2025 SUSTAINABILITY REPORT

PHARMAENGINE, INC.

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ABOUT THE REPORT

Description of the Report

The Company believes environmental sustainability, social responsibility and integrity management are the basic principles and core values of an enterprise recognized by the international community. To enhance stakeholder communication, PharmaEngine published the first 2011 Corporate Social Responsibility Report in 2012 (renamed to Sustainability Report in 2021) and this year is the 15th consecutive year of publishing such report. The Company commits to continue issuing sustainability reports to fully disclose our continuous planning and achievements in enhancing integrity management, social responsibility, and environmental sustainability.

Report Content and Guidelines for Follow-up

This report is written in accordance with the GRI Standards (2021) issued by the Global Reporting Initiative (GRI), SASB Standards by Sustainability Accounting Standards Board and Tack Force on Climate-related Financial Disclosures (TCFD). The information covers various units of the Company.

To implement environmental protection, only an electronic version of the announcement is available. Please download the PDF file from the official website: 2025 Sustainability Report

Information Recompilation and Report Change

Compared with previous reports, this report has no significant changes in the scope of the categories and themes, and there is no recompilation of information.

Scope and Boundary

The reporting period is from January 1, 2025 to December 31, 2025, and the scope of the information disclosed is mainly related to the operation activities of PharmaEngine in Taiwan.

External Assurance/Assurance

The statistical data disclosed in this report were based on financial statements certified by PricewaterhouseCoopers (PwC) Taiwan. Limited assurance about the partial information of this report was conducted by PwC Taiwan in accordance with the Assurance Engagements Other than Audits or Reviews of Historical Financial Information of the ISAE3000 principles, published by the Accounting Research and Development Foundation, and the said assurance report can be found in appendix 4 of this report.

Date of Issuance

2025 Report/August 14, 2026 (2024 Report/June 23, 2025)

Feedback

If you have any questions about the 2025 PharmaEngine Sustainability Report, you are welcome to contact us and help us continue to improve.

Contact us

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MESSAGE FROM THE PRESIDENT & CEO

At PharmaEngine, sustainability is not merely a buzzword; it is deeply ingrained in our daily operations and decision-making processes. Our six core values—Sense of Urgency, Critical Thinking, Diversity, Continuous Learning and Growth, Teamwork, and Work-Life Balance—serve as the foundation of our sustainability strategy and guide our efforts to create long-term value.

Beyond carbon reduction and energy conservation, PharmaEngine's sustainability encompasses robust corporate governance, the active promotion and protection of diversity, and a profound commitment to employee development through continuous learning and growth. It also involves fostering innovation in both research and development, building resilient teams capable of navigating complex challenges, and ensuring a safe, healthy, and supportive workplace for all employees.

In 2025, PharmaEngine achieved significant progress and several important sustainability milestones. In addition to our annual disclosure of Scope 1 and Scope 2 greenhouse gas (GHG) emissions, we expanded our reporting to include selected Scope 3 emissions. This initial phase covered emissions associated with the lifecycle of our commercial product ONIVYDE®, as well as business travel and employee commuting. We further enhanced our transparency by incorporating emissions data from one of our pipeline products, PEP07, currently in Phase I clinical trials. Simultaneously, PharmaEngine commenced transitioning its energy portfolio, with 20% of its operational electricity sourced from renewable energy in 2025. We aspire to increase this share by 10% annually, with a target of reaching 70% renewable energy usage by 2030.

Diversity remains a cornerstone of PharmaEngine's organization. Beyond conventional definitions, we embrace diversity as the integration of talent from diverse backgrounds, perspectives, and experiences—recognizing that such diversity fortifies our innovation and decision-making capabilities.

To support our workforce, we implemented a comprehensive range of training programs in 2025, encompassing technical skills such as artificial intelligence and Python programming, as well as cross-functional communication and employee well-being initiatives. Notably, the "Exercise Season," which commenced in September 2023 and concluded in December, will be extended annually. We firmly believe that cultivating a growth mindset and adopting a healthy lifestyle are paramount—not only for advancing drug development, but also for fully embodying our core values.

We will continue to strengthen our commitment to advancing novel drug research and development, while proactively embracing changes and challenges to support a sustainable future.

Hong-Ren Wang, Ph.D.,
CEO and President

1.1 Company Profile

PharmaEngine, Inc., a pharmaceutical company, began operations in February 2003. Using the “Virtual Pharmaceutical Company Business Model“, PharmaEngine focuses on new oncology drug development.

PharmaEngine currently has one commercial product, ONIVYDE ®, it is irinotecan enclosed in tiny fat particles called ‘liposomes’, for the treatment of adult patients with metastatic pancreatic cancer. It is currently launched in most major markets including the U.S., Europe and Asia. PharmaEngine continues to provide ONIVYDE® in the Taiwan market and establish a drug safety reporting system to ensure patient medication safety.

In addition, we have two ongoing projects, PEP07 and PEP08, currently in Phase I clinical trials. We are also advancing the process of other projects on the pipeline. Leveraging its extensive experience in drug development and project management, the Company aims to continue expanding its pipeline. PharmaEngine also pursues international collaborations and out-licensing agreements to accelerate the discovery, development, and commercialization of novel cancer therapies.

PharmaEngine’s company strategy focuses on building an international R&D team, strengthening innovative drug development capabilities, and cultivating research talent to support sustainable growth and become a leading company in cancer therapeutics.

Primary Brands, Products, and Services

Our commercial product, ONIVYDE®, is irinotecan enclosed in tiny fat particles called 'liposomes', that blocks an enzyme called topoisomerase I, which is involved in copying cell DNA needed to make new cells. By blocking the enzyme, cancer cells are prevented from multiplying and eventually die. ONIVYDE® is for the treatment of adult patients with metastatic pancreatic cancer and is currently launched in most major markets including the U.S., Europe and Asia for the treatment of adult patients with metastatic pancreatic adenocarcinoma.

One of our new projects, PEP07 is a checkpoint kinase 1 (CHK1) inhibitor which targets the DNA Damage Response (DDR) pathway. Compared to other competitors targeting the DDR pathway, PEP07 has features such as high kinase selectivity, high potency and brain penetrating. It is currently in Phase I clinical trial for hematologic and solid tumor cancers. After the Maximum Tolerated Dose (MTD) has been confirmed, we will begin dose expansion and combination therapy trials.

Another pipeline project, PEP08, a second generation PRMT5 inhibitor that targets MTAP-deleted cancer cells. Compared to competitors, PEP08 is a potential best-in-class PRMT5 inhibitor with high potency, selectivity, and brain penetrating. The project is currently in Phase I clinical trial for solid tumors.

In the future, PharmaEngine will continue to focus on developing new drugs for oncology therapy and expand our pipeline using AI/CADD platforms.

Nature of Ownership

The Company is established under the laws of the Republic of China and it complies with the laws and regulations of the Republic of China on corporate governance, environmental protection, labor, human rights, products, and accounting.

The main operating activities are concentrated in Taiwan, but have been extended to Europe, the Americas, and Asia through preclinical or clinical trials of new drug development.

Scale of Reporting Organization (as of Dec. 31, 2025)

Name	PharmaEngine, Inc. (Stock Code: 4162.TWO)
Location of organization‘s HQ	11F, 10 Minsheng E. Road, Sec. 3, Taipei 104, Taiwan
Employees	36
No. of operational locations	1
Net sales (2025)	911,416 (Thousand NTD)
Paid-in capital	1,456,776 (Thousand NTD)
Product	安能得® (ONIVYDE®)

Markets

Projects	Sales (Supply) Region	Customer and Beneficiary Type
安能得® (ONIVYDE®)	Authorized the right to develop and sell ONIVYDE® product in Asia (excluding Taiwan) and European region to IPSEN S.A.. Development and sales in Taiwan are handled by PharmaEngine.	ONIVYDE® is used for the treatment of adult patients with metastatic pancreatic cancer and is currently launched in most major markets including the U.S., Europe and Asia.
PEP07	PharmaEngine exercised the option for a Worldwide Exclusive License Agreement for PEP07 from UK-based Sentinel Oncology in 2022.	PEP07 is currently in Phase I clinical trial for hematologic and solid tumor cancers.
PEP08	PEP08 is PharmaEngine's first in-house developed drug and PharmaEngine has the global rights to develop and sell PEP08.	PEP08 is currently in Phase I clinical trial for solid tumor cancers.

Company Strategy

1. **Focus on new drug R&D model.**
2. **Establish a new competitive and diverse drug production line**
3. **Establish a cohesive international R&D team.**
4. **Strengthen international cooperation to tap into global new drug development resources.**
5. **Accelerate the completion of new drug development and marketing.**

Note: Currently, the Company's products and services have not been prohibited in any specific markets, hence it has not been a major theme asked by stakeholders or engaged in public discussions.

Short-term Business Plan

Administration and Management

- Aggressively recruiting international talents
- Integrate international resources and select eligible partners to establish a long-term collaboration relationship for our global new drug development plan

Marketing Plan for ONIVYDE®

- Accomplish marketing plans and sales target in Taiwan
- Continue to advance 1L PDAC marketing and sales strategy in Taiwan

Project Development

→ **Project of PEP07**
- Continue to move forward with dose expansion and combination studies for both hematologic and solid tumor cancers

→ **Project of PEP08**
- Continue with Phase I clinical trial of solid tumor cancers

→ **Other Research Projects**
- Candidate nomination for new projects
- Accelerate the screening and pre-clinical development plan of new drug candidates

R&D Strategy

- Aggressively out-license or find collaboration partners for ongoing projects.
- Enhance the Company’s own R&D capacity with the help of diversified and innovative drug R&D platform collaboration models (such as AI new drug development platform)

Long-term Business Plan

Adopting the business model of “Virtual Pharmaceutical Company” and reinforcing the collaboration with international partners to establish an international R&D team.

Expand and advance R&D projects on the pipeline to provide more treatment options for patients with cancer.

Actively training and nurturing R&D personnel of the Company, improving the techniques in new drug development, and achieving the sustainable growth of the Company.

Our Vision: To become the world’s most professional and innovative new drug development company, which specializes on the medical treatment of cancers.

1.2 Economic Performance

Financial Performance (Unit: Thousand NTD)

Item / Year	Operating Revenue	Operating Cost (Cost of Goods and Expenses)	Operating Income	Non-operating Income and Expenses	Profits before Income Tax	Profits for the Year	Basic Earnings per Share (EPS) (NTD)
2024	2,523,304	470,138	2,053,166	109,829	2,162,995	1,751,030	12.19
2025	911,416	485,955	425,461	83,832	509,293	387,641	2.70

Direct Economic Value Generated and Distributed (Unit: Thousand NTD)

Stakeholders	Calculation of Economic Value	2024	2025
Shareholders	Cash dividend	215,444	861,924
Employees	Payroll, employee stock options, labor and health insurance, pension, directors' remuneration and other employment costs	130,850	116,376
Government	Corporate income tax	102,788	418,124
Licensors and Contract Research Organization	Drug development cost	216,981	250,386

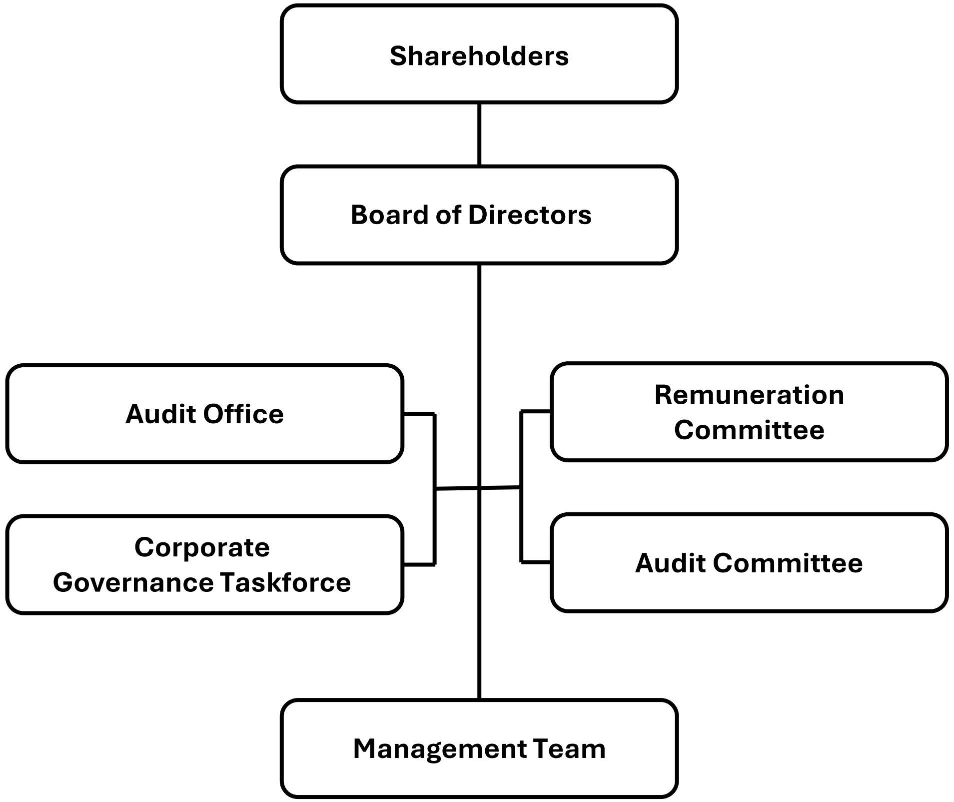
Note: The Company did not receive government subsidies for the fiscal year of 2024 and 2025.

Tax

PharmaEngine only has one operational site, the HQ, located in Taipei, Taiwan. Therefore, we abide by all tax laws and regulations in Taiwan. To manage risks in taxation, the accounting personnel communicates closely with the accountants to regularly monitor international taxation trends.

1.3 Corporate Governance and Board of Directors

Governance Structure



Read more about our corporate governance on our company website.

Board of Directors Duties

PharmaEngine's board of directors should guide corporate strategies, monitor management, take responsibility for company shareholders, arrange and execute various corporate governance operations. The board of directors should exercise power within the premise of laws and regulations, articles of incorporation and shareholders' resolutions. The Board is the highest governing body overseeing the Company's impacts on the economy, environment, and society, as well as the Company's risk management policies and procedures, scope, organization structure and operation status.

Board of Directors Nomination, Election and the Current Board

It is specified in the "Articles of Incorporation" that the election of directors follows the candidate nomination system and in the "Corporate Governance Best-Practice Principles" that the composition of the Board of Directors shall be diversified, and the diversification policy shall be prepared in terms of the Company's operation, operational pattern, and developmental demand and shall cover, without limitation, the basic requirements and values and professional skills and Knowledge.

Election of directors follows the candidate nomination system and is based on the "Procedures for Election of Directors". In addition, the Company defined the "Board of Directors Performance Evaluation Guidelines" on March 19, 2015. Through the performance evaluation items, including the management over the Company's goals and tasks, awareness of responsibilities, involvement in operation, internal relations management and communication, professional functions and continuing education, internal control, and expression of specific opinions, etc., the validity of the operation of the Board of Directors is confirmed, and the performance of directors is served as reference in future director screening. The operational performance of the Board of Directors and functional committees is evaluated every year. Details on page 13 of this report.

Among the 9 members of the 9th intake of Board of Directors (including 3 Independent Directors), 4 directors are professionals in the biotechnology field, and 5 directors specialize in statistics, law, finance, and corporate management. The composition of the Board of Directors meets the cross-industry diversity expertise target of the Company.

Board of Directors

Name	Role	Main Education and Experience Background
Jan-Yau Hsu	Chairperson	Mr. Hsu had previously served as the Chairman of Taiwan Stock Exchange. He received his Master's degree in Statistics at National ChengChi University.
Rui-Wen Wu	Director, representing TTY Biopharm Co. Ltd.	Mr. Wu is the Senior Director of the Secretariat Division of Board of Directors in TTY Biopharm Co., Ltd.. He received his master in Department of Law at Chinese Culture University, Taipei, Taiwan.
Wen-Hung Hsu	Director	Ms. Hsu is the Director and Senior Vice President of WT Microelectronics Co., Ltd.. She received her Bachelor's degree in Land Economics from National Chengchi University.
Ming-Shiang Wu, M.D., Ph.D.	Director, representing The National Development Fund, Executive Yuan	Professor Wu is the dean of National Taiwan University, College of Medicine, Distinguished Professor & Chair for the Department of Internal Medicine of College of Medicine (NTU), President of the Gastroenterological Society of Taiwan, and President of Taiwan Society of Internal Medicine. He was previously the superintendent of National Taiwan University Hospital (NTUH). He received his Ph.D. degree at Graduate Institute of Clinical Medicine College of Medicine National Taiwan University.
Yi-Hui Lin	Director, representing The National Development Fund, Executive Yuan	Mr. Lin is the Deputy Director of Business Affairs at National Development Fund, Executive Yuan. He was previously the Associate Researcher and Researcher of Business Affairs, and Director of Audit Affairs at National Development Fund, Executive Yuan. He received his Master's degree in Public Policy at National Taipei University.
Ming-Feng Hou, M.D.	Director	Dr. Ming-Feng Hou is an Honorary Professor of Department of Biomedical Science and Environmental Biology, College of Life Science, Kaohsiung Medical University and the Attending Physician of Breast Surgery of Kaohsiung Medical University Chung-Ho Memorial Hospital. Mr. Hou received his Doctor of Medicine from Kaohsiung Medical University.
Wen-Ta Chiu, M.D. & Ph.D.	Independent Director	Dr. Chiu is the Co-CEO of AHMC Healthcare Group. He was previously the Minister of Taiwan Ministry of Health and Welfare, Minister of Department of Health, Executive Yuan, Chairperson of National Health Research Institute, and President of Taipei Medical University. He received his M.D. from Chung-Shan Medical College and Ph.D. from the School of Public Health of University of Pittsburgh, U.S.A..
Pau-Chu Lo	Independent Director	Ms. Lo is the independent director of Vetnostrum Animal Health Co. Ltd. She was previously the President and Director of Hua Nan Financial Holdings. She received her bachelor's degree from the Department of Public Finance of National Taipei University College.
Chien-Huang Lin, Ph.D.	Independent Director	Professor Lin is the Director of Taipei Medical University. He received his Ph.D. degree at Graduate Institute of Pharmacology and EMBA degree at National Taiwan University.

Board Diversity

Name	Role	Gender	Age	Term	Operation decision-making/ Management	Accounting/ Finance/ Legal	Business Management	Crisis Management	Industry Knowledge/ Expertise	International Market/ Macroeconomy	Organizational Leadership
Jan-Yau Hsu	Chairperson	Male	70-79	3-6 years	V	V	V	V	V	V	V
Rui-Wen Wu	Director	Male	50-59	6-9 years	V	V	V	V	V	V	V
Wen-Hung Hsu	Director	Female	50-59	3-6 years	V	V	V	V	V	V	V
Yi-Hui Lin	Director	Male	50-59	6-9 years	V	V	V	V	V	V	
Ming-Shiang Wu M.D., Ph.D.	Director	Male	60-69	3-6 years	V		V	V	V	V	V
Ming-Feng Hou, M.D.	Director	Male	70-79	3-6 years	V		V	V	V	V	V
Chien-Huang Lin, Ph.D.	Independent Director	Male	60-69	3-6 years	V		V	V	V	V	V
Wen-Ta Chiu, M.D. & Ph.D.	Independent Director	Male	70-79	<3 years	V		V	V	V	V	V
Pau-Chu Lo	Independent Director	Female	70-79	<3 years	V	V	V	V	V	V	V

Board Diversification Policy

We aim to include more diversity in our Board of Directors. We have set a Board Diversity Policy which states that for the composition of the board, there should be at least one expert in each of the following fields: medicine, pharmacology, biotech, accounting, legal, corporate management, corporate governance, and cyber security. There are currently 2 female directors on the Board. The Company’s mid- to long-term goal: 1/3 of board members shall be either gender.

Board of Directors Operations

In order to implement corporate governance and improve the operational efficiency of the board of directors, and promote the actual participation of directors in the Company's operating decisions, the Company has formulated relevant articles of association in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies ". In accordance with the regulations, the Board of Directors shall convene at least once a quarter and arrange for an internal audit manager and certified accountants to regularly participate in communication to understand and supervise the implementation of operating plans, important financial business reports, internal audit business reports and their tracking status, as well as whether the Company's overall operations comply with relevant laws and regulations. A total of 7 board meetings were held in 2025.

Read more about our Board of Directors on our company website.

Abiding by Guidelines for Ethical Behaviors

In order to align the conduct of the Company's directors and managers with ethical standards and make the Company's stakeholders more aware of the Company's ethical standards, according to the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/ TPEx Listed Companies", relevant guidelines are set to regulate directors and managers to prevent conflicts of interests, avoid opportunities for personal interests, maintain confidentiality, fair trade, protect and properly deploy company assets, and comply with decrees etc.

★ In 2025, there were no major issues raised by stakeholders through the official channel or any other procedures.

Avoiding Conflicts of Interest

The directors of the Company adhere to a high degree of self-discipline. When facing conference matters that are detrimental to the Company but may pose as conflicts of interests for the director and the legal entity they represent, the directors may state their opinions and answer questions but must not join the discussion and the voting. At the same time, they should not act as the proxy for other directors to exercise their voting rights.

★ In 2025, there were 4 proposals involving personal interests of 9 directors. The directors involved avoided discussions and the voting.

Director Training

To enhance ESG knowledge of the directors, the Company introduces the management teams and the company profile to the newly elected board. The Company proactively provides information on the professional curriculum to the directors, encourages them to participate in such courses, and follows the requirements of “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies”, the further educations are arranged based on the regulated hours. For details, please refer to page 52-54 of the 2025 Annual Report.

★ In 2025, the total number of training hours for all directors was 92 hours.

Board of Directors Effectiveness Evaluation

External Evaluation

Once every three years, the Company invites external professional independent institutions or external expert teams to conduct external board performance evaluations. In August 2024, the Company entrusted the Taiwan Corporate Governance Association as an external organization to evaluate the efficiency (including performance) of the Board of Directors in 2024 (Nov. 1, 2023 to Oct. 31, 2024). In addition to review relevant documents provided by the Company for evaluation, the Association appointed three experts and two specialists to the Company for an on-site visit on Dec. 5, 2024, in which the experts interviewed the Chairperson, President, Independent Directors, the Supervisor of Corporate Governance, the Supervisor of Finance & Administration and the Audit Office. The performance evaluation report of the efficiency of the Board of Directors was issued on Dec. 19, 2024. The evaluation results have been completed and reported at the board meeting on Jan. 23, 2025. The general comments and recommendations of the evaluation results are summarized as follows:

- Suggested that the Company considers establishing a functional committee at the Board level or integrating relevant functions into existing committees, such as transforming the Audit Committee into an Audit and Risk Management Committee.
- Recommended that the Board regularly reviews and revises the "Procedure for Risk Management" to include current risk management practices, ensuring the comprehensiveness of the "Procedure for Risk Management.
- Recommended that the Company establishes a reporting channel that allows independent directors to receive reports simultaneously to further strengthen the Board's supervisory responsibility over the whistleblower mechanism operation.
- Recommended considering the new drug research and development risk management strategies and ESG sustainable development related goals to ensure that the Board and functional committees' objectives for each term can be reasonably achieved.

Internal Evaluation

Internal assessment results of the 2025 performance evaluation for the Board of Directors, the Remuneration Committee, and the Audit Committee were reported in the Board of Directors' meeting held on March 3, 2026. Recommendations for improvement and reminders are compiled and reported as follows:

- The Board of Directors and the functional committees have shown outstanding performance, hence, the directors agree strongly with the evaluation results which indicates the Board complies with various corporate governance requirements, effectively strengthens board functions, and safeguards shareholders’ rights.

Directors’ Compensation Policy

Policy and Procedure

When the directors of the Company perform duties for the Company, regardless of the Company's operating profit and loss, the Company pays the remuneration. The Board of Directors is delegated with the authorization to decide on the remuneration based on the extent of their participation in and contribution to the Company's operations, with reference to the level of industry peers so the pay is comparable to that of most companies in the same industry. In accordance with the provisions of Article 25 of the Articles of Incorporation, if the Company is profitable for the year, it shall be subject to a resolution of the Board of Directors and set aside no more than 2% for the compensation of directors.

The compensation for executing the business is reviewed by the Remuneration Committee and submitted to the Board of Directors for approval. Annual earnings distribution by the Remuneration Committee is based on the value of each director's participation and contribution to the Company, a proposal for earnings distribution will be proposed and submitted to the Board of Directors for approval.

Read more about our salary policy on our company website.

Audit Committee

The Audit Committee consists of three members, all independent directors. The meeting is held at least once every quarter. In 2025, 6 meetings were convened. The Audit Committee duties are as follow:

- Establish or amend internal control system in compliance with Article 14-1 of the Securities and Exchange Act
- Validity assessment of the Internal control system
- Establish or amend procedures of major financial or operational actions such as acquisition or disposal of assets, engaging in derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others in compliance with Article 36-1 of the Securities and Exchange Act.
- Matters involving the directors' own interests
- Significant asset or derivatives transactions
- Significant monetary loans to others, endorsements or guarantees
- Raising, issuing or private placement of equity-based securities
- Appointment and dismissal of CPAs
- Appointment and dismissal of financial supervisors
- Annual financial report signed or sealed by the chairperson, general manager and accounting supervisor, and financial report that must be reviewed by a CPA
- Business report
- Other material matters deemed by the Company or regulatory authorities

Read more about our functional committees on our company website.

Remuneration Committee

The Remuneration Committee consists of three members, all independent directors. The convener and meeting chair is elected from the members. The meeting is held at least twice a year. In 2025, 3 meetings were convened. The Remuneration Committee supervises the following:

- Regularly review the organization rules of the Remuneration Committee and propose recommendations on amendments.
- Establish and regularly review the policies, systems, standards, and structures of salary and remuneration.
- Establish and regularly review the performance evaluation standards for directors and managers, and annual and long-term performance targets.
- Regularly assess the attainment of the performance goals of the directors and managers of the Company and determine the details and amount of individual salary and remuneration based on the evaluation results obtained from the performance evaluation standard.
- The proportion of short-term performance bonuses issued to directors and senior managers and the payment time of partial changes of salary and remuneration.

Communication with Independent Directors

1. PharmaEngine's Director of Finance & Accounting, internal audit manager, and certified accountant physically attend the board meetings so the independent directors can communicate with any one of them at any time. Independent directors can also provide suggestions at the board meeting and the suggestions are recorded in the meeting minutes.
2. Independent directors and internal audit manager hold at least one meeting per year to fully discuss over and give suggestions on our internal control system and our internal and external audit topics and keep a written record.
3. When the internal audit manager completes monthly audit report, the report will be handed to the members of the Audit Committee (independent directors) before the end of the following month for review. The result of the internal audit report is reported to the Audit Committee (independent directors) and the Board of Directors periodically. The Audit Committee (independent directors) reviews our implementation of internal control, audit, and results from self-inspection. The Audit Committee also regularly reviews the financial reports and provide audit reports.
4. Internal audit manager complies with regulations and attends the Audit Committee meeting to report on matters such as the implementation of internal audit tasks, audit personnel training, and major inspection issues and improvements both internally and externally.
5. If the Audit Committee members (independent directors) have questions or assigned tasks after reading the audit report, they will contact the internal audit manager via email or telephone or by any other appropriate methods.
6. The Audit Office should track the implementation progress of the improvement of internal control deficiencies and abnormal matters in the audit report monthly and prepare tracking reports on a quarterly basis and submit them to each Audit Committee member.
7. The accountants should report to the independent directors at least once per year on our finances, the overall operation, and the implementation of internal control inspections. The accountants should fully communicate with the Audit Committee members (independent directors) alone whether there are any major adjusting items or legal amendments that affect the accounting procedure. The accountants should report the review or the results of the review of the financial statements for the quarter at each quarterly Audit Committee meeting, as well as communicate matters required by relevant laws and regulations.
8. PharmaEngine's internal audit manager, accountant, and Audit Committee members (independent directors) can understand our operations and audit matter through the regular audit report presented in the Audit Committee meetings, the Board of Directors meetings and by the Audit Office. Independent directors can conduct efficient communication with the internal audit manager and the accountants via various channels such as the telephone, email, and virtual meetings.

Board Oversight of Sustainability Matters

In addition to the establishment of Corporate Governance Taskforce, the appointment of the Corporate Governance Supervisor, the Board and the Audit Committee also review the annual sustainability report. The Corporate Governance Supervisor will report to the Board of Directors regarding sustainability and ESG matters, key issues, and ESG goals and activities for the following year at least once a year.

PharmaEngine builds a corporate culture and sound development for integrity management and provides a reference framework for good business operations. It also handles regular businesses in accordance with the principles of the listed companies' corporate governance practices and maintains good corporate governance concept in daily operations. In addition to reduce the possibility of corporate financial crisis, it also protects the rights of investors and creditors and fosters long-term quality and competitiveness of good companies.

Sustainability Promotion Taskforce

The Company established the “ESG Working Group” in October 2020, later the name changed to “Sustainability Promotion Taskforce” in March 2022. The Vice President of Corporate Development and Corporate Governance Supervisor serves as the convener and appoints the executive secretary and teams in charge of corporate governance, environmental sustainability, employee care, social involvement, and product service. The Taskforce is responsible for identifying sustainability issues concerning the Company’s operation and on which stakeholders focus, preparing short-term, mid-term, and long-term sustainable development plans and working directives, appropriating budget concerning respective organizations and sustainable development, planning and implementing annual plans and tracking their implementation effectiveness to make sure that the sustainable development strategy is fully consolidated as part of the daily operation of the Company.

Corporate Governance Officer

The Company passed the resolution at the board meeting on May 2, 2019, on the appointment of **Vice President ChiHsing Chang of the Corporate Development Department** as the supervisor of corporate governance, responsible for related corporate governance businesses, safeguarding shareholders' interests and strengthening the functions of the Board of Directors. Vice President Chang has the qualification of certified public accountant and has over 20 years of experience in managing matters including financial accounting and deliberation of public companies. His main duties are:

1. Carrying out matters related to the Board of Directors and shareholders' meetings in accordance with the law and assisting PharmaEngine in complying with relevant regulations regarding the Board of Directors and shareholders' meetings.
2. Creating the minutes of board of directors and shareholders' meetings.
3. Providing the necessary information for the directors and independent directors to carry out their duties, continuous training, and keeping them informed about the latest regulatory developments related to PharmaEngine's operation to assist them in compliance with the laws and regulations.
4. Matters related to investor relations.
5. Publish material information and announcements.
6. Other matters as stipulated in the Articles of Incorporation or agreements.

“PharmaEngine focuses on precision oncology drug development and has evolved into a diversified growth company driven by product sales, licensing revenue, and R&D value. While advancing innovation and operational growth, the Company remains committed to sustainable business practices through strong corporate governance, operational resilience, and low-carbon, green initiatives.”

ChiHsing Chang, Vice President/Corporate Governance Supervisor

Read more about our Sustainability Promotion Taskforce on our company website.

2025 Corporate Governance Achievements (Annual Corporate Governance Evaluation for TPEx Companies, 2023-2025)

2023	2024	2025
Score: 92.93 Percentile: 6%-20%	Score: 99.01 Percentile: Top 5%	Score: 98.09 Percentile: 6%-20%

2025 Corporate Governance Improvements

Cyber Security
Completed adjustments based on the updated ISO 27001(ISO/IEC ISO27001:2022) certification and obtained certification at the end of 2024. The re-assessment certification was obtained in January 2026 with effective date from January 30, 2026, to January 29, 2029.

Shareholders' Rights
Recorded questions asked by shareholders in AGM and included in the AGM Meeting Minutes.

Investor Relations
Uploaded non-edited video recordings for AGM and all quarterly investors' conferences.

Accountant Qualifications
Assessed the independence and eligibility of certified accountants regularly using Audit Quality Indicators (AQIs).

Establish Corporate Value Enhancement Measures
Established measures to enhance corporate value, which were reviewed by the Audit Committee on July 29, 2025, reported to the Board of Directors, and disclosed on the Market Observation Post System (MOPS).

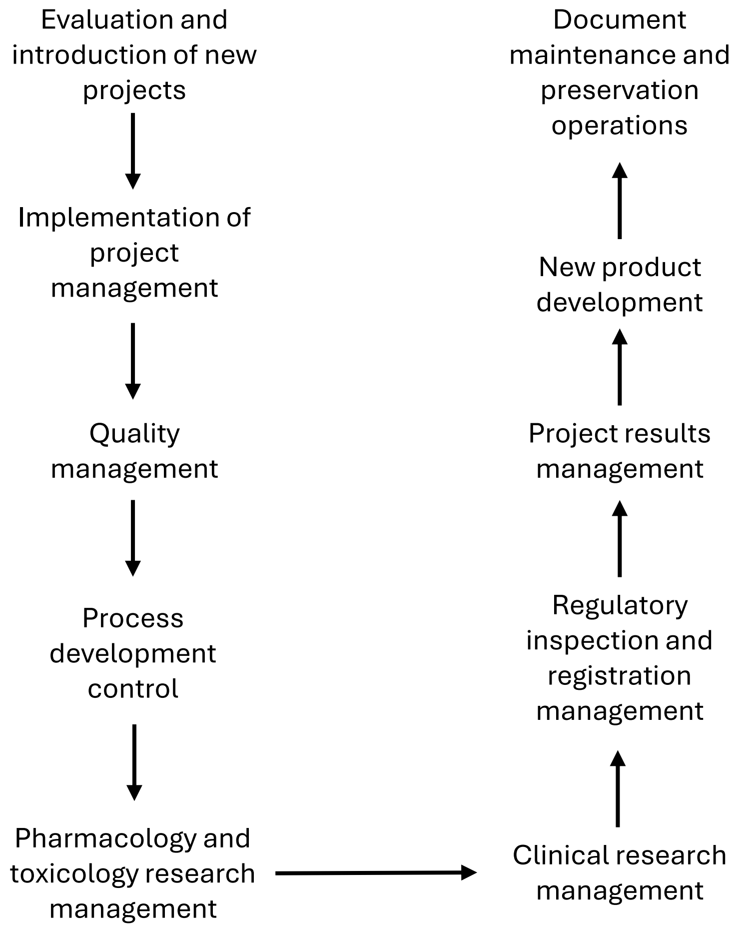
Sustainable Developments
Disclosed the Company's scope 1 and 2 GHG inventory (with third-party assurance), water usage, and waste generated. Initiated the second phase of scope 3 GHG inventory in 2025 and increased green energy electricity usage to 20%

Social Outreach
Volunteered at the event hosted by HOPE Foundation for the second consecutive year and invested resources to support local cultural development.

Co-hosted 11 health education seminars with medical centers for pancreatic cancer patients.

1.4 Risk Assessment and Crisis Management

New Drug Development Risk Management



Risk Identification

Risk Item	Potential Risk	Probability of Occurrence	Degree of Impact
Drug Research	The timeliness, stringency, and innovation of the R&D process do not meet the requirements for drug approval in various countries.	Medium	High
Climate Change/Accidents/ Disasters	Earthquake/fire/flood/blackout	Low	High
Cyber Security	System error	Medium	Medium
	Confidential information leakage	Low	High
	Information system hacked	Medium	High
Regulation Compliance	Infringement of the intellectual property rights of others, doubts about the safety of listed drugs	Medium	High
Finance/Taxation	Huge changes in interest rates and exchange rates	Medium	Medium
Human Resources	Talent loss/poor health of employees/occupational hazards	Low	Medium
Operation Management	Poor corporate image	Low	High
Corporate Governance	Significant changes in government regulations	Low	High
Business	Unstable supply of medicine/improper management of outsourced suppliers/counterfeit drugs	Low	High
Quality Policy	New drug quality violates GXP standards	Low	High
Adverse Drug Reaction Notification	Fail to report adverse drug reaction to authorities	Low	High
Drug Safety	Commercial drug causes adverse reaction but fail to report to authorities	Low	High

Risk Management Responsibility by Department

Audit Committee
Review risk management policies and their implementation.

Corporate Development
Risk evaluation of new drugs research from competitors and new project introduction, and risk management of sales market after product launch.

President & CEO Office
Risk management of business decision-making, intellectual property rights, and product quality.

Finance & Administration
Risk evaluation of financial matters, response strategy implementation, operations, and information security evaluation.

Audit Office
Risk management of internal control and internal audit-related matters.

Research & Development
Risk management of pre-clinical animal pharmacology, toxicology, pharmacokinetics and clinical trials-related research, external research and development resource management and project planning, implementing, and controlling-related matters, new drugs research and development, manufacturing, and analysis.

Clinical & Regulatory Affairs
Risk management of research and development of clinical trials, pharmaceutical compliance, and product registration.

Marketing & Sales
Risk evaluation management of products-related supply, marketing, or sales and account-related matters.

Implementation of Risk Evaluation Criteria

1. The Company’s implementation was reported to the Board of Directors and the Audit Committee on October 30, 2025. The report included risk assessment, risk management policies, risk evaluation standards, and implementation of risk management practices and so on.
2. Besides continuing with general risk management operations, in 2025, multiple risk management operations such as flu shots, cyber security, and regulatory matters were also implemented. In addition, the re-assessment certification for ISO/IEC ISO27001:2022 was obtained in January 2026 with effective date from January 30, 2026, to January 29, 2029.
3. There were two major incidents in 2025: company website outage and current fluctuations, for details, please refer to Risk Management section of the company website.

Opportunity

PharmaEngine’s ONIVYDE® has successfully entered major global markets, including the United States, Europe, and Asia, and continue to generate stable cash flow, demonstrating the maturity and effectiveness of its “Virtual Pharmaceutical Company Business Model” in new drug development. The Company has also gained recognition from domestic and international medical institutions and industry professionals. With a forward-looking approach, PharmaEngine is actively expanding into smart healthcare through strategic partnerships with leading international AI/CADD platform companies to identify key drug targets and accelerate drug development, while continuously enriching its pipeline of innovative targeted therapies and precision medicine products. The Company also enhances its global visibility by participating in international scientific conferences and actively building collaborations with global pharmaceutical companies and research institutions. In terms of sustainable development, the Company is committed to ESG principles by promoting energy conservation and carbon reduction, strengthening corporate governance, enhancing employee R&D and business capabilities, and fulfilling corporate social responsibilities to further improve corporate reputation and market trust.

1.5 Ethical Corporate Management and Ethical Code

Ethical Corporate Management Policies

The Company has established “Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" as a code of conduct for directors, independent directors, senior managers and all practitioners.

Compliance

The Company complies with all statutes and regulations, and does not commit any bribery, does not make political donations and political lobbying, does not engage in unfair competition, acts of antitrust and monopoly to avoid illegal activities.

★ In 2025, the Company did not violate any laws and did not receive any fines or punishments due to violation of the law.

Ethical Corporate Management Training

The HR Department organized all advocacy and education related to ethical business management for all employees. In 2025, 476 persons cumulatively received 1,579 hours of educational training related to ethical business management issues (including courses for legal compliance and ethical business management, drug safety and health management and inspections, accounting system and internal control etc.).

Read more about our ethical management on our company website.

Coverage of Precautionary Measures

1. Bribe and bribery
2. Provide illegal political contributions
3. Inappropriate charitable donations or sponsorships
4. Provide or accept unreasonable gifts, hospitality or other improper benefits
5. Infringement of business secrets, trademarks, patents, copyrights and other intellectual property rights
6. Engage in unfair competition
7. Products and services to directly or indirectly damage the rights, health and safety of consumers or other stakeholders during any of the following phases: R&D, procurement, manufacturing, providing and selling

Specific Precautionary Regulations for Actual Business Controllers

1. The criteria for determination for providing or accepting improper benefits
2. The procedure of providing legal political contributions
3. The procedure and amount standards when providing appropriate charitable donations or sponsorships
4. Regulations for avoiding conflict of interest, and its declaration and processing procedures
5. Regulations for confidential and sensitive information obtained through business
6. Regulations and processing procedures for suppliers, customers, and business transactions involving misconduct actions
7. The procedures for identifying the violation of the ethical corporate management policies
8. Disciplinary punishment against violators

1.6 Anti-Corruption Policy

The Company understands the risk of corruption exists to some extent, and it may also affect the Company's business integrity. Therefore, any corruption, bribery and extortion are strictly prohibited. The Company also arranges for all current and new employees to receive anti-corruption training, using an overall comprehensive corruption and bribery risk analysis to set up effective anti-corruption and anti-bribery policies.

Measures to Prevent Corruption and Bribery

When the Company's auditors perform internal audit duties, they will conduct thorough investigations to prevent corruption and bribery. They maintain a vigilant attitude towards possible frauds, errors, omissions, waste, and conflict of interests. Any serious illegality or violation of regulations is considered, and precautions are taken. If there is any suspected or detected fraudulent situation, the auditor will promptly notify the appropriate supervisor to investigate and take measures. For related corporate governance systems, internal control systems and management practices that are more likely to have risks of corruption and bribery, they are included in annual audits. The project will focus on auditing items, and based on the annual audit plan formulated by the risk assessment management operation, the focus and frequency of audits for routine checks will be improved with reference to past findings of various units.

If there are any unlawful cases where complaints are filed, the auditors will, after careful review, report to the appropriate supervisors, Independent Directors, and the Board of Directors. The Company has done a good job in preventing the relevant fraud or corruption risk.

★ The Company conducted anti-corruption training to all employees in August 2025.
★ The Company did not have any incident of corruption or anti-competitive practices in 2025.

Bribery Risk Analysis

Department	Level of Risk		
	High	Medium	Low
President & CEO Office		●	
Audit			●
Clinical & Regulatory Affairs		●	
Research & Development		●	
Corporate Development		●	
Marketing & Sales	●		
Finance & Administration		●	

Note: Since the establishment of the Company, there have been no incidents of corruption or bribery. If any unlawful incident occurs, the facts will be immediately ascertained, and the relevant employees involved in the investigation will be dealt with according to law.

Whistleblower Mechanism

To maintain the corporate culture of ethical management, prevent unethical conduct, and appropriately address reported cases, pursuant to Article 21 of PharmaEngine's "Procedures for Ethical Management and Guidelines for Conduct," this Procedures are established for compliance.

Whistleblower Contact Window and Channels

Tony Hong
Associate Director, Audit Office
TEL: +886-2-2515-8228 #106
E-mail: audit@pharmaengine.com

Reporting Procedure

01	The whistleblower shall use the report case form to provide the following, detailing the facts and confirming the matter with his/her signature to report the case to PharmaEngine. 1. The whistleblower's name, national identification number or passport number, residential address, department/place of employment, and the informed party's name or other features sufficient to identify such person. 2. Unlawful behaviors violating the Ethical Corporate Management Best Practice Principles. 3. Relevant evidence and documentation.
02	All types of reported cases are compiled and handled by the Audit Office. After identifying and recording the whistleblower's identity in accordance with regulations, the reported information and content are scanned and archived before being reported to the chairperson or independent directors.
03	Upon the establishment of a reported case, depending on the nature, and if necessary, the personal information of the whistleblower may be kept confidential and then sent to relevant departments for handling. Cases related to corruption and other unclassifiable matters are handled by the Audit Office. If the reported case involves directors, or senior executives, or is related to any other significant illegal activities, it shall be sent to the independent directors.
04	After the Audit Office receives the reported case and submits it to the superior through the relevant procedures, the relevant departments will be requested to handle the matter. The relevant departments shall handle it appropriately and ask the receiving unit to review and approve the handling. Depending on the legality, reasonableness, and specificity of the handling, the receiving unit shall then decide whether to continue, re-investigate, or conclude the case.
05	The receiving unit of the reported cases shall maintain the confidentiality of the whistleblower's personal information. In case of a breach of confidentiality, penalties, or disciplinary actions shall be imposed in accordance with relevant regulations.

1.7 Cyber Security

Purpose and Scope

Target
Employees, suppliers, customers, and operation-related information software and hardware equipment

Scope
To ensure cyber security of the Company, related regulatory systems, applied technologies, and data security criteria are defined and included as part of the management operation system to protect the privacy of employees, suppliers, and customers and maintain information security during business contact.

Cyber Security Risk Management Framework

- ✓ The Cyber Security Risk Management Taskforce was convened and formed by the President & CEO in 2022. The Taskforce includes functional teams such as Document Management Team, Incident Response Team, Continuous Operation Team, Internal Audit Team, and Risk Assessment Team.
- ✓ The Cyber Security Risk Management Taskforce is responsible for defining the cyber security management policy and periodically reflecting upon and modifying it.
- ✓ Meetings are held periodically to discuss the implementation and target achievements to ensure the operation is effective.

Policy

- ✓ Ensures the Company's operation is ongoing, and the information technology service provided by the Company can be steadily used.
- ✓ Ensures the confidentiality, integrity, and usability of the information assets in the custody of the Company and protects the privacy of staff data.
- ✓ Constructs information security risk assessment and operating plans, executes cyber security enhancement activities that abide with related regulations and laws.

Implementation and Version Update of ISO27001

- ✓ The Company became the member of TWCERT/CC in 2023, to effectively receive and deliver cyber security information.
- ✓ The Company has set up a Cyber Security Manager in April 2023. The manager is responsible for promoting cyber security policies and targets, coordinating resource allocation on cyber security and monitoring safety measure implementation.
- ✓ Regarding cyber security risks, the Company has discussed it with external cyber security technical experts and plans to improve the Company's cyber security management system by obtaining the ISO27001 certification. The Company obtained the ISO27001 certification in January 2023.
- ✓ The Company has completed the cyber risk assessment report and conducted related promotion and training of 3 cumulative hours with 38 participants in 2025, a total of 114 hours. The Company invested in NT$1,884 million for cyber security management related issues in 2024.
- ✓ In December 2025, the Company invited third-party vendor to re-verify our ISO27001 certificate and the Company obtained the re-verification certification in January 2026 with effective date from January 30, 2026, to January 29, 2029.
- ✓ In 2025, the Company did not suffer any major losses due to major cyber security incidents.

Cyber Security Specific Management Solution

Authority Management

1. Staff count
2. System privileges

Access Management

1. Internal data access
2. Log analysis

Viral Threat

1. Anti-virus defense
2. Malware detection

System Maintenance

1. Data backup
2. Remote backup
3. Disaster drill and data recovery

Read more about our cyber security on our company website.

Cyber Security Control Measures

1 The Company has various network security equipment (such as routers, switches and firewalls, etc.) in place to control or maintain daily operation, however, we still cannot guarantee the Company's network will not be hacked.

2 The Company currently reviews and evaluates the security precautions each year and periodically changes security settings to ensure network security. To reduce the risk of confidential data leaks, the Company's individual department has identified the key processes and confidential documents of each business and adopted corresponding measure such as adequate improvement of the related processes and enhance computer hardware and software.

3 The Company officially began the adoption of ISO27001 information management system in 2022 and successfully obtained the certification in January 2023. In 2025, the reassessment certification for ISO/IEC ISO27001:2022 was obtained in January 2026 with effective date from January 30, 2026, to January 29, 2029.

4 The Company invested NT$1,884 thousand in 2025 for information security management related issues.

1.8 Customer Relations

Pricing Strategy: Fair and Affordable Drug Prices

The fair and reasonable price of ONIVYDE® in Taiwan is based on the benefits for all people with comprehensive consideration of the best commonly used drugs prices in the current market, pharmacoeconomics, market competition (same indications already on the market, or clinical trials), the cost of ONIVYDE®, the “National Health Insurance Drug Dispensing and Fee Schedule” announced by the National Health Insurance Administration, and the international market prices. Afterwards, the relevant prices will be adjusted in accordance with the “Operational Procedures of National Health Insurance Drug Price Adjustment ”. The price of ONIVYDE® was NT$20,053 per vial in October 2025. Following its inclusion in Taiwan’s National Health Insurance (NHI) reimbursement for first-line pancreatic cancer treatment on December 1, 2025, the price was adjusted to NT$14,621 per vial, representing a reduction of approximately 27%.

◆ **Latest change of ONIVYDE® price in Taiwan (with health insurance reimbursements for the patients):**

Item	Before Adjustment	After Adjustment	Difference	Difference (%)	Effective Day
Per vial (NT$)	20,053	14,621	(5,432)	(27%)	December 1, 2025

Marketing Ethics: Professional and in line with International Pharmaceutical Marketing Ethics Essence

ONIVYDE® is currently the main product of the Company. It has obtained the drug license issued by Taiwan FDA and was officially launched in Taiwan in June 2016 and was included in the health insurance benefits in August 2018. In Taiwan, as of the end of 2025, more than 5,000 pancreatic cancer patients have been treated with the drug. We strictly follow the international pharmaceutical marketing ethics standards, and the Company’s marketing colleagues have received internal education and training about the regulations Guide to the Ethics of Pharmaceutical Marketing.

★ In 2025, the Company had not been fined for violating the health and safety of products and services. There was no fine imposed for information and labeling of product and service, or for regulations related to marketing communication. Also, there was no complaint for infringement of customer privacy and loss of customer information.

Protect the Rights of Consumers and Medical Institutions: Drug Safety Surveillance Management

The Company conducts safety monitoring and risk control for the post-marketing drugs and formulates the "Medicament Recall Practice" and "Pharmacovigilance Standard Operating Procedures" in accordance with the "Regulations for Medicament Recall" and "Guidance for Good Pharmacovigilance Practice" issued by the central health authority (Ministry of Health and Welfare) respectively. Its risk management is aimed at the safety of patients' medication, establishes a Pharmacovigilance Notification System, and implements the control and tracking of adverse reactions after the launch of new drugs to avoid serious adverse drug reactions. Reduce or avoid the risk of drug use through risk control methods, pay attention to and monitor the possible adverse reactions of drugs, provide relevant consumers and medical institutions with relevant drug information, and clearly inform the possible risks and adverse reactions that may occur during the medication process.

In the case of Serious Adverse Event, the Company must notify the central health authority within 15 calendar days. For other non-serious adverse events, if they are listed in the pharmacovigilance monitoring items, they should be included in the regular safety report and be reported according to the time limit. In addition, according to the drug safety information contract signed with the authorized and cooperative partner, the Company will notify the authorized and cooperative partners within the time limit.

★ In 2025, there has been no recall of any drugs sold in Taiwan due to safety issues.

Protect the Rights of Consumers and Medical Institutions: Counterfeit Drug Management

◆ The product from the original manufacturer is directly dispatched through a locked container from end-to-end to our contracted warehouse for an incoming check to confirm the integrity of the container through a visual check and document check to prevent counterfeiting. The handling of the supply chain and distribution to the customers is also through a GMP/GDP certified contractor which is a professional distribution service provider focusing on healthcare products.

◆ There is a specific item code assigned to each product, specific batch number will be assigned to each batch incorporating the information of the manufacturer. The above unique numbers will be entered into the SAP system of our storage/logistics service provider for identification and tracking of every procurement order, sales and shipping document, and other associated campaigns. The SAP system of the storage/logistics service provider is validated according to a GAMP 5 or equivalent standard.

◆ When we are aware of a potential risk of counterfeit products, we would immediately suspend the distribution of the concerning batch of the product and quarantine them in an isolated area. The related work will be completed together with the contracted vendor for domestic distribution. Meanwhile, colleagues from the vendor would also check the SAP system to identify which customers received the concerning batch of product to alert them to hold the sales and conduct quarantine. When a product recall is deemed necessary, we would initiate the activities and prepare a recall plan, and the related documents for recall would be submitted to the regulatory authority.

Protect the Rights of Consumers and Medical Institutions: Supply Chain Quality Management

◆ The Company does not participate in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program. We have an internal procedure to regulate the evaluation of and collaboration with the entities involved in the supply chain of a commercial product. To ensure the quality of the products as well as the operations in compliance with the GMP/GDP standard, we would mutually sign a quality agreement with these critical vendors associated with the supplies of products, global shipping, warehousing, secondary packaging, and domestic shipping to our clients, and we would also create an approved vendors list accordingly. Additionally, a regular audit would also be carried out for each vendor to ensure the quality status.

★ In 2025, the Company performed evaluation on GxP supplier once. We also conducted regular 1 on-site visit and 3 audits in 2025 on drug development partners. The evaluation result indicated the suppliers' provided services, execution capabilities, and structures qualify related regulations and the Company's expectations, therefore, they are enlisted into the roster. In summary, there were no procurement suspensions or new suppliers rated inadequate that required corrective and tracking measures in the 2025 evaluation process.

Protect the Rights of Consumers and Medical Institutions: Drug Injury Relief and Complaint Channel

◆ The Company joined the Drug Relief Foundation System, and each year, 0.05% of the sales of the Company in the previous year is allocated as the drug damage relief to the Drug Relief Foundation. In addition, a product liability insurance of US$10 million is insured to protect patients from damages caused by drug defects or unknown adverse reactions.

◆ The Company has established a stakeholders' page on the website to provide relevant contact windows and complaint hotlines, which is responsible for consumer protection policies and complaints.

Clinical Trial

Protecting Subjects in Clinical Trials to Ensure their Rights, Safety, and Well-being

- The Company conducts clinical trials in accordance with the "Guidelines for Good Clinical Practice (GCP)" of ICH and upholds the ethical principles of medical research in the Declaration of Helsinki to ensure the rights, safety and well-being of subjects. We set up monitoring and auditing mechanisms at each stage.

- Each participant in the human clinical trials will be fully informed and protected. In addition, the Company provides relevant insurance for the clinical trials. If there is any physical harm due to participation in the trial, there will be clinical trial insurance to compensate the subject for damage.

Quality Policy

- The Company upholds the spirit of innovation, manages new drug research and development projects, adheres to quality and focuses on total quality management.

- The Company also complies with GMP, GDP, GLP, GCP, and international regulations, and achieves new drug development research that meets the goals of safety, effectiveness, and consistent quality to enhance the development level of new drugs, promote the development of medicine and continuously improve the quality of medicines.

Notification for Adverse Drug Reaction in Clinical Trials

- For the Company's clinical trials, if there is any serious adverse reactions caused to the subjects due to the drugs, regardless of the location in Taiwan or other regions, the Company will notify Ministry of Health and Welfare or Taiwan National Adverse Drug Reaction Reporting System of Taiwan Drug Relief Foundation in accordance with the regulations.

Checkpoints for Clinical Trial Execution

- Example: A Safety Monitoring Board, SAB or an Independent data Monitoring Committee, IDMC is set up in the trial to review the trial data and confirm the safety of patients before deciding whether to continue the trial.

1.9 Investor Relations

- Shareholders' equities are greatly valued by PharmaEngine. We have a full-time service team including a spokesperson, a deputy spokesperson, an investor relations, and a stock registrar to ensure smooth communication with investors. Investor inputs are reported to the Board of Directors on a quarterly basis. The Company regularly reports to shareholders through annual shareholders' meeting on business results, annual business plans, future development strategies, and impact on industrial environment. The Company also actively responds to shareholders' suggestions. The relationship with shareholders has been amicable and there has been no major disputes.

- Information disclosure is also a very important part of investor services. In recent years, the Company has invested a lot of resources to meet the principles of completeness, promptness, fairness, and transparency of information disclosure. In addition to the timely disclosure of relevant information on the Market Observation Post System (MOPS), we also set up an investor section on the Company's website to provide company fundamentals, events & presentations, financial results, shareholder information, and press releases to ensure information transparency, enhance company image and safeguarding shareholders' rights.

- In 2025, the Company participated in 4 investor conferences organized by local and foreign securities and posted 35 announcements on MOPS . In such conferences and press releases, the Company reported the latest company operations, financial business status, and R&D progress to deliver clear information and messages transparently, promptly, and correctly to all investors.

- In 2025, quarterly investors' conference unedited video has been uploaded to the MOPS and the company website.

Investor Communication Channels

Company Website

Market Observation Post System

Investors' Conference

Annual Report & Financial Report

Stock Registrar

Shareholders' Meeting

Press Release & LinkedIn

E-Mail and Telephone

2.1 Sustainability Strategy Blueprint

Low Carbon Company

PE Action Plan

- Reduce water usage and CO_2 emissions
- Reduce plastic use
- 3Rs: Reduce, Reuse, Recycle
- HQ office reach carbon (scope 1 & 2) neutrality by 2050

Sustainable Employer

PE Action Plan

- Enhance diversity and equality
- Promote company culture
- Strengthen social engagement
- Improve talent retention
- Continue to upkeep health and safety of employees

PHARMA-ENGINEERS

PE Action Plan

- Maintain drug safety
- Safeguard ethics management
- Improve risk management
- Upkeep cyber security

2.2 Major Themes and Stakeholder Communication

Procedure for the Negotiation of Major Themes

1. Thematic Collection

- External Issues
  - International covenants and regulations
  - Requirements from stakeholders
  - Guidelines for sustainability reports
- Internal Issues
  - Performance indicators by sector

2. Stakeholder Identification

- GRI Standards consideration
- Corporate Social Responsibility Policy
- Business philosophy and vision
- Short- and long-term business plans

3. Thematic Boundaries

- Assess the boundaries of consideration

4. Response and Responsibility

- Board resolutions
- Senior executive meeting resolutions
- Departmental meeting resolutions

5. Feedback and Review

- Stakeholder feedback
- Reference to benchmarking corporate practices
- Report and review at relevant meetings

6. Improvement

- Resolving improvement measures at various meetings and as a topic for the following year

External/Internal Stakeholders

Shareholders and Investors	Employees	In-license or Out-license Partners
Customers	Drug Development Partners	Suppliers
Community and Charity Groups	Government Agencies	Media

★The Company conducts stakeholder surveys once every two years, for the results of the survey conducted at the end of 2024 to the beginning of 2025, please refer to page 32 of the 2024 Sustainability Report.

Major Themes and Boundaries

Key Issues	SDGS	Management Policy	Border Line	
			Internal	External
Water & Plastic Usage	**SDG6** Clean Water and Sanitation **SDG7** Affordable and Clean Energy **SDG12** Responsible Consumption and Production **SDG13** Climate Action	• Reduce water usage per capita • Promote reducing plastic usage in everyday life and on business trips	• PharmaEngine Employees	• In-license or Out-license Partners • Suppliers • Communities and Charity Groups
Energy & Waste Treatment		• Reduce the waste of energy resources and introduce effective energy and resource improvement equipment or policies • Introduce circular economy to reduce waste • Strengthen the initiatives on climate and environmental issues, and enhance awareness of colleagues and cooperative units	• PharmaEngine Employees	• In-license or Out-license Partners • Suppliers • Communities and Charity Groups
Health & Safety	**SDG3** Good Health and Well-Being **SDG4** Quality Education **SDG5** Gender Equality **SDG8** Decent Work and Economic Growth **SDG10** Reduced Inequalities	• Maintain a healthy and clean work environment	• PharmaEngine Employees	• In-license or Out-license Partners • Customers • Government Agencies
Talent Retention		• Provide monetary and non-monetary benefits • Support internal and external training programs	• PharmaEngine Employees	• In-license or Out-license Partners • Shareholders and Investors • Customers
Employee Welfare		• Continue the one-day-a-week WFH initiative	• PharmaEngine Employees	• In-license or Out-license Partners • Shareholders and Investors • Customers • Government Agencies
Social Engagement	**SDG3** Good Health and Well-Being **SDG8** Decent Work and Economic Growth **SDG10** Reduced Inequalities	• Enhance care for social and human rights issues, and continuously track follow up results • Care for patients and medical institutions, and construct friendly social services	• PharmaEngine Employees	• Communities and Charity Groups
Ethics Management	**SDG8** Decent Work and Economic Growth **SDG9** Industry, Innovation and Infrastructure **SDG16** Peace, Justice and Strong Institutions **SDG17** Partnership for the Goals	• Incorporate ESG in operation policies • Strengthen the auditing mechanism and strictly prohibit misconduct that endangers the Company • Strengthen internal communication and operation model	• PharmaEngine Employees	• Shareholders and Investors • Customers • Government Agencies • Media • Drug Development Partners
Product Safety		• Maintain rigorous quality assurance procedures • Enhance training on pharmacovigilance knowledge and reporting procedures	• PharmaEngine Employees	• Shareholders and Investors • Customers • Communities and Charity Groups • Government Agencies
Risk Management		• Continue to enhance cyber security measures • Use AI technology to reduce potential risks in new drug development	• PharmaEngine Employees	• Shareholders and Investors • Customers • Communities and Charity Groups • Government Agencies

Stakeholder Communication

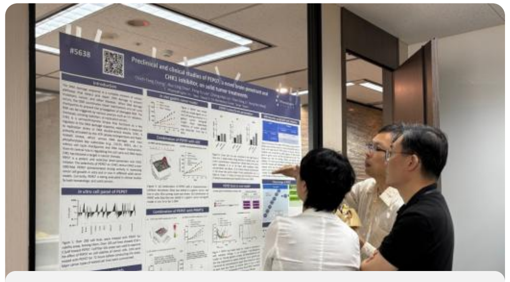
Stakeholder	Shareholders and Investors	Employees	In-license or Out-license Partners	Customers
Key Issue	• Operating and financial status • Business performance • Corporate governance • Risk management	• Welfare policy • Labor relations • Labor rights • Training • Workplace health and safety	• Operating and financial status • Business performance • Risk management • Legal compliance	• Product quality and safety • Service quality • Marketing communication • Customer rights, interests, and data privacy
Communication Channel and Frequency	• Shareholders' meeting/once a year • Investors' conferences/once a quarter • MOPS/every time • Regular announcement of financial statements (annual report)/every quarter (year) • Stock agency/every time • Information disclosed online/every time • Answer investors' questions by phone or email/every time	• Labor conferences/once a quarter • Internal website/permanent • Welfare Committee/permanent • Employee feedback line and mailbox/every time • Regular fire safety propaganda provided by the building management committee/every time • Annual health checkup/once every two years • Satisfaction survey/biennial	• E-mail/every time • Visits, meetings, and teleconferences/once a quarter	• Telephone or e-mail/every time • Unscheduled patient seminars/every event • Regular participation in medical associations/every time • Academic seminars/every time • Product information disclosed online/permanent
2025 Engagement	• Held institutional investors' conferences and roadshows 4 times • Held shareholders' meeting 1 time and board meetings 7 times	• Held labor-management meetings 4 times • Promoted "Employee Leave and Travel Subsidy Program" • Promoted "Employee Health Check Care Program"	• Held group meetings regularly	• 11 pancreatic cancer patient seminars • Product introduction in medical centers and hospitals • 2025 World Pancreatic Cancer Day activities

Stakeholder	Drug Development Partners	Suppliers	Communities and Charity Groups	Government Agencies	Media
Key Issue	• Sustainable procurement • Communication policy	• Product quality and safety • Sustainable procurement • Communication policy	• Charities and fundraising • Community care • Environmental management • Legal compliance	• Legal compliance • Labor relations • Participation in public policies	• Business performance • Operating and financial status • Legal compliance
Communication Channel	• Unscheduled visits and audits/twice every year • Telephone or e-mail/every time	• Unscheduled visits and audits/once a year • Telephone or e-mail/every time • Communicate with vendor via procurement staff/every time	• Contact the charities by the event organizer/every time • Contact by welfare committee members/every time • Industry-academic cooperation	• Competent authority meetings and participate in related seminars/every time	• Press release/every time • Spokesperson system/permanent • Information disclosed online/every time • Public Relations Department/permanent
2025 Engagement	• Visited 1 time • Audited 3 time • Audited by email	• 1 GxP supplier capability assessments before cooperation • Audited by e-mail • Online meeting • Online audit	• Visually impaired massages • Supported the "River Basin Convention" by promoting the history of Taipei's river system • Held events for ESG • Participated in HOPE Foundation event as volunteers • Held sessions with students in 3 universities and 1 research institute to share industry experience	• Contacted the Industrial Development Administration by phone and e-mail • Contacted Taipei Exchange by phone and e-mail	• Material information were published 35 times

2.3 Company Culture

Teamwork

Trust and respect
is the foundation of our company
culture and teamwork philosophy



Sense of Urgency

Step outside the comfort zone
using an agile mindset to
embrace dynamic environment
and challenges

Work & Life Balance

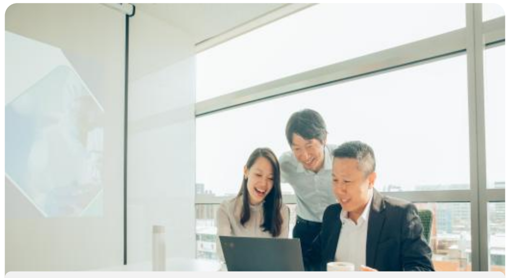
Assist employees
to find our own balance between
work and life

Continuous Learning & Growth

Learning as a team
to maintain innovative
momentum and sustainable
development

Diversity

Diversity and inclusiveness
for differences of each individual
to create an inclusive environment
fostering creativity and innovation.



Critical Thinking

Recognize unconscious biases
and seek to the bottom of truth
with an open mindset and a
willingness to challenge the status
quo

2.4 Supplier Management

Value Chain of New Drug Development

PharmaEngine is concentrating on new drugs development that has market projections, by using the Virtual Pharmaceutical Company Business Model, conducting preclinical trials, phase I, phase II and human clinical trials in phase III, lowering the cost of early period R&D and shorten the development timing, to connect the exploration stage of drug development until the completion of the product inspection and registration. Through numerous preclinical trials, the Company explores the value of new drugs and strictly follows the US FDA/EU EMA standards throughout clinical trials from phase I to phase III, acquire certification of each country and carry out product manufacturing, marketing and external licensing.

Supplier Relations

ONIVYDE®, which the Company sells in the Taiwan market now is supplied 100% by the France IPSEN. Suppliers of general purchases are local ones. In addition, depending on the needs for different research stages in the development of new drugs, domestic and international CDMOs (Contract Development and Manufacturing Organizations) and CROs (Contract Research Organizations) are authorized to conduct related trials and studies. We have been maintaining optimal interactive relationships with suppliers, CDMOs and CROs.

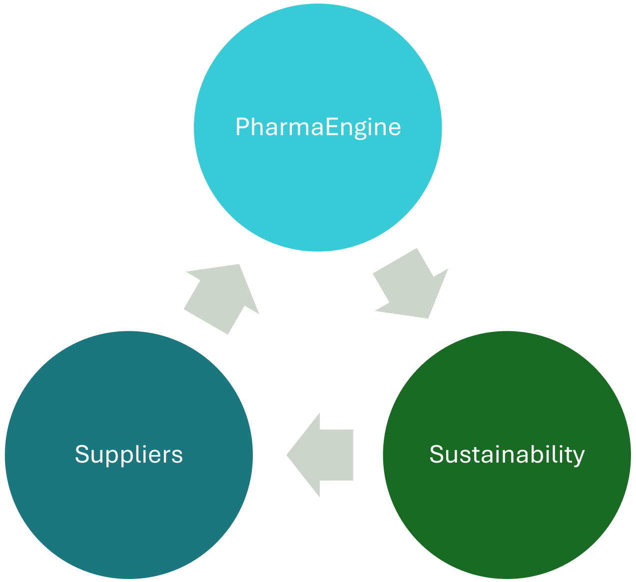
Supplier Evaluation

The Company, since 2022, has gradually included key suppliers, suppliers of labor service, and new suppliers in the evaluation.

Results of evaluations have revealed that all suppliers agree to work with the Company and devote themselves to improve environmental protection measures in terms of energy, waste, water and electricity, and to reduce GHG emissions. As far as society is concerned, some suppliers are aware of the possibility of their risk management impacting the operations of the Company. In 2025, the Company performed GxP supplier evaluation 1 time, and performed 1 on-site visit and 3 audits on drug development partners. The evaluation result indicated the services, execution capabilities, and structures of the suppliers and drug development partners qualify related regulations and meet the Company's expectations, Therefore, they are enlisted into the roster. In summary, there were no procurement suspensions or new suppliers rated inadequate that required corrective and tracking measures in the 2025 evaluation process.

Renting or Outsourcing Business and Entities that have a Significant Impact on the Organization

- Renting: The Company currently rents office in Taipei City and the lease expenses are in line with the general market price.
- Outsourcing business: The Company's sales of ONIVYDE® in the Taiwan market are produced by IPSEN . The preclinical trials and some clinical trials of the ongoing projects are entrusted to CRO companies to execute, the impact to the Company is limited.



3.1 Human Resources Overview

Job Level, Recruitment, and Turnover %

Item		Total Number of Employees (person)				No. of Employees Beginning	No. of Employees New Recruitment	New Recruitment %	Staff Turnover	Staff Turnover %	No. of Employees Year End
		Managerial Officer	R&D Employee	Other Employees	Total						
Male	2024	4	7	4	15	18	0	0	3	20	15
	2025	4	8	4	16	15	2	13.33	1	6.67	16
Female	2024	1	7	10	18	18	1	5.56	1	5.56	18
	2025	1	9	10	20	18	2	11.11	0	0	20

Employee General Data (end of year)

Item		Average Age	Average Job Tenure	Education Level				
				Ph.D.	Master’s	College or equivalent	Senior High School	Below High School
Male	2024	48.96	9.51	4	8	3	0	0
	2025	49.5	9.88	4	9	3	0	0
Female	2024	41.20	5.25	1	12	5	0	0
	2025	41.6	5.71	1	13	6	0	0

Note 1: The data only include full time employees. There was one part-time employees (total work hours: 1,141) and one contract employee in 2025.
Note 2: All employees are Taiwan nationals, and their work sites are in Taiwan.
Note 3: The Company has not yet established a labor union organization, so the group agreement is not applicable.
Note 4: When the Company terminates a labor contract or an indefinite contract worker resigns, abiding by Article 16 of Labor Standards Act, the Company needs to provide advance notice regarding the contract termination date based on the tenure of the labor listed in Item 1-3.
Note 5: There was no significant changes in staff turnover in 2025.

Diversity in Workplace/Gender Equality Policy

The Company abides government decrees and protects human rights. The Company does not use child labor, nor forced labor or forced overtime and is against discrimination. The Company respects gender, nationality, race, religion, age, and association, sets up labor-management conference and complaints overseeing channel to maintain human dignity, ensures the diversity in recruitment and the fairness in compensation and promotion opportunities, and creates a harmonious peaceful workplace environment.

Ratio of Female Employees to Total Workforce and Senior Executives

Index	Percentage (%)	2030 Target (%)
Women account for the total workforce (%)	55.6%	50%
Women account for senior executives (%)	20.0%	33%

Gender Pay Equality Index for Non-Managerial Roles

Pay Equality Index	Gap (%)
Gap between the MEAN in Men and Women	13.18%
Gap between the MEDIAN in Men and Women	19.78%
Gap between the MEAN of Variable Bonus in Men and Women	5.40%
Gap between the MEDIAN of Variable Bonus in Men and Women	22.60%

Total Pay Comparative Ratio

Pay Index	Ratio
Ratio of "total compensation of the highest paid employee" and "median of total compensation of other employees"	1:7.8
Ratio of percentage increase of "total compensation of the highest paid employee" and "annual average of total compensation of other employees"	(19.42)/(9.5)*

*In 2025, non-recurring compensation decreased, leading to a decline in total compensation, with the percentage increase being negative.

3.2 Talent Retention

In PharmaEngine's office, we have bright lighting and a relaxing rest area with snacks provided. In addition, we cooperate with visually-impaired professionals to provide monthly massage therapies for all employees to register to help alleviate stress!

We value work-life balance and employee health in hope for each employee to find their own balance in different stages of life. We hope employees can achieve self-actualization at work and be in control of the tempo of life. We provide benefits to help with this goal, such as (1) flexible work hours; (2) one day per week opportunity to work from home; (3) child-baring subsidies ranging from NT$1,000 to NT$10,000 to help lower the cost burden of employees with newborn children and help them to return to work with less stress; (4) annual sports and athletic events including but not limited to badminton club, nature walks, healthy eating seminars, and exercise events etc.

2025 Retention Rate

100%	100%
R&D Employee Retention Rate	Other Employee Retention Rate

Talent Selection, Cultivation, and Reward

1. Selection

- Talent screening
- External recruitment/internal referrals
- Evaluation tools

2. Appointment

- Job description
- New recruits' orientation
- Benefits surpass regulations

3. Cultivation

- Knowledge sharing session
- On-the-job training
- Personal training & development

4. Appraisal

- KPI system
- Promotion system
- Diverse communication channels

5. Reward

- Employee compensation
- Performance bonus
- Annual bonus

3.3 Human Resource Training and Development

In PharmaEngine, our core values consist of diversity, continuous learning and growth, and teamwork and more. We put great emphasis on fulfilling these core values in our human resource training and development.

Corporate Education and Training System

Internal

Pre-service
The course content includes company vision and operational strategy, company operating model, company organization and function, introduction of technique, status quo of domestic and international pharmaceutical industry, clinical development research, pharmaceutical regulations, document management, R&D achievements management measures, intellectual property rights, administrative accounting process, information resources, benefits and obligations, ESG, insider-trading prevention, and the main duties of each department.

Language and Others
The Company employs professional foreign teachers for in-house English classes, and regularly arranges courses of writing and daily conversations. We also hold in-house education and training in the forms of holistic lecture and seminar based on actual needs.

Expatriate

Domestic
Each department or employee prepares an annual budget for education and training. Employees can choose to participate in training courses held by domestic institutions. Those who exceed the budget limit may be subsidized by the Company after the approval by the general manager on project basis.

International
In order to absorb foreign advanced professional knowledge, skills, and training talents, the Company will, depending on practical needs, assign personnel to participate in education and training courses organized by foreign institutions.

On-the-Job
The goal is to cultivate high-level professional and managerial talents with international perspective and all-round strategic thinking. Employees who have officially worked for more than one year may voluntarily participate in relevant training courses such as medical related research institutes, MBAs or EMBAs established by domestic and foreign university research institutions (including supplementary education institutions).

◆ **Training Courses in 2025**

- ✓ R&D Investment Credit and AI & ESG Application Practices; Starting from Impact: The Path to Outstanding Leadership
- ✓ Leading the New Revolution in AI and Cybersecurity
- ✓ 2025 Frontier Drug Discovery Forum
- ✓ ISO 9001:2015 Quality Management System Clauses and Internal Auditor Training Course
- ✓ In-depth Analysis of Aseptic Process Technology and Practice in the Pharmaceutical Industry
- ✓ Taiwan's Drug Safety Monitoring Regulations and Implementation Practices
- ✓ IFRS 18 "Presentation and Disclosure in Financial Statements" Standards and Practices
- ✓ Model-Informed Drug Development (MIDD) Approach to Support Oncology Dose...etc.

2025 Training Statistics Based on Employee Job Type and Gender

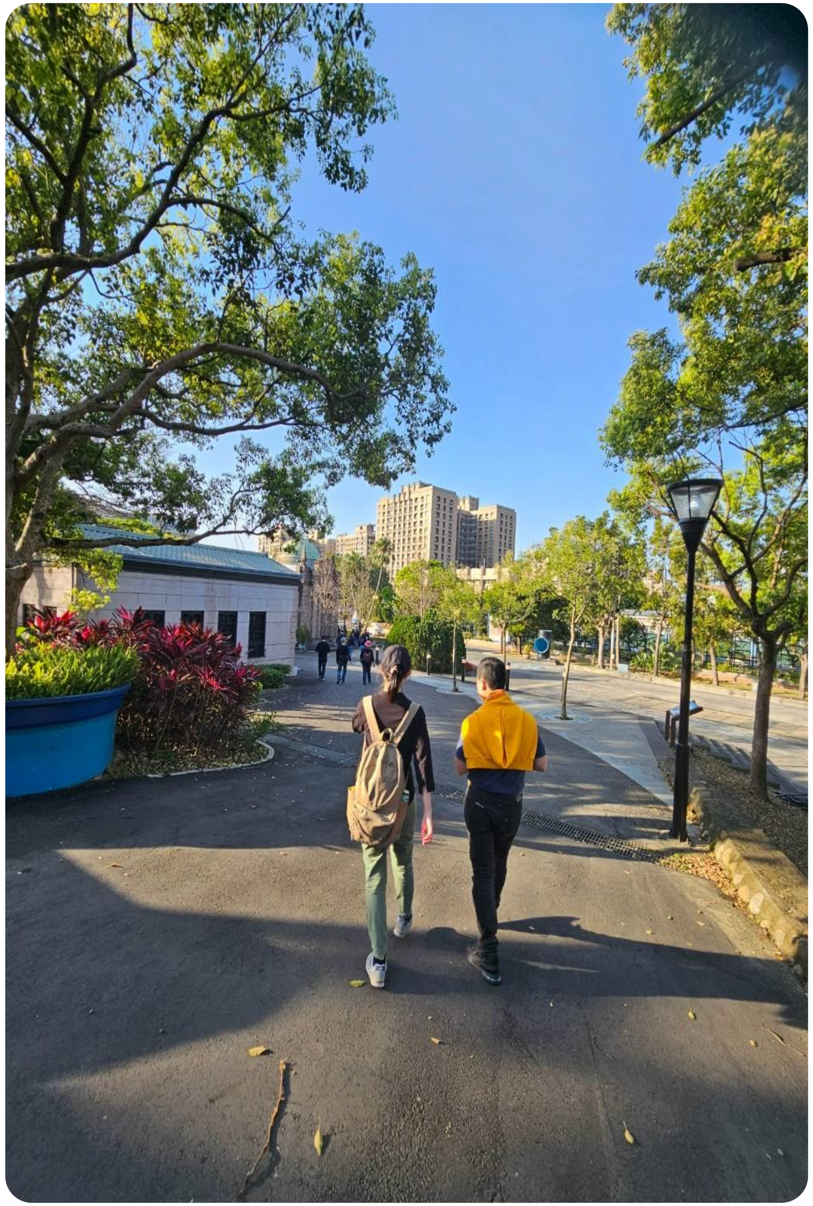
Items		Male	Female
Average Training Time (hour)	Managerial Officers	61.70	59.50
	R&D Employees	54.06	59.68
	Other Employees	47.13	58.37

Training Implementation

NT$1,229 thousand
Of Total Training Cost in 2025

578
Participants

2,052.3
Hours



3.4 Performance Review and Career Development

The Company's annual performance and development review is mainly aimed at supporting, encouraging, and assisting employees. Employees with outstanding performance can be affirmed with salary increase or promotion. The Company further communicates with employees who perform poorly to enable them to understand and coach them to improve their work efficiency, so that all employees can adapt to their capabilities, give full play to their strengths, successfully complete the Company's overall goals, and achieve the win-win objective for the Company and the employees. All employees of the Company participate in regular performance and development reviews at the end of the fiscal year.

Self Evaluation: The annual employee self-evaluation includes annual target completion and competency adequacy. In addition, the self-evaluation for employees with supervisor roles also include their leadership and management capabilities.

Performance Review: Supervisors are also required to help provide improvement or training plans based on the employee's daily performance and self-evaluation if there are areas for growth and provide positive feedback and rewards on areas of excellence. The supervisors are also required to help employees on planning career development and establish goals for the following year.

Career Development

- In addition to the performance review, the Company puts great emphasis on the employees' career development. The Company has established policies on employee training so the employee can discuss with supervisors regarding the training plan and personal development goals and the desired career path, field, and profession for the following year and the future during the annual performance review. The training includes expatriate, internal, and on-the-job courses.

- PharmaEngine provides professional training and development opportunities to help the employees enhance skills and knowledge continuously. The Company emphasizes on the importance of cross-department cooperation in hope that employees can expand skills and experiences through participating in duties and projects in different areas of expertise. Employees are encouraged to obtain new skills through on-the-job training to expand their own network of professional skills.

Performance Review

Annual Target Completion

Competency Adequacy

3.5 Employee Welfare Program

Salary Policy

The salary policy of the Company is based on the Company's overall salary in the market positioning, the results of industry salary surveys, the growth cycle of the industry in which the Company operates, and consideration of the internal fairness of the Company. The salary level of the Company is based on the level of the job, the job attributes, and the difficulty of substitution to make different market salary positioning. Since the work of R&D supervisors requires a high level of professionalism and considerable work experience, the salary levels of R&D supervisors are located at P75 in the same industry, and the remaining positions are at P50. The level of salary payment is comparable to that of most enterprises in the same industry, and not varies by employees' race, religion, gender, nationality, age, or any legally warranted status, and the current salary of all PharmaEngine employees exceeds the legal basic salary.

Retirement System

- The Company has fully settled its employees' seniority in the old system in 2014.
- Since the commencement of the Labor Pension Ordinance (hereinafter referred to as the new system) on July 1, 2005, the employees who has decided to adopt the new system or carry out the new system within the next 5 years, or new employees after the new system, the retirement pension will be calculated with the new system, that is, the provision of the pension system, the payment of its pension is categorized by scale of its monthly salary, allocated by the Company on a monthly basis with no less than 6% of the monthly salary as retirement pension, deposit at labor pension personal accounts.

Comparison of Current Standard Minimum Salary for Men and Women with Minimum Salary in Place of Operation

Unit: NT$

Title	Grade	Minimum Monthly Pay	Taiwan Minimum Monthly Pay (implemented on Jan. 1, 2025)
Specialist	3	33,000	28,590

Salary Statistics of Non-supervisor Full-time Employees

	2025	2024	Difference
Number of Full-Time Employees	31	31	Employee compensation decreased in line with the decline in annual earnings.
Average Salary/Year	NT$1.798 M	NT$1.987 M	
Median Salary/Year	NT$1.691 M	NT$1.848 M	

Read more about our salary policy on our company website.

Employee Welfare Measures

Comprehensive Leave System

- Annual leave
- Paid family care leave
- Paid sick leave
- Maternity leave
- Maternity exam leave
- Paternity leave

Diverse Employee Activities

- Birthday party
- Domestic and international travel
- Family day
- New Year party
- Reading club
- Team building activities
- Athletic clubs
- Massage therapy

Numerous Allowances & Subsidies

- Birthday gift
- Wedding gift
- Fertility gift and childcare allowance
- Disease & hospitalization condolence subsidy
- Disaster salvage subsidy
- Health inspection subsidy (once every two years)
- Domestic & international travel subsidy

Competitive Bonus

- Annual bonus
- Dragon Boat Festival and Mid-Autumn Festival bonuses
- Employee compensation
- Performance bonus

Complete Insurance Plan

- Labor insurance
- Health insurance
- Group insurance

Employee Reinstatement Rate and Retention Rate after the Completion of Parental Leave

No employees applied for maternity or paternity leave in 2025, hence no reinstatement or retention rate after the completion of parental leave.


團隊信任全貌分析

3.6 Friendly Workplace

The Company organizes employee safety and health education training from time to time to avoid accidents caused by ignorance. In addition, the Company also strengthens related workplace environmental safety management, environmental sanitation maintenance, fire safety management, and employee health management such as flu shots to safeguard employees' personal safety.

Workplace Safety Management

- Stipulated "Work Rules Reference Handbook" to specify safety management items for employees to follow.
- Implementation of access control, employees or visitors are required to swipe access card or obtain validation.
- General health checkup allowance for every employee every two years.
- Subsidized flu shots every year.

Workspace Cleaning

- Office cleaning task: 3 times a week
- Pest disinfection task: 2 times a year
- Drinking water inspection: Once every month with quarterly SGS assessment
- Air conditioning filter replacement: Once every 3 months

Safe Working Environment

- The building where the Company is located is has regular cleaning and disinfection operations. The building is also complying with Taipei City Fire Department to host disaster prevention propaganda and courses such as fire hazard knowledge, earthquake protocols, CPR and the Heimlich technique, and fire extinguisher use training courses. Moreover, 4 employees participated in a disaster prevention promotion training hosted by the building in 2025.
- The Company conducted a business continuity plan (BCP) testing on May 14, 2025, focusing on fire drills and emergency evacuation plan, a total of 28 employees participated.
- The fire protection equipment of the building of the company office is commissioned by qualified professional inspection company to carry out system function testing annually.
- In 2025, the Company did not have fire-related accidents or incidents.

★ In 2025, the Company has not experienced any occupational injury, occupational disease or fatal accident among its employees.
★ In 2025, the Company did not have duties with staff engaged in high risk or high incidence of specific disease.

3.7 Human Rights Protection

Human Rights Policy

- The Company set its “Human Rights Policy” and disclosed it on the corporate website in compliance with the spirit of the International Human Rights Instruments and based on the characteristics in the biotech sector and follows international human rights treaties, such as the “Universal Declaration of Human Rights”, “United Nations Global Compact”, and “International Labor Organization Convention” as well as applicable requirements under the “Labor Standards Act” of Taiwan, which covers compliance with labor laws and regulations, the freedom of association, creation of an equal and friendly workplace, reasonable utilization of working hours, creation of a healthy and safe workplace, harmonious labor-management communication, and privacy protection.
- The Company takes the “Human Rights Policy” as the highest guiding principle for human rights protection and establishes human resources related protocols based on the Policy and regulations. For example: the Company has established “Work Standards” to protect employee rights and “Attendance Management Procedures” to remind employees the importance of work and life balance.

Read more about our human rights policy on our company website.

Labor Relations

- The Company sets up labor meetings, which are held at least once every quarter. The topics of the meeting include labor welfare, safety and health, labor health, and agreement between labor and employer. The participating members include two representatives from the employee side and two from the employer side. The labor share of the meeting is one-half.
- Depending on the topics, the Welfare Committees and the Director of Human Resources are also invited to attend the meeting to strengthen employer-employee communication channel and fully reflect employees’ suggestions and needs.
- Any new or revised measures of the Company concerning labor relations are finalized after the two parties have fully communicated and reached an agreement. Therefore, there is no dispute and the relationship between the employer and employees is harmonious.

Workplace Sexual Harassment Prevention

- The Company has set the ”Harassment Prevention and Control, Complaint and Punishment Management Measures“ and has established a sexual harassment report channel to safeguard the complainant’s personal information rights.

- The Company communicated on its workplace gender equality policies in 2024, which was attended by a headcount of 35 employees and 9 directors in total. In 2025, the Company held a gender equality training course for the management team, which was attended by 14 people in total.

★ The Company did not receive any human rights or sexual harassment cases through the official complaint mechanism in 2025.

4.1 Green Operation

The Company's main business is new drug development, we operate our business in a rented office space in a building and we do not own any production facilities or laboratories. All the Company's resources and GHG emissions are shared among all departments as we view the Company as one single unit, therefore, we will not initiate internal carbon pricing at this moment. The main direct GHG emissions (scope 1) comes from gasoline for official vehicles and the emissions of refrigerants from freezers and refrigerators in our office space. The main indirect GHG emissions (scope 2) comes from purchased electricity. Other indirect GHG emissions (scope 3) mainly derived from the international transportation of our imported product. The Company's 2022-2025 GHG emissions (scope 1 and 2) have been assured by third-party institutions. The goals, statistics of our greenhouse gas emissions for the past two years, and energy management strategy are as follow (continue in the next page):

unit: tCO_2e

Operating Base	Scope	2024 (Note 1)	2025 (Note 2)
Head Office	1	≈32	≈22
	2	≈67	≈43
	3	≈4,898	≈4,849
Total		≈4,997	≈4,914
No. of Employees at Year End		33	36
Scope 1 & 2 Total Emissions per Capita		3	1.81

Note 1: 2024 data of scope 1 and 2 were calculated based on GHG Protocol and obtained third-party assurance. Scope 3 data collection was completed at the end of 2025 and will not obtain third-party assurance at this stage.
Note 2: 2025 data of scope 1 and 2 data obtained third-party assurance in first-half 2026. Scope 3 data collection for 2025 will be completed at the middle of 2026 and will be included in third-party assurance scope in the future.

Scope 3 Greenhouse Gas Emissions

PharmaEngine kicked off the first phase of data gathering and analysis of scope 3 greenhouse gas emissions of our operations in 2024. The first phase includes the following categories:

Category 1: Purchased goods and services (ONIVYDE)
Category 6: Business travel
Category 7: Employee commuting
Category 11: Use of sold products

In 2025, we moved to the second phase of scope 3 data collection, the second-fourth phases are as follow:

Second Phase:
✓ Expand Category 1 to include PEP07 (mainly emissions occurred during transportation)

Third Phase:
✓ Expand Category 1 to include PEP08 (mainly emissions occurred during transportation)

Fourth Phase:
✓ Expand Category 1 to include emissions during the clinical trials of PEP07 and PEP08

Energy Management Strategy: Green Energy as Our Electricity Source

Goals: Short-term goal is to reduce HQ's scope 1 and 2 total emissions per capita by 5% (base year: 2022). Long-term goal aims to reach carbon neutrality (scope 1 and 2) at our HQ office by 2050.

To reach this goal, we have the following strategies:

1. Increase green energy in our energy mix by 10% until we reach 70% in 2030.
2. Lower electricity usage by using energy-saving appliances.
3. Join the Ministry of Environment's "Green Office" pledge to build a green work environment by conserving energy, reducing water usage and waste, and to enhance employee health and safety.

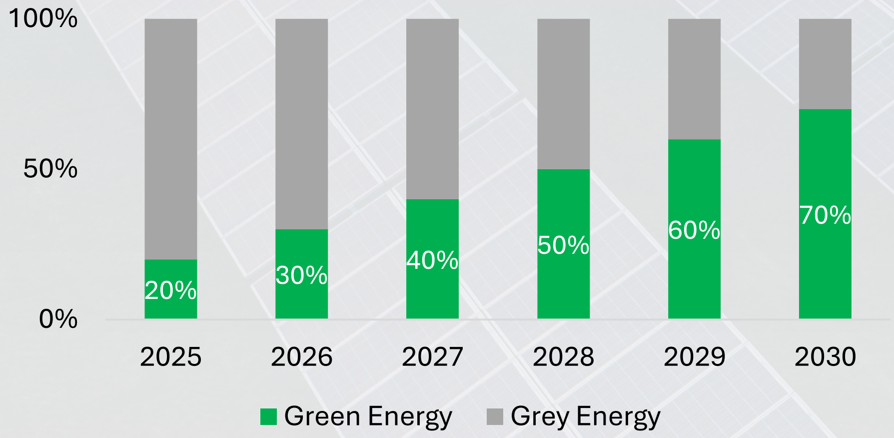
In addition, the office building we reside in received Leed Gold Certification in 2025.

2024-2025 Electricity Usage (market-based)

Item	Unit	2024	2025
Annual Electricity Usage	MWh	143,148.26	91,685.50
No. of Employees at Year End	Person	33	36
Electricity Usage per Capita	MWh / Person	4,337.83	2,546.82

Note 1: 2024-2025 annual electricity usage includes operation-related electricity as well as shared electricity of the office building. 2025 annual electricity usage does not include electricity usage from renewable energy sources.

Energy Management Strategy: Increase Green Energy Share in our Energy Mix



Green Office Pledge

我響應綠色辦公

GREEN OFFICE

Leed Gold Certification

Water and Waste

The main source of pollution in the Company's operations is general domestic wastewater discharge and waste. In terms of the discharge of general domestic wastewater, there is no recycling and reuse. Instead, the domestic wastewater is discharged into the sewages in Taipei City and then discharged into the sewage treatment plant. The Company's water usage for 2024 and 2025 were 1,020.16 and 986.99 tons respectively, with usage per capita of 30.91 tons and 27.42 tons, respectively. The decrease in 2025 was because the Company rents office space from a commercial building and water consumption is shared by all tenants, with full occupancy, the figure showed on-year decrease. Also, the Company continues to promote the corporate water reduction policy and through continued involvement in the "Do One Thing for Tamsui River" and the "River Basin Convention" campaign, colleagues are given ideas about environmental protection in water conservation. The goal is to reduce at least 0.5% of water consumption per capita each year compared with the previous year. In 2025, the water consumption per capita showed an on-year decrease of 11%.

Since 2021, the Company started to record its total weight of waste. The total weight of the garbage and recycled items in 2024 and 2025 are 113.8KG and 123KG. The goal is to reduce at least 2% of weight of waste per capita each year compared to the previous year. In 2025, the weight of waste per capita only showed an on-year decrease of 1.15%, slightly below our target. The Company will continue to promote and share waste reduction knowledge to employees to move toward our goal.

★ In 2025, the Company was not penalized by environmental agencies or involved in pollution disputes due to environmental pollution.

Water Consumption

Item	Unit	2024	2025
Annual Water Consumption	Ton	1,020.16	986.99
No. of Employees at Year End	Person	33	36
Water Consumption per Capita	Ton/Person	30.91	27.42

Note 1: The data in the table above are collected by the Company and have not been assured by a third party.
Note 2: Wastewater generated by the Company is discharged into the sewer of Taipei City and then to the sewage treatment plant.

Waste Generated

Item	Unit	2024	2025
Annual Total Weight of Waste	KG	113.8	123
No. of Employees at Year End	Person	33	36
Weight of Waste per Capita	KG/Person	3.45	3.42

Note 1: The data in the table above are collected by the Company and have not been assured by a third party.
Note 2: Waste generated by the Company is general domestic waste, not hazardous business waste.

4.2 Biodiversity

PharmaEngine operates under a virtual pharmaceutical company business model and therefore does not own or operate manufacturing facilities, laboratories, or other production sites. The Company's headquarters is located in Taipei City and is not situated within or adjacent to any biodiversity-sensitive regions. PharmaEngine recognizes the importance of biodiversity conservation. We are committed to enhancing employee awareness and understanding of biodiversity-related issues through ongoing educational and experiential initiatives.

In 2025, the Company organized two nature-based learning activities. The first activity included a guided visit to Yangming Shuwu in Yangmingshan National Park, where employees learned about the historical significance of the site and gained a deeper appreciation of the surrounding natural environment. In December, PharmaEngine hosted a scavenger hunt at Taipei Zoo, providing employees with an opportunity to explore nature while learning about the diverse animal and plant species within the zoo.

To strengthen the transparency of its greenhouse gas emissions disclosure, PharmaEngine expanded its Scope 3 emissions inventory in 2025 to include emissions associated with the transportation of PEP07 and PEP08 to clinical trial sites. This initiative reflects our commitment to improving our understanding of the environmental impacts associated with our operations. Moving forward, the Company plans to further expand its Scope 3 emissions inventory to encompass outsourced services provided by contract research organizations (CROs). In parallel, we will continue to promote biodiversity awareness through employee education and engagement activities, deepening the concept of the importance of biodiversity.

★ We do not own production facilities or laboratories. The office site we are currently renting is not located in protected areas and areas of high biodiversity value outside. In 2025, there were no hazardous waste output as defined by the Basel Convention.

4.3 Climate Change Strategy and Action: Task Force on Climate-related Financial Disclosures (TCFD)

TCFD Domain	Climate Management Key Results	Developmental Goal
Governance	◆ The Board of Directors of PharmaEngine is the highest-ranking governance unit overseeing issues concerning climate change risks and opportunities and is responsible for decision-making and overseeing the climate-related issues and matters. ◆ The Sustainability Promotion Taskforce is responsible for climate change management and for preparing strategies, evaluating, supervising, and enforcing climate-related issues and matters. It reports to the Board of Directors at least once a year on ESG implementation status of the Company, reviews the effectiveness, and revises the strategic goals and the related regulatory systems.	◆ Continue to enhance the Board's and management team's knowledge of low-carbon medications, and international climate-related issues or initiatives, etc. ◆ The Board of Directors and the management team reinforce its supervision over the Company so that the Company can continue with the lowcarbon transformation plan.
Strategy	PharmaEngine is devoted to realizing and promoting the combination of AI-assisted research and development of new drugs and build a green supply chain to hopefully drive the environmental protection awareness in the biopharmaceutical industry and to effectively accomplish the goal to reduce greenhouse gas emissions and the provision of low-carbon products and services.	◆ Continue promoting low-carbon drugs and services ◆ Target: Achieve carbon neutrality (scope 1 & 2) of HQ office by 2050.
Risk Management	The Sustainability Promotion Taskforce identifies and weighs the transformational and physical risks, stipulates corresponding countermeasures and opportunities, and defines material risk/opportunity indicators and the control mechanism with the aim of achieving sustainability goals.	◆ Strengthen the engagement mechanism with customers in upstream and downstream to reinforce the impacts the Company has on low-carbon transformation in the biotech industry.
Metrics and Targets	◆ Define and fulfill the carbon reduction goal of corporate operations. ◆ Increase the ratio of green packaging of the Company's products. ◆ Create a new experimental model of energy conservation and carbon reduction with the purpose to provide low-carbon emission density medicines to the public.	◆ Completed 2022-2024 scope 1 and scope 2 greenhouse gas (GHG) inventory checks and obtained third-party assurances. ◆ Completed the initial phase of scope 3 GHG inventory check in 2024. ◆ Kicked off the second phase of scope 3 GHG inventory check in 2025. ◆ Established greenhouse gas carbon reduction goals of the Company and periodically disclose phased results. ◆ Gradually improve existing experiment design and define the low-carbon experimental model according to the strategic planning. ◆ Signed service procurement contract with the building management in 2024 to begin replacing partial electricity use with green energy.

Climate Change-related Risk Identification and Countermeasures

Type of Risk		Impact of Risk	Countermeasure and Potential Financial Impact
Transform-ational	Policy and Regulatory	Continuing climate change-related policy actions. Activate greenhouse gas emission cap control such as implementation of the carbon pricing mechanism to reduce greenhouse gas emissions and encouraging improved water consumption efficiency in the future. As the climate change-related loss continues to grow, the climate-related lawsuit risk might also increase.	◆ The Company continues to promote low-carbon drugs and services. To enhance energy efficiency, the Company will continue to implement company strategies such as increasing the percentage of electricity usage from renewable energy sources, and gradually improving the existing experimental designs, building a low-carbon experimental model, and reducing environmental impacts. ◆ Based on TaiPower data in 2025, the average electricity price was NT$4.29/kWh, and TaiPower announced a price freeze for industrial electricity price. The Company's renewable energy supply agreement with the building management has a fixed price of NT$5.92/kWh for five years, therefore, using the 2025 total electricity usage of 112,687 kWh as the base, in 2026, we plan to increase the green energy ratio to 30%, that means it is estimated that an additional NT$23,000 will be spent on electricity in 2026 compared to 2025.
	Technologi-cal	While the global economy gradually turns towards low-carbon and high-performing technological improvements and innovations, competitive advantages of the Company will be impacted. As such, the timing of when new technologies are developed and used will be the primary uncertainty in the Company's risk evaluation.	The Company evaluates the impact of climate-related policies on the Company as a whole and plans operations for short-, mid-, and long-term. We are now devoted to promoting the combination of AI-assisted research and development of new drugs and the green supply chain to hopefully improve the Company's competitive advantages applying the said new technology and drive the environmental protection awareness in the biopharmaceutical industry and to effectively accomplish the goal of reduced greenhouse gas emissions. The risk may have medium- or long-term effects but has no impact on our current financial status.
	Market	Climate change may impact the supply and demand structure and change the product and service mechanisms.	PharmaEngine hopes to enhance its capabilities to undertake climate change risks by becoming a low-carbon enterprise and adopting environmental protection measures and carbon emissions control to create opportunities for generating revenue and expanding market presence. Climate change, however, may impact the stability of the Company's product supply. As such, the safe inventory level may rise to result in an increase in inventory cost. The estimated cost of inventory was about NT$39.87 million at the end of 2025, for each 1% of increase in inventory, the cost will climb by about NT$390,000.
	Reputation	Climate change may affect our customers' or the society's view on the Company's effort in low-carbon transformation, which is closely related to the Company's image.	PharmaEngine is devoted to reinforcing its engagement mechanism with upstream and downstream customers in order to reinforce the impacts the Company has on low-carbon transformation in the biotech industry. The risk may have medium- or long-term effects but has no impact on our current financial status.

Climate Change-related Risk Identification and Countermeasures

Type of Risk		Impact of Risk	Countermeasure and Potential Financial Impact
Physical	Immediate	Climate change can trigger extreme weather events such as typhoons, floods, and droughts, resulting in damaged assets of the Company or disruption of the supply chain, among other immediate financial impacts.	Extreme weather events caused by climate change can result in disruption of the Company’s supply chain of drug products and cause inability to ship, among other immediate financial impacts, which, when estimated by the operations of 2025, will cause revenue loss of about NT$270 million a year. In order to prevent against such incidents, PharmaEngine has already included the supply of drugs as a key operational item in its Business Continuity Plan and has defined the emergency response procedure in case of disrupted drug supply.
	Long-Term	Long-term changes of global weather and climate, such as the possible elevated sea level or long-term heat waves that may be triggered by persistent high temperatures, can drive up the operational cost.	In order to cope with the gradual shortage in resources as a result of climate change, which may drive up the operational cost for the Company, among other long-term financial impact, PharmaEngine has introduced green packaging material ideas and created a new experimental model of energy conservation and carbon reduction in production process test design, so that drugs of low-carbon emission densities may be provided to the public.

Climate Change-related Risk Identification and Countermeasures

Type of Opportunity	Description of Opportunity	Countermeasure and Potential Financial Impact
Resource Utilization Efficiency	✓ Enhance resource utilization efficiency can bring down mid-term to long-term operational costs of the Company, it can also fulfill the purpose of energy conservation and carbon reduction.	✓ Promote green consumption and focus mainly on products carrying the green "Energy-saving Stamp" electronics. ✓ The establishment or replacement of low-energy consumption equipment and set reduction goals for electricity and water usage to enhance resource utilization efficiency.
Source of Energy	✓ Promote the digital management system. ✓ When adding the new equipment, follow the government's subsidy policy and apply for related energy-saving subsidies.	✓ Colleagues are encouraged to commute using public transportation or drive electric cars to work or have green plants in the office in order to bring down carbon emissions. ✓ Create the electronic quality management system to ensure the occurrence of GxP activities in respective stages and enhance the effectiveness. ✓ While making purchases for a self-owned office space, choose HVAC, LED illumination, and water-saving equipment qualified for energy-saving subsidies or consider the construction of self-owned equipment powered by solar or water recycling systems and apply for government-related subsidies. ✓ Signed service contract with the building management in 2024 to begin replacing partial electricity use with green energy in 2025 to lower the risk of green energy bidding competition in the future.
Products and Services	✓ Promote low-carbon products and services in response to climate change.	✓ Introduce the green packaging material for the Company product when designing the production process testing. ✓ Create a new experimental model of energy conservation and carbon reduction in order to provide drugs of low-carbon emission densities to the public.
Market	✓ International society continues to value environmental protection awareness and care for lives on Earth while searching for new business opportunities.	✓ AI is applied to the research and development of new drugs in order to find targets more precisely and reduce unnecessary animal experiments. ✓ Reduce unnecessary animal experiments in honor of animal ethics and to fulfill the 3R essence for laboratory animals.
Resilience	✓ Enhance the ability to adapt to climate change in order to accurately manage climate change-related risks and keep track of opportunities.	✓ The Sustainability Promotion Taskforce gathers respective teams for the identification of climate change-related risks and opportunities and stipulation of climate change risk management strategies in order to reinforce the Company's ability to cope with these risks.

5.1 Social Engagements

Volunteer at HOPE Foundation

PharmaEngine continues to engage in community care. In July 2025, PharmaEngineers volunteered to participate in the HAIR FOR HOPE event hosted by HOPE Foundation in Taipei City. This marks the Company's second consecutive year participating in this meaningful community initiative, reflecting its long-term commitment to supporting cancer patients.

HAIR FOR HOPE aims to support cancer patients through hair donations for wig production and fundraising efforts that help cover wig-making costs, enabling patients to regain confidence. The event features a series of milestones that encourage participants to better understand the challenges faced by cancer patients and to appreciate their resilience and courage in navigating their treatment journey.

A total of 15 employees participated in 2025, enhancing the Company's understanding of patients' circumstances while fostering empathy among employees and strengthening a culture of care and human-centered values.

In the future, PharmaEngine will continue to combine corporate resources with community events to enhance the public's awareness and support for cancer patients and caretakers.

Health Education Seminars Held in Collaboration with Medical Institutions

Cancer patients face significant challenges throughout their treatment journey, requiring both resilience and a strong support network. Pancreatic cancer, in particular, remains one of the most difficult cancers to treat. PharmaEngine is committed to fostering connections among healthcare professionals, patients, families, and caregivers to strengthen support systems and help navigate these challenges together.

In 2025, PharmaEngine co-hosted 11 pancreatic cancer education seminars with medical centers such as E-Da Hospital, Kaohsiung Veterans General Hospital, Linkou Chang Gung Memorial Hospital, National Cheng Kung University Hospital, China Medical University Hsinchu Hospital, Taichung Veterans General Hospital, Kaohsiung Chang Gung Memorial Hospital, Tri-Service General Hospital, Kaohsiung Medical University Chung-Ho Memorial Hospital, Taipei Veterans General Hospital, and Chung Shan Medical University Hospital.

The main goal for education seminars is to help patients, family members and caretakers to understand more about pancreatic cancer. Through direct communication with teams of medical experts, we hope it will solidify the patient's determination for treatment. In the future, we will continue to cohost education seminars, working together with healthcare institutions, patients, and their families in the collective effort to combat cancer.

Seminars in 2025:

Date	Location
Jan. 4	E-Da Hospital
May 24	Kaohsiung Veterans General Hospital
Jun. 14	Linkou Chang Gung Memorial Hospital
Aug. 9	National Cheng Kung University Hospital
Aug. 28	China Medical University Hsinchu Hospital
Aug. 30	Taichung Veterans General Hospital
Sep. 6	Kaohsiung Chang Gung Memorial Hospital
Sep. 20	Tri-Service General Hospital
Oct. 18	Kaohsiung Medical University Chung-Ho Memorial Hospital
Nov. 12	Taipei Veterans General Hospital
Nov. 15	Chung Shan Medical University Hospital

Exercise Season

Every year from September to December, we would kick off our exercise season! This has been ongoing since 2023 and each year we set a different goal. In 2025, the goal is be more active and eat healthy foods!

The HR Department arranged multiple seminars focusing on healthy eating. Coworkers also shared their tips in eating healthy and how to stay active while working in the office.

At the end of the December, the HR Department arranged for a company outing in the Taipei Zoo. The Company was divided into teams for a treasure hunt across the zoo. The weather was lovely and each member accumulated more than 10,000 steps!

In three months of the exercise season, the average weekly work-out hours per person was around 7 hours. The total calories burned reached 5 million kcal and a total of 17,944 kg of carbon emissions were reduced by working out from home and walking instead of driving (data provided by the app the Company used to track each participant's progress such as number of steps).

The Exercise Season program also helped us to be recognized as a "Sports Enterprise" by the Ministry of Sports in 2025!

Energy Conservation Seminar

In September 2025, PharmaEngine organized a carbon reduction and energy saving seminar to enhance employees' awareness of electricity consumption, energy management, electricity bill interpretation and practical energy-saving measures aimed at reducing unnecessary energy use.

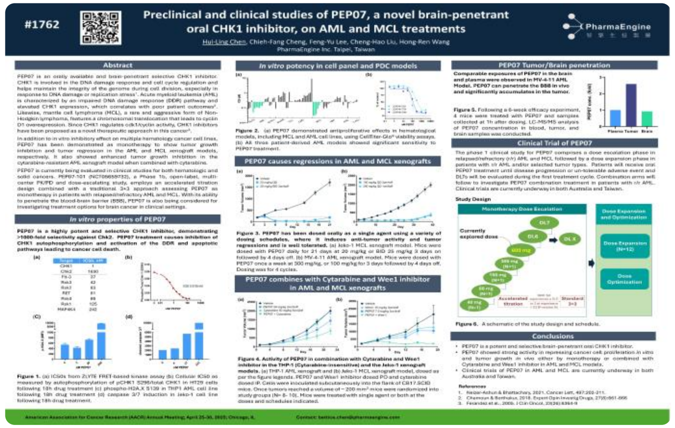
An external expert was invited to share insights on the energy consumption of high-power household appliances and provide recommendations on their proper use and energy-saving practices, helping employees adopt energy-efficient behaviors in daily life.

In support of the Company's GHG management target of reducing per capita Scope 1 and 2 GHG emissions by 5% (base year: 2022), the seminar also strengthened employees' understanding of carbon reduction measures, such as avoiding overstocking refrigerators and unplugging unused appliances, thereby contributing to the achievement of the Company's energy conservation and decarbonization goals.

5.2 Participation of Public Associations and External Initiatives

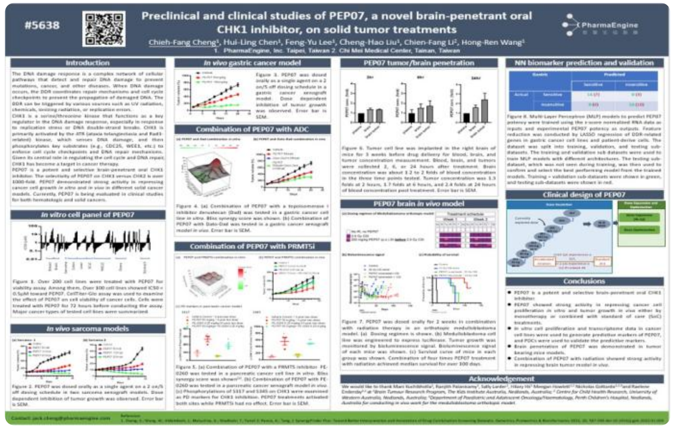
Taiwan

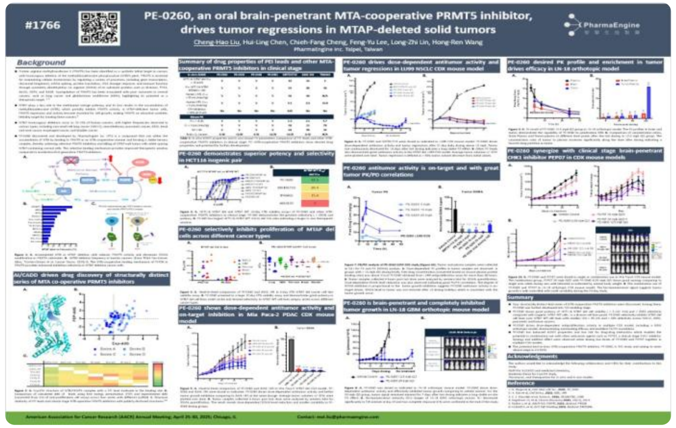
- Taiwan Clinical Research Association (TCRA): The Company is an association member. Apart from regularly participating in monthly meetings organized by the Association, we also shares our experiences with others in the Association. The goal is to further implement R&D of clinical trials of new drugs in Taiwan and connect Taiwan with the international development for global testing.
- BioTaiwan: The Company is a member, and besides regularly attending its exhibits, forums, and training, the Company also receives the latest daily updates in the biotech industry and occasionally participates in industry seminars to jointly work toward the development of Taiwan's biotech industry.



Overseas

- The Company has participated in the annual seminars organized by the American Society of Clinical Oncology (ASCO), European Society For Medical Oncology (ESMO) and American Association for Cancer Research (AACR) Symposium and published our briefing and clinical trial data. By participating in these international conferences, not only the Company can conduct academic exchanges with professionals and share important medical information, but our international recognition can also be enhanced.





External Initiatives

- The Company has been actively publishing clinical trial results in international medical associations or well-known journals since 2011, allowing physicians and scholars with the focus on pancreatic cancer around the world to continue to obtain the latest research progress of ONIVYDE®.
- PharmaEngine published pre-clinical data of PEP07 and PEP08 in the 2025 American Association for Cancer Research (AACR).

Publications in International Medical Associations or Well-known Journals

Year	Contents
2011	◆ PEP02 met the primary endpoints in phase II studies in gastric cancer and pancreatic cancer; results were presented as an oral presentation at the 2011 Gastrointestinal Cancers Symposium of the American Society of Clinical Oncology (ASCO). ◆ Presented "Phase II study of PEP02 for patients with gemcitabine-refractory metastatic pancreatic cancer" as poster presentation at 2011 ASCO Annual Meeting.
2013	◆ Published studies of nanoliposomal irinotecan (PEP02, MM-398) in gastric cancer in Annals of Oncology. ◆ Published studies of nanoliposomal irinotecan (PEP02, MM-398) in late-stage pancreatic cancer in British Journal of Cancer.
2014	◆ Global phase III (NAPOLI-1) full data of MM-398 (PEP02) for metastasis pancreatic cancer study was presented orally at ESMO World Congress on Gastrointestinal Cancer.
2015	◆ Presented expanded analysis of Phase III MM-398 NAPOLI-1 study at the 2015 ASCO GI, substantiated the positive results of MM-398 in combination with 5-FU/LV. ◆ Published the ONIVYDE® phase III NAPOLI-1 study data in The Lancet.
2019	◆ PharmaEngine's partners Ipsen and Servier announced positive initial results for ONIVYDE® as a second-line treatment for phase II/III small cell lung cancer, and announced that the trial had entered phase II patient enrollment.
2021	◆ PharmaEngine released the data of Phase II clinical studies of ONIVYDE® combination therapy in squamous cell carcinoma of the head and neck and the esophagus that has failed prior platinum-based chemotherapy or concurrent chemoradiotherapy in 2021 ASCO symposium (2021 ASCO).
2022	◆ PharmaEngine released the preliminary data of Phase I clinical studies of ONIVYDE® in combination with LONSURF® in treating multiple solid tumors in ASCO-GI 2022.
2023	◆ PharmaEngine's partners Ipsen published Phase III clinical study data of ONIVYDE® regimen (NALIRIFOX) for 1L PDAC in ASCO-GI 2023 ◆ Published post for PEP07 preliminary data for the treatment of AML and MCL at 6th Annual DDR Inhibitors Summit 2023
2025	◆ PharmaEngine published pre-clinical data of PEP07 and PEP08 in the 2025 American Association for Cancer Research (AACR).

5.3 Industry-university Alliance

Since 2021, PharmaEngine has launched the "Share Industry-Related Experience Program" for senior students in pharmaceutical-related universities in Taiwan. The program includes courses such as Preclinical Development, From Lab to the Real World: Challenges, Introduction to Drug and Cancer Clinical Trials, Marketing, Sales and Brand Management, Valuation of New Drug, and Regulatory Essentials & Introduction of Patent Linkage, etc.

In 2025, we cooperated with Chang Gung University, National Cheng Kung University, National Taiwan University and Academia Sinica to share experiences with students.

Looking ahead, we aim to deepen its collaboration with more domestic universities to gradually build strong industry-academia links, helping students grasp industry trends and lay a solid foundation for their future career development.

Bridging the gap between the classroom and the field is rarely straightforward. To ease this transition, PharmaEngine shares real-world case studies that give students deep insight into biotech business models and operations, ultimately nurturing a new generation of globally minded, practical industry talent.

5.4 Influence on Cultural Inheritance

PharmaEngine integrates ESG principles and local cultural values into employee activities by combining environmental education with health promotion. Through hiking and water resource-themed programs, the Company enhances employees' awareness of sustainability while supporting their physical and mental well-being.

In March 2025, PharmaEngine employees visited the Taipei Water Park Museum and participated in an outdoor hiking activity. Originally built in 1908 as the Taipei Water Source Pump House, the site was designated as a Class III National Historic Monument in 1993 and was later transformed into a museum. Through guided tours, employees gained a deeper understanding of the operation of early water supply systems, including the configuration and functions of raw water and treated water pumping facilities, thereby strengthening their knowledge of water infrastructure.

Along the route, they also visited facilities such as the backwash sand settling basin and the Guanyin Mountain Reservoir, enabling them to appreciate the importance of water resource management from both natural and engineering perspectives.

In early December, employees visited Yangmingshuwu and explored the historical setting of the 1970s through cultural tours and an interactive escape-room experience at Zhongxing Guesthouse. Surrounded by nature and historic architecture, participants broadened their knowledge while strengthening connections with one another.

At PharmaEngine, we value well-being, critical thinking, and continuous learning. We believe that diverse and enriching experiences provide lasting motivation for sustainable professional growth.

Appendix 1: GRI Standards

GRI Guideline Titles	Disclosed Item Number	Disclosed Item Title	Status	Section Index
GRI 2: General Disclosures 2021				
The organization and its reporting practices				
2-1	Organization details	1.1 Company Profile	V	5
2-2	Entities include in the organization’s sustainability reporting	About the Report	V	3
2-3	Reporting period, frequency and contact point	About the Report	V	3
2-4	Restatements of information	About the Report	V	3
2-5	External assurance	About the Report	V	3
Activities and workers				
2-6	Activities, value chain and other business relationships	2.4 Supplier Management	V	36
2-7	Employees	3.1 Human Resources Overview	V	37
2-8	Workers who are not employees	We did not have workers who are not employees in 2023.		
Governance				
2-9	Governance structure and composition	1.3 Corporate Governance and Board of Directors	V	9
2-10	Nomination and selection of the highest governance body	1.3 Corporate Governance and Board of Directors	V	9
2-11	Chair of the highest governance body	1.3 Corporate Governance and Board of Directors	V	9
2-12	Role of the highest governance body in overseeing the management of impacts	1.3 Corporate Governance and Board of Directors	V	9
2-13	Delegation or responsibility for managing impacts	1.3 Corporate Governance and Board of Directors	V	9
2-14	Role of the highest governance body in sustainability reporting	1.3 Corporate Governance and Board of Directors	V	9
2-15	Conflicts of interest	1.3 Corporate Governance and Board of Directors	V	9
2-16	Communication of critical concerns	1.3 Corporate Governance and Board of Directors	V	9
2-17	Collective knowledge of the highest governance body	1.3 Corporate Governance and Board of Directors	V	9

GRI Guideline Titles	Disclosed Item Number	Disclosed Item Title	Status	Section Index
2-18	Evaluation of the performance of the highest governance body	1.3 Corporate Governance and Board of Directors	V	9
2-19	Remuneration policies	1.3 Corporate Governance and Board of Directors	V	9
2-20	Process to determine remuneration	1.3 Corporate Governance and Board of Directors	V	9
2-21	Annual total compensation ratio	1.3 Corporate Governance and Board of Directors	V	9
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	Message from the President & CEO	V	4
2-23	Policy commitments	PharmaEngine Company Website: Sustainability	V	Link
2-24	Embedding policy commitments	PharmaEngine Company Website: Sustainability	V	Link
2-25	Processes to remediate negative impacts	1.5 Ethical Corporate Management and Ethical Code	V	21
2-26	Mechanisms for seeking advice and raising concerns	1.5 Ethical Corporate Management and Ethical Code	V	21
2-27	Compliance with laws and regulations	1.5 Ethical Corporate Management and Ethical Code	V	21
2-28	Membership associations	5.2 Participation of Public Associations and External Initiatives	V	57
Stakeholder engagement				
2-29	Approach to stakeholder engagement	2.2 Major Themes and Stakeholder Communication	V	31
2-30	Collective bargaining agreements	3.7 Human Rights Protection	V	46
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	1.2 Economic Performance	V	8
201-2	Financial implications and other risks and opportunities due to climate change	4.3 Climate Change Strategy and Action	V	51
201-3	Defined benefit plan obligations and other retirement plans	3.5 Employee Welfare Program	V	42
201-4	Financial assistance received from government	1.2 Economic Performance	V	8
GRI 202: Market Presence 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	3.5 Employee Welfare Program	V	42
202-2	Proportion of senior management hired from the local community	3.1 Human Resources Overview	V	37

GRI Guideline Titles	Disclosed Item Number	Disclosed Item Title	Status	Section Index
GRI 203: Indirect Economic Impacts 2016				
203-1	Infrastructure investments and services supported	The Company didn't perform relevant inspections during the year, it is not applicable.		
203-2	Significant indirect economic impacts	The Company didn't perform relevant inspections during the year, it is not applicable.		
GRI 204: Procurement Practices 2016				
204-1	Proportion of spending on local suppliers	2.4 Supplier Management	V	36
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	1.6 Anti-corruption Policy	V	22
205-2	Communication and training about anti-corruption policies and procedures	1.5 Ethical Corporate Management and Ethical Code	V	21
205-3	Confirmed incidents of corruption and actions taken	1.6 Anti-corruption Policy	V	22
GRI 206: Anti-competitive Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.5 Ethical Corporate Management and Ethical Code	V	21
GRI 207: Tax 2019				
207-1	Approach to tax	1.2 Economic Performance	V	8
207-2	Tax governance, control, and risk management	1.2 Economic Performance	V	8
207-3	Stakeholder engagement and management of concerns related to tax	2.2 Major Themes and Stakeholder Communication	V	31
207-4	Country-by-country reporting	1.2 Economic Performance	V	8
GRI 301: Materials 2016				
301-1	Materials used by weight or volume	The Company has no manufacturing facilities, it is not applicable.		
301-2	Recycled input materials used	The Company has no manufacturing facilities, it is not applicable.		
301-3	Reclaimed products and their packaging materials	No such incident occurred during the year.		

GRI Guideline Titles	Disclosed Item Number	Disclosed Item Title	Status	Section Index
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	4.1 Green Operation	V	47
302-2	Energy consumption outside of the organization	The Company has yet to perform relevant inspections during the year, it is not applicable.		
302-3	Energy intensity	The Company didn't perform relevant inspections during the year, it is not applicable.		
302-4	Reduction of energy consumption	4.3 Climate Change Strategy and Action	V	51
302-5	Reductions in energy requirements of products and services	4.3 Climate Change Strategy and Action	V	51
GRI 303: Water and Effluents 2018				
303-1	Interactions with water as a shared resource	4.1 Green Operation	V	47
303-2	Management of water discharge-related impacts	4.1 Green Operation	V	47
303-3	Water withdrawal	4.1 Green Operation	V	47
303-4	Water discharge	4.1 Green Operation	V	47
303-5	Water consumption	4.1 Green Operation	V	47
GRI 101: Biodiversity 2024				
101-1	Policies to halt and reverse biodiversity loss	4.2 Biodiversity	V	50
101-2	Management of biodiversity impacts	4.2 Biodiversity	V	50
101-3	Access and benefit-sharing	4.2 Biodiversity	V	50
101-4	Identification of biodiversity impacts	4.2 Biodiversity	V	50
101-5	Locations with biodiversity impacts	The Company does not reside in locations with biodiversity impacts.		
101-6	Direct drivers of biodiversity loss	The Company does not reside in locations with biodiversity impacts.		
101-7	Changes to the state of biodiversity	The Company does not reside in locations with biodiversity impacts.		
101-8	Ecosystem services	The Company does not reside in locations with biodiversity impacts.		

GRI Guideline Titles	Disclosed Item Number	Disclosed Item Title	Status	Section Index
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	4.1 Green Operation	V	47
305-2	Energy indirect (Scope 2) GHG emissions	4.1 Green Operation	V	47
305-3	Other indirect (Scope 3) GHG emissions	The Company has yet to perform relevant inspections during the year, it is not applicable.		
305-4	GHG emissions intensity	The Company didn't perform relevant inspections during the year, it is not applicable.		
305-5	Reduction of GHG emissions	4.1 Green Operation	V	47
305-6	Emissions of ozone-depleting substances (ODS)	The Company didn't perform relevant inspections during the year, it is not applicable.		
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	The Company didn't perform relevant inspections during the year, it is not applicable.		
GRI 306: Waste 2020				
306-1	Waste generation and significant waste-related impacts	4.1 Green Operation	V	47
306-2	Management of significant waste-related impacts	4.1 Green Operation	V	47
306-3	Waste generated	4.1 Green Operation	V	47
306-4	Waste diverted from disposal	4.1 Green Operation	V	47
306-5	Waste directed to disposal	4.1 Green Operation	V	47
GRI 308: Supplier Environment Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	2.4 Supplier Management	V	36
308-2	Negative environmental impacts in the supply chain and actions taken	2.4 Supplier Management	V	36
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	3.1 Human Resources Overview	V	37
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.5 Employee Welfare Program	V	42
401-3	Parental leave	3.5 Employee Welfare Program	V	42

GRI Guideline Titles	Disclosed Item Number	Disclosed Item Title	Status	Section Index
GRI 402: Labor/Management Relations 2016				
402-1	Minimum notice periods regarding operational changes	3.1 Human Resources Overview	V	37
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	3.6 Friendly Workplace	V	45
403-2	Hazard identification, risk assessment, and incident investigation	3.6 Friendly Workplace	V	45
403-3	Occupational health services	3.6 Friendly Workplace	V	45
403-4	Worker participation, consultation, and communication on occupational health and safety	3.6 Friendly Workplace	V	45
403-5	Worker training on occupational health and safety	3.6 Friendly Workplace	V	45
403-6	Promotion of worker health	3.6 Friendly Workplace	V	45
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.6 Friendly Workplace	V	45
403-8	Workers covered by an occupational health and safety management system	3.6 Friendly Workplace	V	45
403-9	Work-related injuries	3.6 Friendly Workplace	V	45
403-10	Work-related ill health	3.6 Friendly Workplace	V	45
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	3.3 Human Resource Training and Development	V	40
404-2	Programs for upgrading employee skills and transition assistance programs	3.4 Performance Review and Career Development	V	41
404-3	Percentage of employees receiving regular performance and career development	3.4 Performance Review and Career Development	V	41
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	3.1 Human Resources Overview	V	37
405-2	Ratio of basic salary and remuneration of women to men	3.1 Human Resources Overview	V	37
GRI 406: Non-discrimination				
406-1	Incidents of discrimination and corrective actions taken	3.7 Human Rights Protection	V	46

GRI Guideline Titles	Disclosed Item Number	Disclosed Item Title	Status	Section Index
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No such incident occurred during the year.		
GRI 408: Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	3.7 Human Rights Protection	V	46
GRI 409: Forced of Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk of incidents of forced or compulsory labor	No such incident occurred during the year.		
GRI 410: Security Practices 2016				
410-1	Security personnel trained in human rights policies or procedures	3.7 Human Rights Protection	V	46
GRI 411: Rights of Indigenous Peoples 2016				
411-1	Incidents of violations involving rights of indigenous peoples	No such incident occurred during the year.		
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	No such incident occurred during the year.		
413-2	Operations with significant actual and potential negative impacts on local communities	No such incident occurred during the year.		
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	2.4 Supplier Management	V	36
414-2	Negative social impacts in the supply chain and actions taken	No such incident occurred during the year.		
GRI 415: Public Policy 2016				
415-1	Political contributions	No such incident occurred during the year.		
GRI 416: Customer Health and Safety 2016				
416-1	Assessment of the health and safety impacts of product and service categories	1.8 Customer Relations	V	26
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	1.8 Customer Relations	V	26

GRI Guideline Titles	Disclosed Item Number	Disclosed Item Title	Status	Section Index
GRI 417: Marketing and Labelling 2016				
417-1	Requirements for product and service information and labelling	1.8 Customer Relations	V	26
417-2	Incidents of non-compliance concerning product and service information and labelling	1.8 Customer Relations	V	26
417-3	Incidents of non-compliance concerning marketing communications	1.8 Customer Relations	V	26
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No such incident occurred during the year.		

Appendix 2: SASB

Code	Accounting Metric	Nature	Referenced Chapter/Disclosure	Page
Topic: Safety of Clinical Trial Participants				
HC-BP-210a.1	Discussion, by region, of management process for ensuring quality and patient safety during clinical trials	qualitative	1.8 Customer Relations	26
HC-BP-210a.2	Number of inspections related to clinical trial management and pharmacovigilance that resulted in: (1) entity voluntary remediation or (2) regulatory or administrative actions taken against the entity	quantitative	No such information is available during the year.	
HC-BP-210a.3	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	quantitative	The Company conducts human clinical trials in Taiwan only and there was no monetary losses as a result of legal proceedings associated with clinical trials in any country during the year.	
Topic: Access to Medicines				
HC-BP-240a.1	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	qualitative	The Company currently has no such drug.	
HC-BP-240a.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	qualitative	The Company currently has no such drug.	
Topic: Affordability & Pricing				
HC-BP-240b.2	Percentage change in: (1) weighted average list price and (2) weighted average net price across the product portfolio compared to previous reporting period	quantitative	1.8 Customer Relations	26
HC-BP-240b.3	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous reporting period	quantitative	1.8 Customer Relations	26
Topic: Drug Safety				
HC-BP-250a.1	Products listed in public medical product safety or adverse event alert databases	qualitative	1.8 Customer Relations	26

Code	Accounting Metric	Nature	Referenced Chapter/Disclosure	Page
HC-BP-250a.2	Number of fatalities associated with products	quantitative	No such incident occurred during the year.	
HC-BP-250a.3	(1) Number of recalls issued, (2) total units recalled	quantitative	No such incident occurred during the year.	
HC-BP-250a.4	Total amount of product accepted for take back, reuse, or disposal	quantitative	No such incident occurred during the year.	
HC-BP-250a.5	Number of enforcement actions taken in response to violations of good manufacturing practices (GMP) or equivalent standards, by type	quantitative	No such incident occurred during the year.	
Topic: Counterfeit Drugs				
HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	qualitative	1.8 Customer Relations	26
HC-BP-260a.2	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	quantitative	1.8 Customer Relations	26
HC-BP-260a.3	Number of actions that led to raids, seizure, arrests, or filing of criminal charges related to counterfeit products	quantitative	No such incident occurred during the year.	
Topic: Ethical Marketing				
HC-BP-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	quantitative	No such incident occurred during the year.	
HC-BP-270a.2	Description of code of ethics governing promotion of off-label use of products	qualitative	1.8 Customer Relations	26
Topic: Employee Recruitment, Development & Retention				
HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development staff	qualitative	3.1 Human Resources Overview	37
HC-BP-330a.2	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) mid-level managers, (c) professionals, and (d) all others	quantitative	3.1 Human Resources Overview	37

Code	Accounting Metric	Nature	Referenced Chapter/Disclosure	Page
Topic: Supply Chain Management				
HC-BP-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit programme or equivalent third-party audit programmes for integrity of supply chain and ingredients	quantitative	1.8 Customer Relations	26
Topic: Business Ethics				
HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	quantitative	No such incident occurred during the year.	
HC-BP-510a.2	Description of code of ethics governing interactions with health care professionals	qualitative	1.8 Customer Relations	26
Activity Metrics				
HC-BP-000.A	Number of patients treated	quantitative	1.8 Customer Relations	26
HC-BP-000.B	Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	quantitative	1.1 Company Profile	5

Appendix 3: Summary of Assured Items

<table>
<tr><th>Assured Items</th><th>Applicable Criteria</th><th>Page</th></tr>
<tr><td>In 2025, the Company has conducted cyber security related promotion and training for 114 hours, which was participated by at least 38 people, including managers and employees.</td><td>The total number of hours of education and training completed in 2025 according to the Company’s S.O.P. and the definition of cyber security.</td><td>24</td></tr>
<tr><td>In 2025, 476 persons cumulatively received 1,579 hours of educational training related to ethical business management issues (including courses for legal compliance for ethical business management, drug safety and health management and inspections, accounting system and internal control etc.).</td><td>The total number of hours of education and training completed in 2025 according to the Company’s S.O.P. and the definition of ethical business management.</td><td>21</td></tr>
<tr><td>In 2025, the Company has executed 1 GxP supplier assessments.</td><td>In 2025, the total number of suppliers audited according to the Company's S.O.P..</td><td>36</td></tr>
<tr><td>The Training situation based on employee job type and gender statistics in 2025.
<table>
<tr><th colspan="2">Item</th><th>Male</th><th>Female</th></tr>
<tr><td rowspan="3">Average Training Time (hour)</td><td>Managerial Officers</td><td>61.70</td><td>59.50</td></tr>
<tr><td>R&D Employees</td><td>54.06</td><td>59.68</td></tr>
<tr><td>Other Employees</td><td>47.13</td><td>58.37</td></tr>
</table></td><td>The total number of hours of education and training completed in 2025 in accordance with the Company’s S.O.P., classified by employee position and gender.</td><td>40</td></tr>
<tr><td>The retention rate of R&D employees was 100%.</td><td>The proportion of incumbent R&D personnel employed in 2025 to the employed R&D personnel at the end of 2024.</td><td>39</td></tr>
</table>

Appendix 4: Independent Limited Assurance Report (Translation)

Independent Limited Assurance Report

To PharmaEngine, Inc.

We have been engaged by PharmaEngine, Inc. ("Company") to perform assurance procedures in respect of the key performance indicators identified by the Company and reported in the 2025 Sustainability Report (hereinafter referred to as the "Identified Key Performance Indicators") and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The subject matter information is the Identified Key Performance Indicators of the Company. The Identified Key Performance Indicators and the respective applicable criteria are stated in the "Summary of Assured Items" of the Sustainability Report. The scope of the aforementioned Identified Key Performance Indicators is set out in the "Scope and Boundary" of the Sustainability Report.

Management's Responsibility

The Management of the Company is responsible for the preparation of the Identified Key Performance Indicators disclosed in the Sustainability Report in accordance with the respective applicable criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Identified Key Performance Indicators that are free from material misstatement, whether due to fraud or error.

Inherent Limitations

Certain subject matter information assured involves non-financial data which is subject to more inherent limitations than financial data. Qualitative interpretations of the relevance, materiality and the accuracy of data are more dependent on individual assumptions and judgments.

Compliance of Independence and Quality Management Requirement

We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies the Standard on Quality Management 1, "Quality Management for Public Accounting Firms" of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Key Performance Indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" of the Republic of China. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Identified Key Performance Indicators are free from material misstatement.

Under the requirements of the aforementioned standards, our limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the criteria as the basis for the preparation of the Identified Key Performance Indicators, assessing the risks of material misstatement of the Identified Key Performance Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Key Performance Indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Made inquiries of the persons responsible for the Identified Key Performance Indicators to obtain an understanding of the processes, and the relevant internal controls relating to the preparation of the aforementioned information to identify the areas where there may be risks of material misstatement; and
- Based on the above understanding and the areas identified, performed analytical procedures on the Identified Key Performance Indicators and performed substantive testing on a selective basis, including inquiries, observation, inspection, and reperformance to obtain evidence for limited assurance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Key Performance Indicators have been prepared, in all material respects, in accordance with the respective applicable criteria.

We also do not provide any assurance on the Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Key Performance Indicators in the Sustainability Report are not prepared, in all material respects, in accordance with the applicable criteria.

Other Matter

The Management of the Company is responsible for maintaining the Company's website. We have no responsibility to re-perform any procedures regarding the Identified Key Performance Indicators after the date of our assurance report, even if the Identified Key Performance Indicators or the applicable criteria have been subsequently modified.

Tsai, Pei-Hua
For and on behalf of PricewaterhouseCoopers, Taiwan
June 29, 2026

Appendix 5: Climate-Related Information of TWSE/TPEx Listed Company

1. Implementation of Climate-Related Information

Item	Implementation Status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Company's Board of Directors is the highest governance body responsible for overseeing climate change risks and opportunities, and is responsible for decision-making and overseeing climate-related issues and matters. The Sustainability Promotion Taskforce is the dedicated climate change management unit responsible for drafting strategies, assessing, monitoring, and implementing climate-related issues and matters. The Taskforce reports to the Board of Directors at least once a year on the implementation of the Company’s sustainability efforts and effectiveness, strategic goals, and revisions to relevant rules and regulations.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The Company annually identifies and assesses climate-related physical and transition risks in accordance with the TCFD framework. The financial and business impacts of these risks and opportunities are identified to formulate responses and strategies. For details, please refer to the Company’s 2025 Sustainability Report (page 53-54).
3. Describe the financial impact of extreme weather events and transformative actions.	For details regarding the financial and business impact of extreme weather events and transformative actions, please refer to the Company’s 2025 Sustainability Report (page 53-54).
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	To identify and assess significant operational impacts or risks, the Sustainability Promotion Taskforce is responsible for identifying climate risks relevant to the Company's operations, analyzing the specific potential financial and business impacts, planning and implementing annual plans, and tracking implementation results to ensure that the climate risk identification, assessment, and management processes are integrated into the overall risk management system and fully implemented in the Company's daily operations.

Item	Implementation Status
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Using the scenario of Typhoon Nari, which resulted in the record-breaking 24-hour rainfall of 425.2 mm recorded by the Taipei Weather Station on September 17, 2001, the area near our office could experience short-term flooding, forcing employees to work from home and potentially delaying product shipments. While this requirement will have minimal impact on our operations, to ensure greater supply stability, we may increase our safety inventory level, leading to higher inventory costs. Based on our estimated inventory of approximately NT$39.87 million at the end of 2025, a 1% increase in inventory would result in an increase of approximately NT$390,000 in inventory costs.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company has a transition plan for managing climate-related risks. For details regarding the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks, please refer to the Company's 2025 Sustainability Report (page 53-54).
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The number of employees of the Company is only around 30 people, and the operation site is a small-scale office in Taipei, as our data show our scope 1 and 2 GHG emissions are mainly from procuring electricity from external sources and its share accounts for less than 5% of our total GHG emissions. Out of the Company's total GHG emissions, scope 3 is the main source, hence after careful evaluation, the management team believes it is not suitable for the Company to initiate internal carbon pricing at this moment.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The Company sets climate-related targets, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year are being specified in the Company's 2025 Annual Report (page 73-81).
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (specified in 1.1 and 1.2 below).	The Company has established our carbon neutrality goal and the GHG inventory (scope 1 and 2) has been assured by third-party institutions annually. Related information such as status, accomplishments, and action plans has been reported in board meetings quarterly. For more details, please refer to the Company's 2025 Sustainability Report (page 47-48) and 2025 Annual Report (page 73-81 and 96-97).

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent Two Fiscal Years-

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT$ million), and data coverage of greenhouse gases in the most recent two fiscal years:
Please refer to the Company's 2025 Sustainability Report (page 47-48) and 2025 Annual Report (page 73-81). The Company has yet to disclose emission intensity. The topic will be included in future discussions on data disclosure.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent two fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion:
The Company's greenhouse gas (GHG) statements, which comprises of emissions inventory and the explanatory notes of scope 1 and 2, have been assured by third-party institutions annually. 【2024】 Assurance Scope: The Company (HQ) Assurance Institution: PricewaterhouseCoopers, Taiwan Assurance Standards: Standard on Assurance Engagement 3410, "Assurance Engagements on Greenhouse Gas Statements" of the Republic of China ("TWSAE 3410") Assurance Statement: Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that The Company's GHG statement for the year ended December 31, 2024, is not prepared, in all material respects, in accordance with the applicable criteria. 【2025】 Assurance Scope: The Company (HQ) Assurance Institution: PricewaterhouseCoopers, Taiwan Assurance Standards: Standard on Assurance Engagement 3410, "Assurance Engagements on Greenhouse Gas Statements" of the Republic of China ("TWSAE 3410") Assurance Statement: Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's GHG statement for the year ended December 31, 2025, is not prepared, in all material respects, in accordance with the GHG Protocol, the climate related information of TWSE or TPEx listed company under Regulations Governing Information to be Published in Annual Reports of Public Companies and the Q&A on the Sustainable Development Roadmap for Listed Companies issued by the Financial Supervisory Commission.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets:
Please refer to the Company's 2025 Sustainability Report (page 47-48) and 2025 Annual Report (page 73-81 and 96-97).

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