2025	December 31, 2024
Property, plant and equipment	Guarantee for bank loans	\$ 2,192,495	2,235,550
Other financial assets-current	Purchase deposit	200	200
		<u><u>\$ 2,192,695</u></u>	<u><u>2,235,750</u></u>

(9) Significant commitments and contingencies

Unrecognized contractual commitments are as follows:

	December 31, 2025	December 31, 2024
Acquisition of property, plant and equipment	<u><u>\$ 12,738</u></u>	<u><u>12,651</u></u>

(10) Losses Due to Major Disasters : None

(11) Subsequent Events : None

(12) Other

- (a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By function By item	2025			2024		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits						
Salary	376,068	192,962	569,030	448,282	217,791	666,073
Labor and health insurance	43,663	18,978	62,641	38,814	18,856	57,670
Pension	16,119	8,620	24,739	15,031	8,767	23,798
Remuneration of directors	-	2,770	2,770	-	2,660	2,660
Others	19,991	13,045	33,036	19,597	13,115	32,712
Depreciation	123,140	32,014	155,154	122,871	33,120	155,991
Amortization	1,553	16,399	17,952	1,197	15,545	16,742

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

The additional information of the numbers of employee and employee benefits in 2025 and 2024 were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The number of employees	<u>1,004</u>	<u>1,012</u>
Directors were not serving as employees	<u>8</u>	<u>8</u>
Average of employee benefits	<u>\$ 691</u>	<u>778</u>
Average of employee salary expenses	<u>\$ 570</u>	<u>664</u>
Adjustment of the average of employee salary expenses	<u>(14.01)%</u>	<u>-</u>
Remuneration of supervisors	<u>\$ 0</u>	<u>0</u>

The Company's salary and remuneration policy (including directors, supervisors, managers and employees) are as follows:

- (i) Ensure that the Company's salary and remuneration arrangements comply with the relevant laws and regulations and are sufficient to attract the best talent.
- (ii) The performance evaluation and salary of directors, supervisors and managers shall be based on the competitors of the same industry standard, taking into account the results of the individual's performance evaluation, the time dedicated to the Company, the responsibilities undertaken, the achievement of personal goals, the performance of other positions, the salary and remuneration of the same peer salary level in recent year, the reasonableness of the connection between individual performance and the Company's operating performance and future risks as assessed by the achievement of the Company's short term and long term business objectives and the Company's financial position.
- (iii) Directors and managers should not be induced to engage in conduct that exceeds the Company's risk appetite in pursuit of the salary and remuneration.
- (iv) The percentage of remuneration for short term performance of directors and senior managers, and the timing of payment of some variable salary and remuneration, shall be determined by considering the characteristics of the industry and the nature of the Company's business.
- (v) The content and amount of remuneration to directors, supervisors and managers should be reasonable, and the determination of remuneration to directors, supervisors and managers should not be materially different from that of the financial performance.

If there is a significant decline in profits or a long term loss, the salary should not be higher than the previous year. Otherwise, an explanation of reasonableness should be disclosed in the annual report and reported in the shareholders' meeting.

- (vi) The remuneration to employees is based on their academic qualifications and duties in accordance with the standards of the Company's employee salary grade and additional pay statement of the job title.

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

- (b) The explanation of current asset less than current liability on December 31, 2025 were as follows:

As of December 31, 2025 and 2024 current assets were less than current liabilities mainly because of the Company's short-term and long-term bank loans due within one year. If the liabilities of bank loans are excluded, the current assets are still greater than the current payables, and the review of bank loans is based on the information from the consolidated financial statements as a reference for whether to approve loans or not.

The Company's cash flow in the coming year, taking into account the amount of bank loans and the extension of bank loans, the Company estimates that the short-term capital income in the coming year will be sufficient to meet the operating expenses.

(13) Other disclosures:

- (a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company:

- (i) Loans to other parties: None
- (ii) Guarantees and endorsements for other parties: None
- (iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The company	Ordinary shares-Bonraybio Corporation	None	Financial assets measured at fair value through other comprehensive gains and losses-non-current	1,270	187,901	5.12%	187,901	

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NTD100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Bionime (Pingtan) Limited Company	Subsidiary of B.V.I	Sale	(118,278)	(6.95)%	net 90 days from the end of the month of when the invoice issued	No comparison	net 90 days from the end of the month of when the invoice issued	28,252	5.24%	

- (v) Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of the capital stock: None

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2025 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Net income (losses) of investee	Share of profits/losses of investee
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value		
The company	Bionime GmbH	Switzerland	Merchandise trading	CHF300	CHF300	Note	100 %	31,006	(376)	(376)
The company	Bionime Incorporated (B.V.I)	British Virgin Islands	Investing and holding	USD3,090	USD3,090	3.09	100 %	126,281	3,853	3,853
The company	Bionime USA Corporation	America	Merchandise trading	USD11,150	USD11,150	1,115	100 %	114,189	6,508	6,508
The company	Bionime Australia Pty Limited	Australia	Merchandise trading	AUD350	AUD350	Note	100 %	(210)	(33)	(33)
The company	Bionime (Malaysia) Sdn.Bhd	Malaysia	Merchandise trading	MYR1,046	MYR1,046	Note	65.09%	16,822	2,740	1,783

Note: A company

(c) Information on investment in mainland China:

- (i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Bionime (Shenzhen) Limited Company	Merchandise trading	USD2,300	Note 1	USD850	-	-	USD850	3,496 (Note3)	100%	3,496	116,696	USD2,087 (NTD63,084)
Bionime (Pingtan) Limited Company	Merchandise trading and manufacturing	RMB\$20,000	Note 2	-	-	-	-	4,510 (Note3)	100%	4,510	117,427	-

- (ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD850 (NTD 27,520)	USD 2,300 (NTD70,863)	NTD1,047,244

Note 1: Indirectly investment in Mainland China through an existing company registered in the third region.

Note 2: Which is invested by Shenzhen subsidiary.

Note 3: Amount was recognized base on the audited financial statement.

(Continued)

BIONIME CORPORATION
Notes to the Financial Statements

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidation financial statements, are disclosed in the "Information on significant transactions" and "Business relationship and major transactions between parent company and subsidiary company".

(14) Disclosures required for securities firm investing in countries or regions without securities authority:

Please refer to 2025 consolidated financial report.

(Continued)

Bionime Corporation
Statement of Cash and Cash Equivalents
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Amount</u>
Cash	Petty cash and cash on hand			\$ 310
Cash in bank	Demand deposits			100,589
	Foreign currencies-USD	4,020,167.15	31.43	
	Foreign currencies-EUR	317,022.08	36.89	
	Foreign currencies-CHF	582.83	39.66	
	Foreign currencies-AUD	178,186.14	21.04	
	Foreign currencies-JPY	145	0.20	
	Foreign currencies-CNY	70,380.16	4.5	
	Foreign currencies-SGD	453.63	24.48	
				<u>142,149</u>
				<u><u>\$ 243,048</u></u>

Bionime Corporation
Statement of Notes and Trade Receivables
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Client name</u>	<u>Description</u>	<u>Amount</u>
Notes receivables— Non-Related Parties		
A Company	Operating	\$ 3,176
B Company	Operating	756
C Company	Operating	459
Others (Note2)	Operating	<u>3,352</u>
		<u>7,743</u>
Trade receivables— Related Parties		
Bionime (Pingtan) Limited Company	Operating	28,252
Bionime(Malaysia) Sdn Bhd.	Operating	<u>6,251</u>
		<u>34,503</u>
Trade receivables— Non-Related Parties		
D Company	Operating	270,097
E Company	Operating	33,267
F Company	Operating	29,929
Others (Note2)	Operating	<u>181,760</u>
		515,053
Less : Loss allowance		<u>(18,348)</u>
		<u>496,705</u>
		<u>\$ 538,951</u>

Note1 : Due to contract agreement, revealed by code.

Note2 : If the amount does not exceed 5 percent of the balance of the subject, it will not be listed separately.

Bionime Corporation
Statement of Other Receivables
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Other Receivables	Tax Refund Receivables	\$ 3,676
	Others	<u>886</u>
		<u><u>\$ 4,562</u></u>

Bionime Corporation
Statement of Inventories
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Amount</u>		<u>Note</u>
	<u>Cost</u>	<u>Net realizable value</u>	
Finished goods	\$ 63,092	81,846	Price by realizable value
Work in process	348,660	326,426	Price by realizable value
Materials	<u>95,850</u>	<u>68,479</u>	Price by realizable value
	507,602	<u>476,751</u>	
Less : Loss allowance	<u>(89,191)</u>		
	<u>\$ 418,411</u>		

Bionime Corporation
Statement of Prepayments and other current assets
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Prepayments to purchases	Prepayments to Suppliers	\$ 52,539
	Others	<u>9,560</u>
		<u>62,099</u>
Other current assets	Overpaid sales tax	4,411
	Temporary payments	1,853
	Others (Note)	<u>4,394</u>
		<u>10,658</u>
		<u><u>\$ 72,757</u></u>

Note : If the amount does not exceed 5 percent of the balance of the subject, it will not be listed separately.

Bionime Corporation
Statement of changes in investments accounted for using the equity method
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

Name of investee	Beginning Balance		Addition		Decrease		Investment gains and losses recognized by the equity method	Translation adjustment	Others (Note1)	Ending Balance (with foreign currency translation adjustment)			Collateral
	Shares	Amount	Shares	Amount	Shares	Amount				Shares	Percentage of ownership	Amount	
Bionime GmbH	-	\$ 28,735	-	-	-	-	(376)	2,647	-	-	100	31,006	None
Bionime Incorporated(B.V.I)	309	119,340	-	-	-	-	3,853	(66)	3,091	309	100	126,218	"
Bionime USA Corporation	1,115	113,088	-	-	-	-	6,508	(4,514)	(893)	1,115	100	114,189	"
Bionime Australia Pty Limited	-	(170)	-	-	-	-	(33)	(7)	-	-	100	(210)	"
Bionime (Malaysia) Sdn Bhd	-	14,954	-	-	-	(645)	1,783	1,041	(311)	-	65.09	16,822	"
		<u>\$ 275,947</u>		<u>-</u>		<u>(645)</u>	<u>11,735</u>	<u>(899)</u>	<u>1,887</u>			<u>288,025</u>	

Note1 : Unrealized Sales income changes.

Note2 : Decrease in cash dividends paid.

Bionime Corporation
Statement of changes in Property, Plant and Equipment
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

For information on “ property, plant and equipment” , please refer to Note6(g) to the Parent Company Only Financial Statements.

Statement of changes in Intangible Assets
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

For information on “Intangible assets”, please refer to Note6(i) to the Parent Company Only Financial Statements.

Bionime Corporation
Statement of Short-term Borrowings
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Creditors</u>	<u>Description</u>	<u>Ending Balance</u>	<u>Contract Period</u>	<u>Range of interest rate</u>	<u>Bank of Credit Line</u>	<u>Collateral</u>
Bank A	Unsecured loan	\$ 226,528	Less one year	4.3113%~4.3322%	250,000	None
Bank B	"	30,000	"	2.2000%	62,860	"
Bank C	"	29,217	"	3.0011%~4.588%	200,000	"
Bank D	Export Loan	22,869	"	2.960%~2.982%	94,290	"
Bank E	Unsecured loan	50,000	"	2.2400%	100,000	"
Bank F	Export loan	<u>115,048</u>	"	2.5897%~4.8280%	621,427	"
		<u>\$ 473,662</u>				

Note: As of December 31, 2025, in addition to the aforementioned short-term loans, there is an unused credit amount of NT\$300,000 thousand.

Bionime Corporation
Statement of Notes and Trade Payables
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Vendor Name</u>	<u>Description</u>	<u>Amount</u>
Notes Payables -Non-Related Parties :		
G Company	Operating	\$ 945
H Company	"	60
I Company	"	84
Other(Note)	"	<u>170</u>
		<u>1,259</u>
Trade Payables-Non-Related Parties :		
K Company	Operating	\$ 14,694
L Company	"	8,379
M Company	"	7,799
N Company	"	6,334
Others (Note)	"	<u>103,572</u>
		<u>140,778</u>
		<u>\$ 142,037</u>

Note : If the amount does not exceed 5 percent of the balance of the subject, it will not be listed separately.

Bionime Corporation
Statement of Other Payables and Other Current
Liabilities
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Other payables	Marketing expenses	\$ 218,280
	Salary and Wages Payables	122,455
	Others (Note)	<u>141,821</u>
		<u>482,556</u>
Other current liabilities	Temporary receipts	17,724
	Others (Note)	<u>89,132</u>
		<u>106,856</u>
		<u>\$ 589,412</u>

Note : If the amount does not exceed 5 percent of the balance of the subject, it will not be listed separately.

Bionime Corporation
Statement of Long-term Borrowings
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Creditors</u>	<u>Description</u>	<u>Loan amount</u>		<u>Contract Period</u>	<u>Range of interest rate</u>	<u>Collateral</u>
		<u>Expired within one year</u>	<u>More than one year due</u>			
Bank B	Mortgage loan	\$ 50,041	191,824	104.09.30~119.09.30	2.145%	Land, Buildings and Structures
Bank B	"	10,417	-	110.05.03~115.05.03	2.075%	"
Bank B	"	10,417	-	110.05.31~115.05.03	2.075%	"
Bank B	"	11,363	-	110.09.03~115.05.03	2.075%	"
Bank B	"	24,390	12,195	111.05.27~116.05.27	2.075%	"
Bank B	"	24,390	12,195	111.06.01~116.05.27	2.075%	"
Bank B	"	25,000	12,500	111.06.24~116.05.27	2.075%	"
Bank B	"	97,959	106,123	111.12.28~116.12.28	1.895%	"
Bank B	"	26,667	28,889	112.04.06~116.12.28	1.895%	"
Bank B	"	27,907	30,233	112.06.19~116.12.28	1.895%	"
Bank B	"	24,490	42,857	112.09.05~117.09.05	2.075%	"
Bank B	"	50,000	87,500	112.09.11~117.09.05	2.075%	"
Bank B	"	25,000	43,750	112.09.21~117.09.05	2.075%	"
Bank B	"	25,000	43,750	112.09.27~117.09.05	2.075%	"
Bank B	"	25,000	43,750	112.10.03~117.09.05	2.075%	"
Bank B	"	50,000	133,334	113.08.20~118.08.20	1.875%	"
Bank B	"	73,469	208,163	113.09.26~118.09.26	1.875%	"
Bank B	"	24,490	75,510	114.01.02~119.01.02	1.875%	"
Bank B	"	20,408	79,592	114.03.04~119.03.04	1.875%	"
Bank B	"	18,750	81,250	114.03.11~119.03.11	1.875%	"
Bank B	"	18,750	81,250	114.03.20~119.03.20	1.960%	"
Bank B	"	24,490	175,510	114.06.26~119.06.26	1.960%	"
Bank B	"	10,417	89,583	114.07.21~119.07.21	1.960%	"
Bank B	"	10,204	89,796	114.08.01~119.08.01	1.960%	"
Bank B	"	6,123	93,877	114.10.01~113.10.01	1.960%	"
Bank B	"	-	100,000	114.12.04~119.12.04	1.990%	"
		<u>\$ 715,142</u>	<u>1,863,431</u>			

Bionime Corporation
Statement of Operating Revenue
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Amount</u>
Meter	970	thousand tables	\$ 222,656
Strips	306,964	thousand strips	917,374
Others			<u>743,168</u>
			1,883,198
Sales Returns			(2,129)
Sale Discounts and Allowances			<u>(178,019)</u>
Net Operating Revenues			<u><u>\$ 1,703,050</u></u>

Bionime Corporation
Statement of Operating costs
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Raw materials beginning of year	\$ 109,805
Add : Raw materials purchased	553,273
Gain on physical inventory	73
Less : Raw materials end of year	95,850
Raw materials sold	7,638
Raw materials scrapped	6,688
Other	<u>3,631</u>
Raw materials used	549,344
Direct labor	299,649
Manufacturing overhead	<u>464,178</u>
Manufacturing costs	1,313,171
Add : Work in process beginning of year	434,085
Less : Work in process end of year	348,660
Work in process sold	173,190
Work in process scrapped	24,748
Loss on physical inventory	2
Transfer expense and other	<u>202,402</u>
Cost of finished goods	998,254
Add : work in process beginning of year	43,455
Less : Finished goods end of year	63,092
Finished goods scrapped	738
other	<u>20,627</u>
Cost of manufacturing goods sold	957,252
Add : Sold raw materials and work in process cost	180,828
Inventory scrapped	32,174
Provisions for inventory valuation and obsolescence	26,609
Less : Gain on disposal of left over bits and pieces	6,175
Gain on physical inventory	71
Other	<u>16,652</u>
Operating cost	<u><u>\$ 1,173,965</u></u>

Bionime Corporation
Statement of Operating Expenses
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Selling Expense</u>	<u>Administration Expense</u>	<u>Research and Developed Expense</u>
Salary	\$ 37,467	67,138	91,127
Professional service fees	500	7,326	19,014
Advertisement	73,131	105	-
Depreciation	501	23,916	7,597
Amortization	2,450	13,086	863
Research Materials	-	-	89,416
Laboratory fees	-	-	91,349
Insurance fees	6,597	12,918	8,183
Shipping fees	15,831	89	713
Consumables expense	19,800	1,952	11,219
Others (Note)	<u>66,789</u>	<u>40,517</u>	<u>35,289</u>
	<u>\$ 223,066</u>	<u>167,047</u>	<u>354,770</u>

Note : If the amount does not exceed 5 percent of the balance of the subject, it will not be listed separately.