

**CALIWAY BIOPHARMACEUTICALS CO., LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2026 and 2025**

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The independent auditors' review report and the accompanying consolidated 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' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Caliway Biopharmaceuticals Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Caliway Biopharmaceuticals Co., Ltd. and its subsidiaries as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2026 and 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$39,420 thousand and \$9,987 thousand, constituting 0.41% and 0.10% of the consolidated total assets as of March 31, 2026 and 2025, respectively; and the total liabilities amounting to \$65,441 thousand and \$317 thousand, constituting 37.66% and 0.33% of the consolidated total liabilities as of March 31, 2026 and 2025, respectively; as well as the total comprehensive income amounting to loss \$74,269 thousand and loss \$1,047 thousand, constituting 56.77% and 0.60% of the consolidated total comprehensive income for the three months ended March 31, 2026 and 2025, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Caliway Biopharmaceuticals Co., Ltd. and its subsidiaries as of March 31, 2026 and 2025, and of its consolidated financial performance for the three months ended March 31, 2026 and 2025, as well as its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Fu, Hung-Wen and Horng, Shyh-Gang.

KPMG

Taipei, Taiwan (Republic of China)
April 10, 2026

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated 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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ review report and the accompanying consolidated 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’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2026, December 31, and March 31, 2025

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2026		December 31, 2025		March 31, 2025				March 31, 2026		December 31, 2025		March 31, 2025	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Assets								Liabilities and Equity							
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 2,539,089	27	784,441	9	9,297,482	96	2130	Current contract liabilities (note 6(n))	\$ 8,451	-	1,072	-	5,327	-
1136	Current financial assets at amortized cost (note 6(c))	2,350,000	25	4,075,730	43	254,162	3	2170	Accounts payable	586	-	1,262	-	2,100	-
1172	Accounts receivable (notes 6(d) and (n))	421	-	6,493	-	422	-	2280	Current lease liabilities (note 6(h))	751	-	2,998	-	8,920	-
130X	Inventories (note 6(e))	3,478	-	2,879	-	7,054	-	2200	Other payables	91,236	1	35,020	1	58,199	1
1470	Other current assets	136,217	1	121,550	1	36,086	-	2315	Current advance receipts of restricted shares	10,126	-	5,052	-	1,968	-
	Current assets	<u>5,029,205</u>	<u>53</u>	<u>4,991,093</u>	<u>53</u>	<u>9,595,206</u>	<u>99</u>	2399	Other current liabilities	95	-	90	-	116	-
Non-current assets:								Current liabilities		<u>111,245</u>	<u>1</u>	<u>45,494</u>	<u>1</u>	<u>76,630</u>	<u>1</u>
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b))	1,916,539	20	1,934,999	20	-	-	Non-Current liabilities:							
								2580	Non-current lease liabilities (note 6(h))	-	-	-	-	752	-
1535	Non-current financial assets at amortized cost (note 6(c))	2,525,539	26	2,489,538	26	-	-	2640	Non-current net defined benefit liability	523	-	482	-	264	-
1600	Property, plant and equipment (note 6(f))	43,796	1	48,074	1	48,736	1	2670	Non-current advance receipts of restricted shares	62,024	1	17,682	-	17,712	-
1755	Right-of-use assets (note 6(g))	673	-	2,691	-	8,747	-	Non-Current liabilities		<u>62,547</u>	<u>1</u>	<u>18,164</u>	<u>-</u>	<u>18,728</u>	<u>-</u>
1900	Other non-current assets	20,878	-	7,711	-	2,990	-	Total liabilities		<u>173,792</u>	<u>2</u>	<u>63,658</u>	<u>1</u>	<u>95,358</u>	<u>1</u>
	Non-current assets	<u>4,507,425</u>	<u>47</u>	<u>4,483,013</u>	<u>47</u>	<u>60,473</u>	<u>1</u>	Equity attributable to owners of parent:							
								3110	Ordinary shares (note 6(k))	778,634	8	776,939	8	773,044	8
								3200	Capital surplus (note 6(k))	9,267,793	97	8,752,528	92	9,152,928	95
								3300	Retained earnings (Accumulated deficit) (note 6(k))	(27,712)	-	80,042	1	(231,703)	(3)
								3400	Other equity	(525,356)	(6)	(68,540)	(1)	(133,948)	(1)
								3500	Treasury shares (note 6(k))	(130,521)	(1)	(130,521)	(1)	-	-
								Total equity		<u>9,362,838</u>	<u>98</u>	<u>9,410,448</u>	<u>99</u>	<u>9,560,321</u>	<u>99</u>
Total assets		\$ 9,536,630	100	9,474,106	100	9,655,679	100	Total liabilities and equity		\$ 9,536,630	100	9,474,106	100	9,655,679	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars, except Losses Per Share)

		For the three months ended March 31			
		2026		2025	
		Amount	%	Amount	%
4000	Operating revenue (note 6(n))	\$ 2	100	-	-
5000	Operating costs	1	50	-	-
5950	Gross profit	1	50	-	-
Operating expenses (notes 6(h), (i), (l) and 12):					
6200	Administrative expenses	33,425	1,671,250	26,423	-
6300	Research and development expenses	212,407	10,620,350	201,058	-
6000	Total operating expenses	245,832	12,291,600	227,481	-
	Net operating loss	(245,831)	(12,291,550)	(227,481)	-
Non-operating income and expenses:					
7100	Interest income	78,512	3,925,600	43,506	-
7190	Other income (note 6(p))	240	12,000	10	-
7020	Other gains and losses, net (note 6(p))	59,336	2,966,800	8,456	-
7050	Finance costs (note 6(h))	(11)	(550)	(56)	-
	Total non-operating income and expenses	138,077	6,903,850	51,916	-
	Loss before income tax	(107,754)	(5,387,700)	(175,565)	-
7950	Less: Income tax expenses (note 6(j))	-	-	-	-
8200	Loss	(107,754)	(5,387,700)	(175,565)	-
8300	Other comprehensive income (loss):				
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	24,674	1,233,700	210	-
8367	Unrealized gains from investments in debt instruments measured at fair value through other comprehensive income	(47,744)	(2,387,200)	-	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will be reclassified to profit or loss	(23,070)	(1,153,500)	210	-
8300	Other comprehensive (loss) income	(23,070)	(1,153,500)	210	-
8500	Comprehensive loss	\$ (130,824)	(6,541,200)	(175,355)	
9750	Basic losses per share (NT dollars) (note 6(m))	\$	(0.07)		(0.11)

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the three months ended March 31, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent							
	Ordinary shares	Capital surplus	Retained earnings (Accumulated deficit)	Exchange differences on translation of foreign financial statements	Other equity			
					Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned employee compensation	Treasury shares	Total equity
Balance on January 1, 2025	\$ 769,144	9,131,275	(56,138)	697	-	(148,166)	-	9,696,812
Loss	-	-	(175,565)	-	-	-	-	(175,565)
Other comprehensive loss	-	-	-	210	-	-	-	210
Total comprehensive loss	-	-	(175,565)	210	-	-	-	(175,355)
Share-based payment transactions	-	19,191	-	-	-	13,311	-	32,502
Exercise of employee stock options	3,900	2,462	-	-	-	-	-	6,362
Balance on March 31, 2025	<u>\$ 773,044</u>	<u>9,152,928</u>	<u>(231,703)</u>	<u>907</u>	<u>-</u>	<u>(134,855)</u>	<u>-</u>	<u>9,560,321</u>
Balance on January 1, 2026	\$ 776,939	8,752,528	80,042	52,935	4,655	(126,130)	(130,521)	9,410,448
Loss	-	-	(107,754)	-	-	-	-	(107,754)
Other comprehensive income	-	-	-	24,674	(47,744)	-	-	(23,070)
Total comprehensive loss	-	-	(107,754)	24,674	(47,744)	-	-	(130,824)
Share-based payment transactions	-	12,111	-	-	-	69,779	-	81,890
Issuance of restricted shares	1,695	501,830	-	-	-	(503,525)	-	-
Vesting of restricted shares	-	1,324	-	-	-	-	-	1,324
Balance on March 31, 2026	<u>\$ 778,634</u>	<u>9,267,793</u>	<u>(27,712)</u>	<u>77,609</u>	<u>(43,089)</u>	<u>(559,876)</u>	<u>(130,521)</u>	<u>9,362,838</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2026	2025
Cash flows from (used in) operating activities:		
Loss before income tax	\$ (107,754)	(175,565)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization expense	8,039	7,526
Interest expense	11	56
Interest income	(78,512)	(43,506)
Share-based payment transactions	81,890	32,502
Unrealized foreign exchange gain	(61,626)	-
Total adjustments to reconcile profit (loss)	(50,198)	(3,422)
Changes in operating assets and liabilities:		
Accounts receivable	6,072	4,762
Inventories	(599)	(4,194)
Other receivable	10,516	775
Other current assets	(7,474)	(6,958)
Contract liabilities	7,379	1,713
Accounts payable	(676)	1,131
Other payables	59,226	20,978
Other current liabilities	5	20
Net defined benefit liability	41	23
Total adjustments	24,292	14,828
Cash outflow generated from operations	(83,462)	(160,737)
Interest received	60,802	42,722
Interest paid	(11)	(56)
Net cash flows used in operating activities	(22,671)	(118,071)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(1,000,000)	(4,162)
Disposal of financial assets at amortized cost	2,722,071	2,517,400
Acquisition of property, plant and equipment	(4,526)	(3,545)
Acquisition of intangible assets	(666)	-
Increase in refundable deposits	(12,727)	-
Net cash flows from investing activities	1,704,152	2,509,693
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(2,247)	(2,202)
Exercise of employee stock options	-	6,362
Proceeds from issuance of restricted shares	50,740	-
Net cash flows from financing activities	48,493	4,160
Effect of exchange rate changes on cash and cash equivalents	24,674	210
Net increase in cash and cash equivalents	1,754,648	2,395,992
Cash and cash equivalents at beginning of period	784,441	6,901,490
Cash and cash equivalents at end of period	\$ 2,539,089	9,297,482

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2026 and 2025

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

(1) Company history:

CALIWAY BIOPHARMACEUTICALS CO., LTD. (the “Company”) was incorporated in October 2012 as a company limited by shares under the approval of Ministry of Economic Affairs, of the Republic of China (“R.O.C.”). The address of Company’s registered office is 32 F-9, No. 99, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City. The Company and subsidiaries (collectively as the “Group”) mainly engage in development of new drugs for aesthetic medicine and chronic inflammation.

The Company’s shares were listed on the Taiwan Stock Exchange (“TWSE”) in October 2024.

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were authorized for issuance by the Board of Directors on April 10, 2026.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2026:

- 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”

(Continued)

CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (b) 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 Group, have been issued by IASB, but have yet to be endorsed by the FSC:

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.

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CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

The Group 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 consolidated 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:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulation”) and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (“IFRS Accounting Standards endorsed by the FSC”) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2025. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2025.

(b) Basis of consolidation

(i) Subsidiaries included in the consolidated financial statements were as follows:

Name investor	Name of investee	Principal activity	Shareholding			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
the Company	Caliway Biopharmaceuticals Australia PTY LTD. (Caliway Australia)	Clinical Trial Services	100 %	100 %	100 %	Note 1
the Company	Caliway (USA) Co., Ltd. (Caliway (USA))	R&D patent applications	100 %	100 %	100 %	Note 1 and Note 3
the Company	Caliway Global Co., Ltd. (Caliway Global)	Investment holding	100 %	100 %	- %	Note 2
the Company	Caliway Biopharmaceuticals Czech, s.r.o. (Caliway Czech)	Clinical Trial Services	100 %	100 %	- %	Note 1 and Note 4

Note 1: The company is a non-significant subsidiary, and its financial statements have not been reviewed.

Note 2: The company is a non-significant subsidiary, and its financial statements have been reviewed.

Note 3: Caliway (USA) has a registered capital of USD 15 thousand and has not paid in capital as of March 31, 2026.

Note 4: Caliway Czech has a registered capital of CZK 10 thousand and has not paid in capital as of March 31, 2026.

(Continued)

CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant non-off events.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34, “Interim Financial Reporting”.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

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

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make 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.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2025. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2025.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2025. Please refer to note 6 of the 2025 annual consolidated financial statements.

(Continued)

CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(a) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and petty cash	\$ 30	30	30
Checking accounts and demand deposits	1,520,050	438,691	815,600
Time deposits	809,000	125,720	8,481,852
Repurchase agreement	210,009	220,000	-
	<u>\$ 2,539,089</u>	<u>784,441</u>	<u>9,297,482</u>

(b) Financial assets at FVOCI

	March 31, 2026	December 31, 2025	March 31, 2025
Debt investments at FVOCI :			
Foreign corporate bonds	<u>\$ 1,916,539</u>	<u>1,934,999</u>	<u>-</u>

- (i) The Group has assessed that the following securities were held within a business model whose objective was achieved by both collecting contractual cash flows and selling securities. Therefore, these investments have been classified as debt investments at FVOCI.
- (ii) There were no gain or loss arising from the disposal of investment for the three months ended March 31, 2026 and 2025.
- (iii) As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any aforementioned financial assets as collateral.

(c) Financial assets at amortized cost

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits	\$ 2,350,000	4,075,730	254,162
Foreign corporate bonds	2,525,539	2,489,538	-
	<u>\$ 4,875,539</u>	<u>6,565,268</u>	<u>254,162</u>
Current	\$ 2,350,000	4,075,730	254,162
Non-current	2,525,539	2,489,538	-
	<u>\$ 4,875,539</u>	<u>6,565,268</u>	<u>254,162</u>

- (i) The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

(Continued)

CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (ii) As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any aforementioned financial assets as collateral.

(d) Accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	\$ 421	6,493	422
Less: loss allowance	-	-	-
	<u>\$ 421</u>	<u>6,493</u>	<u>422</u>

- (i) The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information, including macroeconomic and relevant industry information. The analysis of expected credit losses on accounts receivable as follows:

March 31, 2026			
	Gross carrying amount	Weighted- average loss rate	Loss allowances
Current	<u>\$ 421</u>	0.00%	<u>-</u>
December 31, 2025			
	Gross carrying amount	Weighted- average loss rate	Loss allowances
Current	<u>\$ 6,493</u>	0.00%	<u>-</u>
March 31, 2025			
	Gross carrying amount	Weighted- average loss rate	Loss allowances
Current	<u>\$ 422</u>	0.00%	<u>-</u>

- (ii) The Group did not recognize any loss allowances for accounts receivable for the three months ended March 31, 2026 and 2025.
- (iii) As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any accounts receivable as collateral.

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(e) Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	\$ 2,241	2,879	4,995
Work in progress and Semi-finished goods	5	-	2,059
Finished goods	1,232	-	-
	\$ 3,478	2,879	7,054

- (i) Except for the costs of inventories sold, the Group did not recognize any material costs related to inventories as costs of sales for the three months ended March 31, 2026 and 2025.
- (ii) As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any inventories as collateral.

(f) Property, plant and equipment

The movements of the cost and accumulated depreciation of the property, plant and equipment of the Group were as follows:

	Research equipment	Office and other equipment	Construction in progress and equipment under acceptance	Total
Cost:				
Balance on January 1, 2026	\$ 60,768	88,466	2,374	151,608
Additions	-	-	1,516	1,516
Balance on March 31, 2026	\$ 60,768	88,466	3,890	153,124
Balance on January 1, 2025	\$ 59,798	78,953	-	138,751
Additions	-	-	3,545	3,545
Disposals	(3,060)	(153)	-	(3,213)
Balance on March 31, 2025	\$ 56,738	78,800	3,545	139,083
Accumulated depreciation:				
Balance on January 1, 2026	\$ 33,439	70,095	-	103,534
Depreciation	1,872	3,922	-	5,794
Balance on March 31, 2026	\$ 35,311	74,017	-	109,328
Balance on January 1, 2025	\$ 32,500	55,700	-	88,200
Depreciation	1,748	3,612	-	5,360
Disposals	(3,060)	(153)	-	(3,213)
Balance on March 31, 2025	\$ 31,188	59,159	-	90,347

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	<u>Research equipment</u>	<u>Office and other equipment</u>	<u>Construction in progress and equipment under acceptance</u>	<u>Total</u>
Carrying amount:				
January 1, 2026	\$ <u>27,329</u>	<u>18,371</u>	<u>2,374</u>	<u>48,074</u>
March 31, 2026	\$ <u>25,457</u>	<u>14,449</u>	<u>3,890</u>	<u>43,796</u>
January 1, 2025	\$ <u>27,298</u>	<u>23,253</u>	<u>-</u>	<u>50,551</u>
March 31, 2025	\$ <u>25,550</u>	<u>19,641</u>	<u>3,545</u>	<u>48,736</u>

As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any property, plant and equipment as collateral.

(g) Right-of-use assets

The movements of the cost and accumulated depreciation of right-of-use assets of buildings leased by the Group were as follows:

(i)

	<u>Buildings</u>
Carrying amount:	
January 1, 2026	\$ <u>2,691</u>
March 31, 2026	\$ <u>673</u>
January 1, 2025	\$ <u>10,765</u>
March 31, 2025	\$ <u>8,747</u>
Depreciation expense	
For the three months ended March 31, 2026	\$ <u>2,018</u>
For the three months ended March 31, 2025	\$ <u>2,018</u>

The Group made no additions to property and disposed of no right-of-use assets for the three months ended March 31, 2026 and 2025.

(h) Lease liabilities

The Group's lease liabilities were as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current	\$ <u>751</u>	<u>2,998</u>	<u>8,920</u>
Non-current	\$ <u>-</u>	<u>-</u>	<u>752</u>

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CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
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- (i) The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2026	2025
Interest on lease liabilities	\$ <u>11</u>	<u>56</u>
Expenses relating to short-term leases and leases of low-value assets	\$ <u>57</u>	<u>28</u>

- (ii) The amounts recognized in the statement of cash flows were as follows:

	For the three months ended March 31	
	2026	2025
Rental paid in operating activities	\$ (57)	(28)
Interest payments for lease liabilities in operating activities	(11)	(56)
Payments of lease liabilities in financing activities	(2,247)	(2,202)
Total cash outflow for leases	\$ <u>(2,315)</u>	<u>(2,286)</u>

- (iii) As of March 31, 2026, December 31 and March 31, 2025, the Group leased buildings for its office space and factory. Such leases typically run for a period of 10 years, and include an option to renew the lease for an additional period after the end of the contract term.

- (i) Employee benefits

- (i) Defined benefit plans

The Company was approved to establish the pension fund under the Order No. 1130962214 issued by New Taipei City Government on May 22, 2024.

There was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2025. The Group recognized pension costs under the defined benefit plan amounting to \$43 thousand and \$30 thousand for the three months ended March 31, 2026 and 2025, respectively.

- (ii) Defined contributions plans

In accordance with the defined contribution plan, the Company's pension expenses have been contributed to the Bureau of Labor Insurance; except for the Company, other subsidiaries implement pension contributions pursuant to the laws and regulations of the respective countries wherein they are registered.

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CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
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The Group recognized pension costs under the defined contribution plan amounting to \$599 thousand and \$490 thousand for the three months ended March 31, 2026 and 2025, respectively.

(j) Income taxes

- (i) The Group had no current or deferred income tax expenses for the three months ended March 31, 2026 and 2025, respectively.
- (ii) The Group had no income taxes directly recognized in equity and other comprehensive income for the three months ended March 31, 2026 and 2025, respectively.
- (iii) The Company's income tax returns have been examined by the R.O.C. tax authority through the years to 2023.

(k) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the three months ended March 31, 2026 and 2025. For the related information, please refer to note 6(k) of the consolidated financial statements for the year ended December 31, 2025.

(i) Share capital

As of March 31, 2026, December 31 and March 31, 2025, the Company's authorized ordinary shares both amounted to \$1,000,000 thousand, which was divided into 2,000,000 thousand, 2,000,000 thousand and 200,000 thousand ordinary shares, with 1,557,268 thousand, 1,553,878 thousand and 154,609 thousand shares being issued during the periods, at the par values of \$0.5 per share, \$0.5 per share and \$5 per share, respectively. All issued shares have been paid up upon issuance.

Reconciliation of shares outstanding was as follows:

(in thousands of shares)

	Ordinary shares	
	2026	2025
Balance on January 1	1,552,977	153,829
Exercise of employee stock options	-	780
Issuance of restricted shares	3,390	-
Balance on March 31	<u>1,556,367</u>	<u>154,609</u>

On February 7, 2025, the Company's Board of Directors resolved to amend its Articles of Incorporation, so as to change the par value of its shares from \$5 to \$0.5 per share, which was passed in the regular shareholders' meeting held on May 5, 2025. The relevant statutory registration procedures have been completed.

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CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
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For the three months ended March 31, 2025, the Company issued 780 thousand ordinary shares at a par value of \$5 per share for the exercise of employee stock options. All issued shares have been paid up, and the relevant statutory procedures have been completed.

For details on the Company's issuance and cancellation of restricted shares, please refer to note 6(l).

(ii) Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
Share capital premium	\$ 8,492,739	8,461,932	8,903,237
Employee stock options	115,580	103,469	100,779
Issuance of restricted shares	659,474	187,127	148,912
	<u><u>\$ 9,267,793</u></u>	<u><u>8,752,528</u></u>	<u><u>9,152,928</u></u>

According to the R.O.C. Company Act, capital surplus can only be used to offset an accumulated deficit, and then the realized capital surplus can be distributed as stock dividends or cash dividends according to the stockholders' original percentage of ownership. The aforementioned realized capital surplus includes capital surplus resulting from premium upon the issuance of capital stock and earnings from donated assets received.

(iii) Retained earnings

In accordance with the Company's Articles of Incorporation, the appropriation of earnings or losses of the Company may be made at the end of each quarter. Moreover, Company's annual earnings, if any, should first be used to pay taxes and offset prior years' deficits. Of the remaining balance, 10% is to be appropriated as legal reserve, unless the amount of legal reserve has already surpassed the total capital of the Company, and special reserve shall be appropriated or reversed according to laws and regulations. The remaining portion, together with any undistributed earnings, should be proposed for distribution by the Board of Directors, taking into consideration both future business schemes and capital requirements, and submitted in a shareholders' meeting for approval thereafter.

(iv) Earnings distribution

Due to the accumulated deficit incurred by the Company during the years, no earnings were distributed in 2025 and 2024 based on the resolutions proposed and resolved at the board and regular shareholders' meetings held on February 24, 2026 and May 5, 2025, respectively. Related information is available on the website of the Market Observation Post System.

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CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
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(v) Treasury shares

As of March 31, 2026, December 31 and March 31, 2025, the uncanceled treasury shares held by the Company were 901 thousand, 901 thousand and 0 thousand shares, amounting to \$130,521 thousand, \$130,521 thousand and \$0 thousand, respectively. In accordance with the requirements of the Company Act and Securities and Exchange Act, treasury shares held by the Company do not hold any shareholder rights before their transfer.

(l) Share-based payments

Except for the following disclosure, there were no significant changes in share-based payments for the three months ended March 31, 2026 and 2025. Please refer to note 6(l) of the consolidated financial statements for the year ended December 31, 2025.

(i) Employee stock options

With the approval of its board on January 23, 2026, the Company issued 132.5 units pursuant to the 2024 Issuance Rules for Restricted Shares for Employees.

1) As of March 31, 2026, the Group's share-based payment transactions were as follows:

	employee stock options in 2020	1st employee stock options in 2021	employee stock options in 2022	employee stock options in 2024			
Grant date	September 17, 2020	September 24, 2021	August 4, 2022	July 10, 2024	March 21, 2025	June 26, 2025	January 23, 2026
Granted units	2,515 units	740 units	1,010 units	500 units	190 units	120 units	132.5 units
Contractual life of options	7 years	7 years	7 years	7 years	7 years	7 years	7 years
Recipients	Employees	Employees	Employees	Employees	Employees	Employees	Employees
Vesting conditions	Future service of 2 to 6 years	Future service of 2 to 6 years	Future service of 2 to 6 years	Future service of 2 to 5 years	Future service of 2 to 5 years	Future service of 2 to 5 years	Future service of 2 to 5 years

2) The measurement inputs for fair value measurement on grant dates

The Group used Black-Scholes and Binomial option pricing model method in measuring the fair value of the share-based payment at the grant date. The measurement inputs were as follows:

	employee stock options in 2020	1st employee stock options in 2021	employee stock options in 2022	employee stock options in 2024			
Fair value on grant date	28.59	56.94	89.68	395.17~433.66	419.26~477.10	585.94~665.90	80.94~90.32
Share price on grant date	41.06	74.49	119.38	725.00	909.00	1,260.00	168.50
Exercise price	15	20	40	532.60	909.00	1,260.00	168.50
Expected volatility (%)	40.57	41.15	48.35	54.75	55.26	56.05	58.42
Contractual life of options	7 years	7 years	7 years	4.5~6 years	4.5~6 years	4.5~6 years	4.5~6 years
Expected dividend	-	-	-	-	-	-	-
Risk-free interest rate (%)	0.3624	0.3404	1.0987	1.63~1.69	1.51~1.57	1.38~1.42	1.31~1.34

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CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
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3) The information on employee stock options

Movements in the number of shares of employee share options were as follows:

	For the three months ended March 31			
	2026		2025	
	Weighted-average exercise price (\$)	Stock options (units)	Weighted-average exercise price (\$)	Stock options (units)
Outstanding on January 1	\$ 411.02	835.00	148.78	1,989.00
Granted during the period	1,685.00	132.50	909.00	190.00
Exercised during the period	-	-	16.31	(390.00)
Forfeited during the period	521.60	(20.00)	-	-
Outstanding on March 31	586.84	947.50	258.37	1,789.00
Exercisable on March 31		154		538
Outstanding shares on March 31 (in thousand)		14,515		2,889
Exercisable shares on March 31 (in thousand)		3,080		1,075

The details of the outstanding employee stock options of the Group were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Range of exercise prices per unit	15~1,685	15~1,260	15~909
Weighted-average remaining contractual life of options	4.46	4.35	4.61

The fair value of the above equity-settled share-based payments was measured based on the grant date. In the event of changes in the number of shares granted for each year due to stock dividends or capital reserve capitalization, the number of exercisable shares and the exercise price will be adjusted in accordance with the prescribed formula. Relevant information is available on the website of the Market Observation Post System.

(ii) Restricted shares

With the approval of its board on February 24, 2026, the Company issued 1,790 thousand shares pursuant to the 2024 Issuance Rules for Restricted Shares for Employees, at the par value of \$0.5 per share and a fair value of \$163.5 at the grant-date. All relevant statutory procedures had been duly completed as of the reporting date.

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With the approval at its regular shareholders' meeting held on May 5, 2024, the Company issued 10,000 thousand restricted share in installments, at a par values of \$0.5 per share. Which were granted to the full-time employees of the Company and its subsidiaries, where the Company owns at least 50% of their voting rights. In addition, the qualified employees have to achieve a certain level of performance. With the approval of its board on February 24, 2026, the Company issued 2,350 thousand shares pursuant to the 2025 Issuance Rules for Restricted Shares for Employees. However, due to changes in actual operations, the Chairman was authorized to adjust the actual number of shares to be issued to 1,600 thousand shares, with the fair value of NT\$163.5 at the grant-date. All restricted shares had been registered with, and approved by, the Securities and Futures Bureau of the FSC; and all relevant statutory procedures had been duly completed as of the reporting date.

(iii) Expenses arising from share-based payments

For the three months ended March 31, 2026 and 2025, expenses arose from employee stock options and restricted shares amounted to \$81,890 thousand and \$32,502 thousand, respectively.

(m) Loss per share

The Group's basic loss per share were calculated as follows:

Basic loss per share:

	For the three months ended March 31	
	2026	2025
Loss of the Company	\$ <u>(107,754)</u>	<u>(175,565)</u>
Weighted-average number of ordinary shares outstanding (in thousand shares)	<u>1,549,215</u>	<u>1,535,961</u>
Basic loss per share (in dollars)	\$ <u>(0.07)</u>	<u>(0.11)</u>

Weighted-average number of ordinary shares outstanding (basic) (in thousand shares)

	For the three months ended March 31	
	2026	2025
Ordinary shares issued on January 1	1,549,188	153,501
Effect of exercise of employee stock options	-	95
Effect of vesting of restricted shares	27	-
Effect of change in par value of shares	-	1,382,365
Weighted-average number of ordinary shares on March 31	<u>1,549,215</u>	<u>1,535,961</u>

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The Group's basic loss per share for the three months ended March 31, 2025 that reflected the change in par value of shares has been adjusted retroactively; please refer to note 6(k) for details.

The Group's potential ordinary shares for the three months ended March 31, 2026 and 2025 did not have dilutive effect; therefore, only basic loss per share was disclosed.

(n) Revenue from contracts with customers

(i) Disaggregation of revenues

	For the three months ended March 31	
	2026	2025
Primary geographical markets:		
Taiwan	\$ <u>2</u>	<u>-</u>
Main products:		
Healthy food	\$ <u>2</u>	<u>-</u>

(ii) Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	\$ 421	6,493	422
Less: loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 421</u>	<u>6,493</u>	<u>422</u>
Contract liabilities	<u>\$ 8,451</u>	<u>1,072</u>	<u>5,327</u>

Please refer to note 6(d) for the details on accounts receivable and allowance for impairment.

The amount of revenue recognized for the three months ended March 31, 2026 and 2025 that was included in the contract liability balance at the beginning of the period were both \$0 thousand.

The major changes in the balance of contract liabilities mainly resulted from the difference between the time frame in the transfer of products to satisfy the performance obligation and the payment to be received.

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(o) Employee compensation and directors' remuneration

On May 5, 2025, the Company resolved at the regular shareholders' meeting to amend its Articles of Incorporation. In accordance with the amended Articles of Incorporation, the Company should contribute a minimum of 2% of its annual profits as employee compensation (including 0.001% to 0.5% to those base-level employees) and a maximum of 3% as remuneration for directors. However, if the Company has accumulated deficits, the amount thereof should be reserved to offset the deficit first. Employee compensation may be in the form of shares or cash, and the amounts thereof shall be passed by majority in a board meeting with two thirds of attendance and be reported in a shareholders' meeting for approval. Employee compensation may be distributed in shares and cash. The recipients of shares and cash may include the employees of the Company's subsidiaries who meet certain conditions, which would be resolved by the Board of Directors.

Prior to the amendment, the Company's Articles of Incorporation stipulated that, the Company should contribute a minimum of 3% of its annual profits as employee compensation and a maximum of 2% as remuneration for directors. However, if the Company has accumulated deficits, the amount thereof should be reserved to offset the deficit first. Employee compensation may be in the form of shares or cash, and the amounts thereof shall be passed by majority in a board meeting with two thirds of attendance and be reported in a shareholders' meeting for approval. Employee compensation may be distributed in shares and cash. The recipients of shares and cash may include the employees of the Company's subsidiaries who meet certain conditions, which would be resolved by the Board of Directors.

For the three months ended March 31, 2026 and 2025, the Company incurred accumulated deficits, hence no recognition and disclosure of compensation for employees, and remuneration for directors. The differences between the estimated amounts in the financial statements and the actual amounts approved by the Board of Directors, if any, shall be accounted for as changes in accounting estimates and recognized in the following year.

In 2025 and 2024, the Company incurred deficits, hence no recognition and disclosure of compensation for employees, and remuneration for directors. Related information is available on the website of the Market Observation Post System.

(p) Non-operating income and expenses

(i) Other income

The Group's other income were as follows:

	For the three months ended March 31	
	2026	2025
Others	\$ 240	10

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(ii) Other gains and losses

The Group's other gains and losses were as follows:

	For the three months ended March 31	
	2026	2025
Net gains on foreign exchange	\$ 59,580	8,479
Others	(244)	(23)
	<u>\$ 59,336</u>	<u>8,456</u>

(q) Financial instruments

Except for the following disclosure, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(q) of the consolidated financial statements for the year ended December 31, 2025.

(i) Credit risk

1) Credit risk exposure

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

2) Debt securities

The Group's financial assets, measured at FVOCI and amortized cost, are debt securities issued by foreign corporations. These securities are rated as "investment grade" according to global standards which is consider to be BBB- or higher per by Standard & Poor's, Baa3 or higher per by Moody's, or twA or higher per Taiwan Ratings'. Therefore, the Group considers these debt securities to have low credit risk and measures its allowance for credit losses based on the 12-month expected credit loss.

The Group did not recognize any loss allowances for the aforementioned financial assets for the three months ended March 31, 2026 and 2025.

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(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>
March 31, 2026						
Accounts payable	\$ 586	586	586	-	-	-
Lease liabilities	751	753	753	-	-	-
Other payables	91,236	91,236	91,236	-	-	-
Advance receipts of restricted shares	<u>72,150</u>	<u>72,150</u>	<u>10,126</u>	<u>21,988</u>	<u>32,536</u>	<u>7,500</u>
	<u>\$ 164,723</u>	<u>164,725</u>	<u>102,701</u>	<u>21,988</u>	<u>32,536</u>	<u>7,500</u>
December 31, 2025						
Accounts payable	\$ 1,262	1,262	1,262	-	-	-
Lease liabilities	2,998	3,011	3,011	-	-	-
Other payables	35,020	35,020	35,020	-	-	-
Advance receipts of restricted shares	<u>22,734</u>	<u>22,734</u>	<u>5,052</u>	<u>7,578</u>	<u>10,104</u>	<u>-</u>
	<u>\$ 62,014</u>	<u>62,027</u>	<u>44,345</u>	<u>7,578</u>	<u>10,104</u>	<u>-</u>
March 31, 2025						
Accounts payable	\$ 2,100	2,100	2,100	-	-	-
Lease liabilities	9,672	9,785	9,032	753	-	-
Other payables	58,199	58,199	58,199	-	-	-
Advance receipts of restricted shares	<u>19,680</u>	<u>19,680</u>	<u>1,968</u>	<u>3,542</u>	<u>10,234</u>	<u>3,936</u>
	<u>\$ 89,651</u>	<u>89,764</u>	<u>71,299</u>	<u>4,295</u>	<u>10,234</u>	<u>3,936</u>

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

The Group's capital, working capital and available bank credit facilities are sufficient to meet all contractual obligations; accordingly, the Group is not exposed to liquidity risk arising from an inability to raise funds to settle contractual obligations. In addition, as of March 31, 2026, December 31 and March 31, 2025, the Group's unused borrowing facilities amounted to \$1,000,000 thousand, \$0 thousand and \$0 thousand, respectively.

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(iii) Currency risk

1) Exposure to foreign currency risk

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

	March 31, 2026			December 31, 2025			March 31, 2025		
	Foreign currency	Exchang e rate	NTD	Foreign currency	Exchang e rate	NTD	Foreign currency	Exchang e rate	NTD
Financial assets									
Monetary items									
USD	\$ 119,958	31.920	3,829,065	118,739	31.430	3,731,958	18,887	33.205	627,126
Financial liabilities									
Monetary items									
USD	187	31.920	5,965	220	31.430	6,921	880	33.205	29,214

2) Sensitivity analysis

The Group's exposure to currency risk mainly arose from the translation of the foreign currency exchange gains (losses) on cash and cash equivalents, financial assets at FVOCI, financial assets at amortized cost, other receivables and other payables denominated in foreign currency. A strengthening (weakening) of 10% of NTD, USD and AUD against other foreign currencies as of March 31, 2026 and 2025 with all other variables remaining constant, would have increased or decreased the net losses before income tax for the three months ended March 31, 2026 and 2025 by \$382,310 thousand and \$59,791 thousand, respectively. Analysis of the two periods is based on the same basis.

The Group's functional currencies are NTD, USD and AUD, and foreign exchange gains (losses) on monetary items are recognized as foreign exchange gains (losses); please refer to note 6(p) for details.

(iv) Interest rate analysis

On the reporting dates, interest rates of interest-bearing financial instruments were as follows:

	Carrying amount		
	March 31, 2026	December 31, 2025	March 31, 2025
Fixed-rate instrument:			
Financial assets	\$ <u>7,811,087</u>	<u>8,845,987</u>	<u>8,736,014</u>
Variable-rate instrument:			
Financial assets	\$ <u>1,520,050</u>	<u>438,691</u>	<u>815,600</u>

(Continued)

CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
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The following sensitivity analysis is based on the exposure to the interest rate risk of non derivative financial instruments on the reporting date. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased/decreased by 0.25%, the Group's net loss before income tax would have decreased/increased by \$950 thousand and \$510 thousand for the three months ended March 31, 2026 and 2025, respectively, with all other variable factors remaining constant. This is mainly due to the Group's demand deposits at variable rates.

(v) Fair value of financial instruments

1) Types of financial instruments and fair value hierarchy

The fair value of financial assets at FVOCI is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, 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:

		March 31, 2026			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Non-current financial assets at FVOCI	\$ <u>1,916,539</u>	<u>-</u>	<u>1,916,539</u>	<u>-</u>	<u>1,916,539</u>
Financial assets at amortized cost:					
Cash and cash equivalents	\$ 2,539,089				
Current and non-current financial assets at amortized cost	4,875,539				
Accounts receivable	421				
Other receivables	86,704				
Refundable deposits	<u>18,789</u>				
Subtotal	\$ <u>7,520,542</u>				
Financial liabilities at amortized cost:					
Accounts payable	\$ 586				
Lease liabilities	751				
Other payables	91,236				
Advance receipts of restricted shares	<u>72,150</u>				
Subtotal	\$ <u>164,723</u>				

(Continued)

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		December 31, 2025				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Non-current financial assets at FVOCI	\$	<u>1,934,999</u>	<u>-</u>	<u>1,934,999</u>	<u>-</u>	<u>1,934,999</u>
Financial assets at amortized cost:						
Cash and cash equivalents	\$	784,441				
Current and non-current financial assets at amortized cost		6,565,268				
Accounts receivable		6,493				
Other receivables		79,510				
Refundable deposits		<u>6,062</u>				
Subtotal	\$	<u>7,441,774</u>				
Financial liabilities at amortized cost:						
Accounts payable	\$	1,262				
Lease liabilities		2,998				
Other payables		35,020				
Advance receipts of restricted shares		<u>22,734</u>				
Subtotal	\$	<u>62,014</u>				
		March 31, 2025				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:						
Cash and cash equivalents	\$	9,297,482				
Current financial assets at amortized cost		254,162				
Accounts receivable		422				
Other receivables		7,411				
Refundable deposits		<u>1,455</u>				
Subtotal	\$	<u>9,560,932</u>				

(Continued)

CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
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		March 31, 2025				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost:						
Accounts payable	\$	2,100				
Lease liabilities		9,672				
Other payables		58,199				
Advance receipts of restricted shares		<u>19,680</u>				
Subtotal	\$	89,651				

2) Fair value valuation techniques for financial instruments measured at fair value

If a financial instrument has a quoted price in an active market, the quoted price is used as fair value. The quoted price of a financial instrument obtained from major exchanges and over-the counter markets are the basis used to determine the fair value of a listed company's stock and the quoted prices in an active market.

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. If these conditions can not be reached, then the market is non-active. In general, a market with low trading volume or high bid-ask spreads is an indication of a non-active market.

Measurements of fair value of debt instruments held by the Group without an active market are based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data at the reporting date.

3) For the three months ended March 31, 2026 and 2025, there were no transfers between Levels.

(r) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(r) of the consolidated financial statements for the year ended December 31, 2025.

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(s) Capital management

The objectives, policies and procedures of the Group's capital management have been applied consistently with those disclosed in the consolidated financial statements for the year ended December 31, 2025. Also, there was no significant change in the Group's capital management information as disclosed for the year ended December 31, 2025. For related information, please refer to note 6(s) of the consolidated financial statements for the year ended December 31, 2025 for further details.

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

The Group's investing and financing activities which did not affect the current cash flow were as follows:

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

	January 1, 2026	Cash flows	Non-cash changes	March 31, 2026
Lease liabilities	\$ <u>2,998</u>	<u>(2,247)</u>	<u>-</u>	<u>751</u>
	January 1, 2025	Cash flows	Non-cash changes	March 31, 2025
Lease liabilities	\$ <u>11,874</u>	<u>(2,202)</u>	<u>-</u>	<u>9,672</u>

(7) Related-party transactions

(a) Key management personnel compensation

	For the three months ended March 31	
	2026	2025
Short-term employee benefits	\$ 4,955	5,678
Post-employment benefits	27	27
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	<u>14,910</u>	<u>9,894</u>
	<u>\$ 19,892</u>	<u>15,599</u>

(8) Pledged assets:None

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(9) Significant commitments and contingencies:

- (a) Guarantee notes, provided as part of agreements with financial institutions to acquire credit lines and transaction limits of financial instruments were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Credit lines and transaction of limits financial instrument	<u>\$ 1,000,000</u>	<u>-</u>	<u>-</u>

- (b) As of March 31, 2026, December 31 and March 31, 2025, outstanding balances of contracts entered into for purchases of equipment and clinical trials amounted to \$1,902,967 thousand, \$1,852,003 thousand and \$802,319 thousand, respectively.

(10) Losses due to major disasters:None

(11) Subsequent events:None

(12) Other:

A summary of employee benefits, depreciation, and amortization, by function, is as follows:

		For the three months ended March 31					
		2026			2025		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
By item	By function						
Employee benefits expense							
Salary		-	97,990	97,990	-	46,916	46,916
Labor and health insurance		-	1,180	1,180	-	1,128	1,128
Pension		-	642	642	-	520	520
Other employee benefits		-	509	509	-	636	636
Depreciation		-	7,812	7,812	-	7,378	7,378
Amortization		-	227	227	-	148	148

(13) Other disclosures:

- (a) Information on significant transactions:

The following is the information on significant transactions required by the Regulations for the Group for the three months ended March 31, 2026:

- (i) Loans to other parties:None
- (ii) Guarantees/endorsements provided for other parties:None

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CALIWAY BIOPHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
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- (iii) Significant securities held as of March 31, 2026 (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				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership	Fair value		
the Company	Foreign corporate bonds : XS2792124872	None	Non-current financial assets at amortized cost	-	159,600	- %	159,600	- %	
"	XS2792119443	"	"	-	159,600	- %	159,600	- %	
"	USMM006AXKJ5	"	"	-	159,600	- %	159,600	- %	
"	USMM006AXK17	"	"	-	159,600	- %	159,600	- %	
"	NIF Series # RN25003	"	"	-	159,600	- %	159,600	- %	
"	NIF Series # RN25004	"	"	-	159,600	- %	159,600	- %	
					957,600		957,600		
Caliway Global	US38141GFD16	"	"	-	180,440	- %	180,440	- %	
"	US172967PU96	"	"	-	169,157	- %	169,157	- %	
"	US404280DX45	"	"	-	173,870	- %	173,870	- %	
"	US404280AH22	"	"	-	176,415	- %	176,415	- %	
"	US38141GVS01	"	"	-	148,608	- %	148,608	- %	
"	US404280DS59	"	"	-	187,848	- %	187,848	- %	
"	US404280FB07	"	"	-	164,695	- %	164,695	- %	
"	USF2R125Q730	"	"	-	169,970	- %	169,970	- %	
"	US251526CT41	"	"	-	176,827	- %	176,827	- %	
"	US404280EC98	"	"	-	20,109	- %	20,109	- %	
					1,567,939		1,567,939		
the Company	US65535HCB33	None	Non-current financial assets at FVOCI	-	160,057	- %	160,057	- %	
"	US65535HBZ10	"	"	-	159,512	- %	159,512	- %	
"	US06738ECV56	"	"	-	157,346	- %	157,346	- %	
"	US83368TCG13	"	"	-	165,451	- %	165,451	- %	
"	XS2150091739	"	"	-	158,202	- %	158,202	- %	
"	US404280DM89	"	"	-	336,054	- %	336,054	- %	
"	US61747YES00	"	"	-	159,201	- %	159,201	- %	
"	US61747YFB65	"	"	-	163,638	- %	163,638	- %	
"	US46647PBP09	"	"	-	148,715	- %	148,715	- %	
"	US83368TBK34	"	"	-	118,806	- %	118,806	- %	
"	US59023VAA89	"	"	-	189,557	- %	189,557	- %	
					1,916,539		1,916,539		

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:None
- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:None
- (vi) Business relationships and significant intercompany transactions:None

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(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2026 (excluding information on investees in Mainland China):

(In thousands of shares/thousands of AUD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2026	December 31, 2025	Shares	Percentage of ownership	Carrying value			
the Company	Caliway (USA)	the U.S.	Patent applications	-	-	-	-	-	-	-	Note 2
"	Caliway Australia	Australia	Clinical trial services	248,283 (AUD 11,875)	214,829 (AUD 10,375)	11,875	100.00	(26,021)	(73,974) (AUD (3,365))	(73,974) (AUD (3,365))	Note 1
"	Caliway Global	BVI	Investment holding	1,520,650 (USD 50,000)	1,520,650 (AUD 50,000)	5	100.00	1,635,087	20,371 (USD 644)	20,371 (USD 644)	Note 1
"	Caliway Czech	Czech Republic	Clinical trial services	-	-	-	-	-	-	-	Note 3

Note 1: Related transactions have been eliminated during the preparation of the consolidated financial statements.

Note 2: The investment company was registered on July 5, 2016 and has not paid in capital as of March 31, 2026.

Note 3: The investment company was registered on July 24, 2025 and has not paid in capital as of March 31, 2026.

(c) Information on investment in Mainland China:None

(14) Segment information:

The main revenue of the Group comes from the sales of health food, and the main operating decision-makers of the Group use the overall operating results as the basis for evaluating performance. According to this, the Group is a single operating department, and the operating department information for the three months ended March 31, 2026 and 2025 is consistent with the consolidated financial report information.